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Annual Report

for the fiscal year 2018-01-01 - 2018-12-31

The Board and CEO of Nasdaq Clearing AB hereby submit the following

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Registered office of the Board: Stockholm

Company's accounting currency: Swedish kronor (SEK).

All amounts are stated in thousands of Swedish kronor (SEK 000s) unless otherwise indicated.

Administration report

Information about operations

In 2018 Nasdaq Clearing, together with its members and customers, continued to develop its operations in accordance with the internal strategy. This includes increased operational and capital efficiency, the creation of conditions for organic growth and the support of launches of new products and services. Furthermore the adaptation to new regulations and preparations for Brexit continues. The turnover has increased for all clearing products during 2018 where equity related index products individually account for the most positive growth.

Operations

Nasdaq Clearing AB conducts authorized clearing operations, licensed under the European Market Infrastructure Regulation (EMIR), and under the supervision of the Swedish Financial Supervisory Authority. The company offers central counterparty clearing in the following asset classes:

- Share and index derivatives in the Nordic market
- Fixed-income derivatives in the Nordic market
- Commodities derivatives linked to Nordic, German, German-Austrian, UK, French, Italian, Spanish and Dutch electricity, freight, fuel oil, Dutch, German and UK gas, Norwegian-Swedish electricity certificates as well as to emission rights
- Fish derivatives linked to Norwegian salmon
- Repo contracts in bonds in the Nordic market

Products and services

The company's product niche is to manage risks and provide efficient and secure counterparty clearing both for exchange traded and OTC-traded financial instruments.

Customers

The company's market is Europe with particular focus on the Nordic region, the United Kingdom and the Baltic countries. The company's customers are its members, such as, for example Swedish and foreign banks and securities companies, commodities producers and commodities brokerage firms clearing trading on their own or their customers' behalf.

Members

At the end of the year, December 31, 2018, Nasdaq Clearing had a total of 242 members trading in the Derivative Markets (FIN) and Commodity Derivatives (COM). The various types of members are described below.

- General Clearing Members (GCM), who can clear both their own trading and trading on their customers' behalf (including non-clearing members (NCM's)).
- Direct Clearing Members (DCM), who is active in the Derivative Markets (FIN) and can clear both their own trading and trading on their customers' behalf (but not NCMs).
- Clearing Members (CM), who is active in the Commodity Derivatives (COM) and can clear both their own trading and trading on their customers' behalf (but not NCMs).
- Direct Clearing Client (DCC), who can clear both their own trading and trading on their customers behalf (but not NCMs) that is done through a Direct Clearing Agent.

During 2018, there were 24 (9) new members and 46 (54) terminated memberships.

Risk management

Nasdaq Clearing primarily manages risks attributable to its clearing operations. These are mainly credit and counterparty risk and market risks, but Nasdaq Clearing is also exposed to operational risks, legal risks and business risks as a natural result of its operations. Nasdaq Clearing is licensed to conduct clearing operations and is under the supervision of the Swedish Financial Supervisory Authority.

Nasdaq Clearing acts as a central counterparty to all outstanding transactions cleared by Nasdaq Clearing. The cleared transactions primarily pertain to derivative transactions with underlying financial instruments (such as Swedish equities, equity index and fixed-income instruments) and underlying derivative transactions involving commodities (such as Nordic power derivatives). Nasdaq Clearing also clears certain spot products, such as repurchase contracts (repos) for the Swedish and Danish bond markets. Cleared instruments refer to both exchange-traded instruments and instruments traded OTC (over the counter). In its capacity as the central counterparty in all cleared transactions, Nasdaq Clearing is the legal counterparty to, and guarantees the fulfillment of, all cleared contracts. As the legal counterparty in each cleared contract, Nasdaq Clearing assumes counterparty risks between buyers and sellers

in the contracts. Nasdaq Clearing does not utilize cleared contracts for any form of trading on its own behalf, and Nasdaq Clearing continuously maintains balanced positions in all cleared contracts in its capacity as guarantor for the fulfillment of these contracts. In accordance with Nasdaq Clearing's rules and regulations, a counterparty's positions are aggregated and netted to create a single position for each counterparty, through which margin requirements are calculated (see below).

Credit risk and counterparty risk

Clearing operations

The Risk Management department in Nasdaq Clearing has responsibility for managing this credit and counterparty risk. The aim is to manage the risk in accordance with regulatory requirements, international industry standards and the permitted level of risk as established by the relevant body within Nasdaq Clearing. Credit and counterparty risk is primarily managed on three different levels.

Level 1 ensures that members and counterparties meet the minimum requirements imposed and that the counterparties have sufficient credit worthiness.

Level 2 requires that all counterparties must pledge collateral to cover for potentially negative market values, as well as additional collateral to cover for market fluctuations that may occur prior to the clearing house closing the positions in case a counterparty default on payment to Nasdaq Clearing. The collateral requirements are continuously calculated during the day and new collateral is collected at least once a day. Nasdaq Clearing may also, should the need arise, demand additional collateral from one or more counterparties over the course of a day. The continuous assessment of positions and collection of collateral facilitates the early identification of counterparty defaults in relation to Nasdaq Clearing. Collateral comprises either cash funds in currencies approved by Nasdaq Clearing or securities approved by Nasdaq Clearing and pledged for the benefit of Nasdaq Clearing. The handling of collateral means that the counterparty collateral that is pledged is held directly in the name of Nasdaq Clearing in so-called trustee accounts immediately available to Nasdaq Clearing in the event of default by the counterparty. Pledged collateral in the form of cash and cash equivalents is reported when a transfer of ownership has occurred to Nasdaq Clearing, which is thus recognized as an asset with a corresponding liability in the balance sheet, and amounted to SEK 38,708 million (29,553) on December 31, 2018. Collateral received in the form of pledged securities is not recognized in the balance sheet since a transfer of ownership to Nasdaq Clearing has not occurred. On December 31, 2018, securities received as collateral (including pledged assets to the default reserve) amounted to SEK 28,350 million (SEK 34,264 million). Collateral received also included any excess mortgaging.

Level 3 in credit and counterparty risk, to ensure Nasdaq Clearing's capacity to fulfill its obligations as a central counterparty, is the regulatory capital that Nasdaq Clearing retains which is in turn matched by highly liquid and immediately marketable assets. At December 31, 2018, the regulatory requirement was SEK 4,509 million (SEK 4,318 million). This amount primarily corresponds to Nasdaq Clearing's own investments in Swedish government bonds amounting to SEK 1,070 million and by member-financed default reserves totaling SEK 3,439 million. Of Nasdaq Clearing's own investments, a part of SEK 595 million should cover other risks pursuant to Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR), (such as operational, business, investment and legal risks) and comprise sufficient capital to shut down the operation involved in an orderly manner.

Members contribute funds to the default funds, which, if a counterparty defaults, are utilizable by Nasdaq Clearing to cover any losses arising from the termination of the defaulting counterparty's positions. Nasdaq Clearing has chosen to divide the members' funds into four reserves: one that is utilizable solely for default in the financial derivatives market, one that is utilizable solely for commodity derivatives markets (excluding salmon derivatives), one that is utilizable solely in the salmon derivative market and finally, a shared ("mutualized") reserve. The latter may be utilized regardless of the market in which the default occurs. Prior to utilizing the funds from the default reserve for the financial market, Nasdaq Clearing must use SEK 70 million of its own funds (Nasdaq Clearing's junior capital for the financial market). Prior to utilizing the funds from the default reserve for the commodity derivatives markets, Nasdaq Clearing must first use SEK 200 million of its own funds (Nasdaq Clearing's junior capital for the commodity derivatives markets). Prior to utilizing the funds from the default reserve for the salmon derivative market, Nasdaq Clearing must first use SEK 5 million of its own funds (Nasdaq Clearing's junior capital for the salmon derivatives market). Finally, the mutualized reserve may only be used after Nasdaq Clearing has first used, in addition to the junior capital pool and the default reserve for the particular market, an additional SEK 200 million of its own funds (Nasdaq Clearing's senior capital).

At December 31, 2018, the default reserve for the financial derivatives market totaled SEK 1,284 million, the reserve for the commodities market was EUR 161 million and NOK 59 million for the salmon derivatives market. The mutualized default reserve constitutes 15% of the contributions to the other three reserves, meaning about SEK 449 million. The default reserves are entirely member financed. Contributions to the default reserve that comprise cash and cash equivalents are recognized as an asset with a corresponding liability in the balance sheet.

In addition to the regulatory capital and the member-financed default reserves, certain members who are active in the interest-rate swap market also contribute additional risk-absorbing capital to a loss-sharing pool. This extra reserve of financial resources can only be used if a member defaults and has positions in interest-rate swaps. The members' contributions to this extra reserve may be reduced in the event of actions by a member to take over positions from the defaulted counterparty. On December 31, 2018, the loss sharing pool amounted to SEK 456 million.

Contributions in the form of cash and cash equivalents to the default reserves and loss sharing pool are reported when a transfer of ownership has occurred to Nasdaq Clearing, which is thus recognized as an asset with a corresponding liability in the balance sheet, and amounted to SEK 3,281 million (SEK 3,163 million) on December 31, 2018. Contributions to the reserves in the form of pledged government bonds do not entail a transfer of ownership to Nasdaq Clearing and thus are not recognized in the balance sheet. On December 31, 2018, pledged government bonds totaled SEK 1,146 million (SEK 1,603 million).

The policies for managing the credit and counterparty risk as per above, are based on high standards in the clearing and risk management operations, which entails well-defined procedures and processes in meetings of the Capital and Risk Committees and a stable IT environment. In terms of the credit and counterparty risk in clearing operations, no Nasdaq Clearing member is liable for more than 30% of the total exposure.

Investing activities

The credit risk that arises through fixed-income investments is managed through an investment policy adopted by the Board. This stipulates that all investments of regulatory funds and the cash funds pledged as margin by counterparties or used for default reserves may only be invested in securities issued by government or supragovernment issuers with a good credit rating, through short-term repurchase agreements whereby cash assets are invested against collateral in the form of securities issued by governments or through short-term bank deposits in banks with a good credit rating. Other cash and cash equivalents are mainly to be invested in the Group's cash-pool structure and in short-term internal interest-bearing assets.

Other operations

The credit risk that arises from accounts receivable is minimized at Nasdaq Clearing through the requirement that a company that will be a clearing member must meet the criteria in the membership agreement and in Nasdaq's regulations. One of these requirements is that the company provides documentary evidence that it possesses the profitability and financial resources to conduct its business. Other services and products are invoiced in advance on a fixed fee basis and larger variable fees are invoiced monthly in arrears thus minimizing the risk of losses in accounts receivable.

Settlement risks

To minimize settlement risks in the clearing business, delivery of underlying instruments is managed through delivery versus payment (DVP) transactions. Nasdaq Clearing also performs cash settlement of its derivative contracts through cash payments, either directly in the central banking system or, when this is not possible, through commercial banks with healthy credit ratings to thereby minimize settlement risks.

Liquidity risk/financing risk

Apart from the clearing operation, the liquidity risk attributable to Nasdaq Clearing's operations is limited. Nasdaq Clearing maintains no interest-bearing liabilities and therefore has no refinancing risks. In addition, the cash flow generated by operations is positive and exceeds investments by a healthy margin. The liquidity risk that Nasdaq Clearing is mainly exposed to is of a category that may arise from clearing operations. Liquidity requirements may arise from operational problems at a counterparty or bank, problems with the delivery of underlying instruments on the expiration date of derivative contracts, or if a member defaults against Nasdaq Clearing. Nasdaq Clearing measures the potential liquidity requirement in the currencies concerned on a daily basis. Nasdaq Clearing manages these liquidity risks by approving only collateral of very high quality from members and by placing its own financial resources in highly liquid assets. In addition, committed lines of credit from external banks totaling approximately SEK 1,833 million are available to Nasdaq Clearing. It is possible to utilize these facilities in various currencies and they have been distributed between five participants.

Market risk

Currency risk

Currency exposure at Nasdaq Clearing primarily arises from the operations in commodities where the majority of the costs is denominated in NOK and the majority of revenue is denominated in EUR. The assessment is that the total currency-transaction exposure in the aforementioned flows is relatively limited and manageable, which is why Nasdaq Clearing has decided not to hedge this particular risk. Bank funds that are denominated in a non-functional currency, meaning a currency other than SEK (and NOK for the Norwegian branch) for liquidity purposes are hedged through currency futures. The collateral pledged by members in the form of cash funds is always reinvested in the currency in which the member has pledged the collateral, which eliminates the currency risk. The translation of the Nasdaq Clearing Oslo branch to SEK is not hedged. The translation is directly recognized in addition to shareholders' equity and does not impact the reported profit or loss.

Interest-rate risk

The interest-rate risk is primarily linked to investments of the regulatory capital and the cash funds pledged as collateral by members. These investments are mainly made in Swedish and European treasury bills, bonds and balances at central banks. On December 31, 2018, the average duration of these assets was 0.07 years (0.10). Nasdaq Clearing does not use derivatives for its investing activities.

Market risk pertaining to cleared derivative transactions

Nasdaq Clearing acts as a central counterparty to all derivatives cleared by Nasdaq Clearing. The fair value of these derivatives is impacted by changes in the price of underlying instruments (equities, fixed-income, commodities) and in market-interest rates (assessment input). Since Nasdaq Clearing's transactions are always matched, this market risk has no impact on earnings or shareholders' equity, but solely impacts the balance sheet.

Other risks

Operational risks, legal risks and business risks are managed by a framework to identify, classify and escalate risks that arise as a natural result of the operations. A separate function in the Risk Management Department is responsible for continuously monitoring these risks, and continuously presenting an overview of these risks to Nasdaq Clearing's Board of Directors. A system solution for reporting operational risk incidents, a continuous evaluation of existing risk controls and scenario analyses are used as tools.

Significant events during the fiscal year

Member default in the Norwegian energy market

In September 2018 a member active on Nasdaq Clearing's commodity market defaulted towards Nasdaq Clearing. An extreme arbitrage occurred in the energy market which affected the spread position between Norwegian and German Power and as a result the member was unable to meet Nasdaq Clearing's increased margin requirements for the accrued loss on his positions. Nasdaq Clearing acted according to the internal process for a default and closed down the risk in the members' portfolio. The default resulted in a loss of SEK 1,193 million which was first allocated to Nasdaq Clearing (the junior capital of SEK 70 million) and then allocated between the members and the default reserve for the commodity market with SEK 1,123 million in accordance with the waterfall default principle.

Within the stipulated time of two banking days after the alarm the default reserve had been used to cover the default loss Nasdaq Clearing had replenished the junior capital with SEK 70 million and the members had replenished the default reserve contribution used. Nasdaq Clearing has also increased the junior capital for the commodity market with SEK 200 million.

In order to minimize the risk profile for the commodity market Nasdaq Clearing decided to increase the margin requirements immediately after the default by increasing the confidence level for commodity products which meant that risk was transferred from the mutualized default reserve of the commodity market to the individual member's margin reserve. Nasdaq Clearing also immediately initiated an assessment of Nasdaq Clearing's risk management and developed a comprehensive plan to strengthen the company's risk management during 2019. Several of the measures identified have already been implemented.

In November 2018 the defaulted member entered into an agreement with its creditors (Nasdaq Clearing included) to refund the loss caused by the default. Funds repaid from the defaulted member will first be allocated to the members of the commodity market and thereafter to Nasdaq Clearing in case of surplus in accordance with the internal default process.

In December 2018 Nasdaq Clearing initiated a Capital Relief Program which was booked as a provision and a cost of SEK 203 million. The voluntary program was open to the members of the commodity market and each member who accepted the program receives its pro rata share of the programs total amount in relation to the members default reserve replenishment contribution. Payments related to the Capital Relief Program are in addition to payment for funds recovered from the defaulted members.

Incident in data center

On April 18th 2018, Nasdaq Clearing was affected by a serious incident in the primary data center which led to delays for the derivative and commodity markets. After the incident, Nasdaq Clearing has invested considerable resources in investigating what caused the incident and ensuring a similar incident cannot be repeated.

Relokation and delist of contracts for freight and fuel oil

In July 2018 the planned relocation of the freight business area from Nasdaq's European commodity market to the Nasdaq Groups American market NFX (For which clearing is conducted by an American clearing house) was completed.

During the year delisting of fuel oil contracts also took place. All positions in these contracts were closed down by the customers and the contracts were fully unlisted on January 1st 2019.

Brexit

During the year Nasdaq Clearing has participated in a larger Brexit-project for the Nasdaq Group with the purpose of securing its British members continual access to Nasdaq's services, even in a so called "hard Brexit" in the case that Great Britain leaving the European Union without a contract. For Nasdaq Clearing the focus has been on supporting its London based members to apply for new membership from EU27-lands and move the whole or part of their positions from accounts owned by the London-member to the

new members account. Furthermore Nasdaq Clearing has been registered with Bank of England under the temporary regime that Britain has introduced, allowing EU-based clearing houses to continue to offer their clearing services to British members, regardless if they move to another EU27 land or stay in London, even in the case of Great Britain leaving the European Union without a contract.

Review and sanctions by the Swedish Financial Supervisory Authority

In 2015, the Swedish Financial Supervisory Authority (SFSA) carried out an investigation into how the company manages cyber risk. As a result of its investigation, the SFSA levied a fine of SEK 25 million on Nasdaq Clearing, which was expensed in 2016. Nasdaq Clearing appealed the decision to the Administrative Court Law on the 2nd of January 2018. On May 3rd 2018 the Administrative Court ruled to annul the decision from the SFSA.

The ground for the ruling stated that the decision to impose a penalty on the company was in conflict with the proportionality principle. According to the Administrative Court who approved Nasdaq Clearings arguments in this case, a decision of imposed sanction fee must be both appropriate and necessary to be considered as proportional.

On the 4th of January 2019 the SFSA appealed the decision from the Administrative Court to the Chamber of Appeal who abrogated the rule of the Administrative Court and said a new trial should be held in the Administrative Court with regard to the "instansordningsprincipen" where the Administrative Court had not considered whether the company had breached its obligation under current legislation. According to the Chamber of Appeal the proportionality principle is only applicable after it has been established whether obligations have been breached or not.

The 24th of January 2019 Nasdaq Clearing appealed the decision from the Chamber of Appeal to the Supreme Administrative Court and requested that the Supreme Administrative Court confirm the ruling of the Administrative Court and annuls the decisions of the Chamber of Appeal.

Organization changes at Nasdaq Clearing

During the year, changes were made to the management group for Nasdaq Clearing AB, which as of December 31, 2018 includes: Julia Haglind (CEO), Jesper Bruzelius (new Chief Risk Officer), Henrik Selhammer (new Chief Operating Officer), Michael Nolte (Chief Technology Officer), Pauline Lundgren (Chief Compliance Officer), Göran Bolin (Head of Business Development), Gustaf von Boisman (Head of Product Development), Erica Brown (Head of Internal Affairs), Evelina Valiukoniene (Branch Manager Vilnius), Mette Steinsland (Branch Manager Oslo) and Johan Mattsson (new Legal Counsel). At the end of 2018, the company had 61 direct employees.

Earnings trend 2019

Nasdaq Clearing AB's net sales amounted to SEK 598 million (576). Increased net sales mainly related to increased activity in the index market. Operating expenses amounted to SEK 870 million (549). Increased operating expenses is mainly due to costs related to the default incident (for further information see "Significant events during the fiscal year").

Profit before depreciation, amortization, financial items and tax amounted to SEK -54 million (247), corresponding to an EBITDA margin of -9% (43%).

The company's expected future development

The aim for 2019 is to strengthen Nasdaq Clearing's competitiveness by offering efficient and secure CCP-service, as well as continuing to launch new solutions that help our customers to manage challenges arising from the new regulations, Brexit and other changes in the market. Nasdaq Clearing has in line with market and regulatory expectations initiated a risk management program aiming to create further improved risk management. The program will mainly be implemented in 2019. In terms of products and services, focus is on reviewing the range of commodity derivatives and continuing to market clearing of OTC products, and preparing systems and processes for the implementation of CSDR (regulation on settlement and central securities depositories), which is taking place gradually in 2018-2020 in the markets in which Nasdaq Clearing is active. Furthermore Nasdaq Clearing is planning to introduce services for clearing of electricity trading with physical delivery for which Nasdaq Clearing has been nominated electricity market operator (NEMO) under EU Regulation 2015/1222 regarding determination of guidelines for capacity allocation and management of congestion with Nasdaq Clearing as central counterparty for clearing and settlement.

Research and development

Research and development constitute an integral part of operating activities with the primary aim of enhancing the efficiency of the operations and introducing new products and services. In 2018, investments were made to expand the product range of financial settled products within the commodity area and ESG-derivatives. Undertaking has also been initiated for the migration to a new IT-platform in order to adapt systems in accordance with CSDR requirements. Investments in research and development are expected to continue to a largely unchanged extent, with continued focus on regulatory requirements, IT, risk management and launch of new products and services.

The company's branches abroad

Nasdaq Clearing Oslo NUF is a Norwegian branch of Nasdaq Clearing. Nasdaq Clearing NUF conduct clearing related activities under NCs EMIR-license. Nasdaq Clearing also has a branch in Lithuania, Nasdaq Clearing AB Vilnius branch conducting operational tasks for the clearing house.

Use of financial instruments

Nasdaq Clearing invests in interest-bearing assets. The financial instruments that are thus utilized primarily comprise Swedish, European and US government bonds and treasury bills. Nasdaq Clearing also uses repurchase agreements whereby cash funds are invested mainly in return for collateral in the form of Swedish, European and US government bonds and treasury bills. No derivative instruments are used for investing activities. Currency derivatives may only be used for liquidity-promoting purposes. Such currency derivative contracts are entered into directly with external banks. The derivative contracts held on December 31, 2018 are presented in Note 21.

Environmental impact

Nasdaq Clearing AB has in accordance with the Annual Account Act, chapter 6, §11 chosen to provide the Sustainability Report separated from the Annual Report. Separate sustainability report is created by Nasdaq AB. Sustainability report has been submitted to the auditors with the Annual Report.

Ownership structure

Nasdaq Clearing AB is a wholly owned subsidiary of Nasdaq Nordic Ltd., corp. ID no. 556243-8001. The Group's Parent Company is Nasdaq Inc., with its registered office in Delaware, USA.

Five-year summary*	2018	2017	2016	2015	2014
Net sales (SEK m)	598	576	619	638	650
Income after financial items (SEK m)	-277	21	47	68	4
Operating margin (%)	-45,5%	4,7%	7,6%	10,9%	-1,0%
Return on equity (%)	-13,0%	0,9%	2,0%	3,0%	0,0%
Balance sheet total (SEK m)	68 910	66 142	64 164	54 236	86 898
Equity/assets ratio (%)	3,1%	3,3%	3,7%	5,0%	3,0%
Equity/assets ratio (excl. derivatives and repurchase transactions) (%)	66,1%	93,3%	93,0%	93,0%	88,0%
Average number of employees	66	67	70	66	40

* KPI definitions, refer to Note 28.

** Comparative figures for 2014 have not been restated in accordance with the new accounting policy for share-based remuneration

Proposed appropriation of earnings

The Board of Directors proposes that the profits available for distribution (SEK)

Profit brought forward	1 915 628 113
Net profit for the year	-206 079 153
	1 709 548 960

be distributed as follows:

dividend to shareholders (SEK 0.00 per share)	0
to be carried forward	1 709 548 960
	1 709 548 960

Income statement

	Not	2018-01-01 -2018-12-31	2017-01-01 -2017-12-31
Net sales	2	597 833	576 443
		597 833	576 443
<i>Operating expenses</i>			
Other external expenses	3,4	-283 754	-233 723
Personnel costs	5	-73 537	-73 434
Depreciation/amortization and impairment of tangible and intangible assets		-218 038	-220 613
Other operating expenses	7	-294 706	-21 321
		-870 035	-549 092
Operating profit		-272 203	27 351
<i>Income from financial items</i>			
Other interest income and similar profit/loss items	8	4 432	4 509
Interest expenses and similar profit/loss items	9	-9 628	-11 282
		-5 196	-6 773
Income after financial items		-277 399	20 578
Appropriations	10	53 000	0
Profit before tax		-224 399	20 578
Tax on profit for the year	11	18 319	-26 542
Net profit for the year		-206 079	-5 964

Balance sheet

	Not	2018-12-31	2017-12-31
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalized expenditure for research and development work and similar work	12	1 002	5 729
Trademarks, customer relationships and similar rights	14	0	68 587
Goodwill	13	0	144 337
		1 002	218 653
<i>Tangible assets</i>			
Equipment, tools, fixtures and fittings	15	1 169	1 355
		1 169	1 355
<i>Financial assets</i>			
Deferred tax assets	17	2 011	567
Other long-term receivables	16	9 721	6 831
		11 732	7 398
Total non-current assets		13 903	227 406
Current assets			
<i>Current receivables</i>			
<i>Financial instruments subject to clearing</i>			
Derivatives	21	19 499 908	12 270 795
Receivables from repurchase transactions		4 107 157	18 839 841
Investments of collaterals received as default reserve and margin requirement		42 011 245	32 716 071
Accounts receivable		10 905	10 459
Receivables from Group companies		920 673	1 102 142
Current tax assets		86 869	0
Other receivables		155 146	6 626
Prepaid expenses and accrued income		21 582	20 132
		66 813 485	64 966 066
<i>Short-term investments</i>		1 080 479	943 764
Cash and bank balances		1 001 710	4 477
Total current assets		68 895 674	65 914 306
TOTAL ASSETS		68 909 576	66 141 713

Balance sheet

	Not	2018-12-31	2017-12-31
SHAREHOLDERS EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted equity</i>			
Share capital	18	201 000	201 000
Statutory reserve		50 000	50 000
		251 000	251 000
<i>Non-restricted equity</i>			
Profit brought forward		1 915 628	1 901 775
Net profit for the year		-206 079	-5 964
		1 709 549	1 895 811
Total shareholders' equity		1 960 549	2 146 811
Provisions			
Provisions for pensions and similar commitments	19	381	596
Provisions other		203 118	0
Deferred tax liability		246	17 147
		203 745	17 743
Current liabilities			
<i>Financial instruments subject to clearing</i>			
Derivatives	21	19 499 908	12 270 795
Liabilities, repurchase transactions		4 107 157	18 839 841
Liabilities to members pertaining to default reserve and collateral pledged		42 011 245	32 716 071
Liabilities to Group companies		15 622	52 038
Accounts payable		39 184	3 209
Current tax liabilities		111	0
Other liabilities	23	1 011 625	35 352
Accrued expenses and deferred income	20	60 432	59 853
		66 745 283	63 977 159
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		68 909 576	66 141 713

Statement of changes in equity

	Share capital	Statutory reserve	Profit brought forward	Net profit for the year	Total
Opening balance 2017-01-01	201 000	50 000	2 106 044	-3 560	2 353 484
Transfer of profit/loss from previous year	0	0	-3 560	3 560	0
Equity effect of changed tax rate for IA	0	0	-17 146	0	-17 146
<i>Transactions with shareholders:</i>					0
Dividend paid	0	0	-180 000	0	-180 000
Translation difference, foreign branches	0	0	-3 563	0	-3 563
Net profit for the year	0	0	0	-5 964	-5 964
Closing balance 2017-12-31	201 000	50 000	1 901 775	-5 964	2 146 811
Opening balance 2018-01-01	201 000	50 000	1 901 775	-5 964	2 146 811
Transfer of profit/loss from previous year	0	0	-5 964	5 964	0
Equity effect of changed tax rate for IA	0	0	19 650	0	19 650
<i>Transactions with shareholders:</i>					0
Dividend paid	0	0	0	0	0
Translation difference, foreign branches	0	0	168	0	168
Net profit for the year	0	0	0	-206 079	-206 079
Closing balance 2018-12-31	201 000	50 000	1 915 629	-206 080	1 960 549

Cash flow statement

	2018-01-01	2017-01-01
	-2018-12-31	-2017-12-31
Operating activities		
Operating profit	-272 203	27 351
Adjustments for non-cash items, etc.		
Depreciation/amortization and impairment	218 039	220 613
Capital gain	-28	
Group contribution	53 000	
Changes in provisions	202 903	-21 438
Share-based remuneration	0	-3 088
Exchange-rate differences	177	-2 662
	201 888	220 776
Interest received	4 432	4 509
Interest Paid	-9 627	-11 282
Income tax paid	-86 795	-60 592
Cash flow from operating activities before changes in working capital	109 898	153 411
<i>Changes in working capital</i>		
Changes in operating receivables	31 053	-255 487
Changes in operating liabilities	976 410	-1 815
Cash flow from operating activities	1 117 361	-103 891
<i>Investing activities</i>		
Acquisitions of non-current assets	-3 718	
Sale of non-current assets	656	4 018
Cash flow from investing activities	-3 062	4 018
<i>Financing activities</i>		
Tax	19 649	
Dividend paid	0	-180 000
Cash flow from financing activities	19 649	-180 000
Cash flow for the year	1 133 948	-279 873
Cash and cash equivalents at beginning of year	948 241	1 228 157
Exchange rate differences in cash and cash equivalents	0	-44
Cash and cash equivalents at year-end	2 082 188	948 240

Notes

Note 1 Accounting policies, etc.

General accounting policies

The Annual Accounts have been prepared in accordance with the Annual Accounts Act (1995:1554) and BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3).

Group affiliation

The immediately superior Parent Company that prepares consolidated financial statements in which the company is included is Nasdaq Inc., Delaware, USA, (employer ID no. 52-1165937). www.nasdaq.com

Revenue recognition

The company's main revenue comprises transaction revenue, which is revenue generated from clearing, and revenue from management of collateral pledged. Revenue is recognized in profit and loss when it is probable that future economic benefits will accrue to the company and that these can be reliably measured.

Leases

The company recognizes all leases, both finance and operating, as operating leases. Operating leases are recognized as a cost straight-line over the leasing period. Also refer to Note 4.

Remuneration of employees

Remuneration of employees refers to all types of remuneration that the company pays to employees. The company's remuneration includes salaries, paid vacation, paid absence, bonuses and compensation after retirement (pensions). Recognition occurs in pace with vesting. Remuneration of employees after retirement pertains to defined-contribution pension plans. Defined-contribution plans are classified as plans in which established premiums are paid and there are no obligations, either legal or constructive, to pay anything further beyond these premiums. The company has no other long-term remuneration arrangements to employees. Premiums for defined-contribution plans are recognized as an expense in the period in which the employees perform the services that form the basis of the commitment.

Long-term incentive program

All employees participate in Nasdaq Inc.'s long-term incentive program. Based on the employee category, the program includes the allocation of shares and warrants in Nasdaq Inc. to which, to a certain extent, performance requirements and a requirement of continued employment in the company have been linked. Incentives will be exercised within a period of three to five years. The company is charged for current costs for the warrants program by the Parent Company. The costs charged by the Parent Company are based on the value of the shares or warrants at the time of allocation and is spread over the expected vesting period. Social security expenses arising from these share-based programs are finally determined on the exercise date, but provisions are made on an ongoing basis over the vesting period based on the market value.

Social security expenses for share-based remuneration

In accordance with Chapter 26, share-based remuneration, in BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3), social security expenses on share-based remuneration are calculated and allocated based on the number of shares received over the entire length of the program, meaning over the entire vesting period.

Remuneration policy

A report on the remuneration policy in accordance with the Swedish Financial Supervisory Authority's general guidelines on remuneration policies, FFFS 2016:21, is published on the company's website, <http://business.nasdaq.com/trade/clearing/nasdaq-clearing>

Translation of items in foreign currencies

Receivables and liabilities in foreign currencies were valued at the closing day rate. Exchange gains and losses on operating receivables and operating liabilities are recognized in operating income while exchange gains and losses on financial receivables and liabilities are recognized as financial items.

Group contributions

Group contributions received and paid are recognized as appropriations.

Taxes

Current and deferred income tax is recognized under the heading "Taxes" in the income statement. National income tax in Sweden is calculated on nominally entered earnings with additions for non-deductible items, deductions for non-taxable revenues and other deductions. Deferred tax assets are recognized for all deductible temporary differences and unutilized loss carry-forwards, to the extent it is probable that future taxable profit will be available against which the temporary differences or unutilized loss carry-forwards can be used. The deferred tax assets' carrying amounts are reviewed on each closing date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized, and increased to the corresponding extent. Deferred tax assets and liabilities are calculated by applying the tax rates and laws that have been decided or announced on the closing date and that are expected to apply for the period in which the deferred tax asset is realized or when the deferred tax liability is settled.

Non-current assets

Tangible and intangible assets are recognized at cost less accumulated depreciation/amortization and any impairment.

Goodwill is tested for impairment annually, whereby goodwill is written down if necessary. Intangible assets acquired through business combinations are identified and recognized separately from goodwill if they meet the criteria for an identifiable intangible asset and their fair value can be reliably measured. Customer relationships have been measured using the multi-period excess-earnings method. The useful life for goodwill and customer relationships has been estimated at ten years. Other intangible assets have been measured using a revenue-based method.

Tangible assets were divided into significant components when the components have highly varying useful periods. The depreciable amount consists of acquisition value reduced with a calculated residual value if this is significant. Amortization/depreciation takes place straight-line over the expected useful life.

The following amortization/depreciation periods are applied:

Intangible assets

Capitalized expenditure for research and development work and similar work	5 år
Trademarks and customer relationships and similar rights	10 år
Goodwill	10 år

Tangible assets

Equipment, tools, fixtures and fittings	5 år
---	------

The company applies the so-called capitalization model for internally created intangible assets. The method entails that all charges that fulfill the criteria in BFNAR 2012:1 are capitalized as intangible assets and amortized over the estimated useful life of the asset.

Financial instruments

Financial instruments are recognized according to BFNAR 2012:1 (K3), Chapter 12. Also refer to the description of each category of financial instruments.

Financial assets/liabilities held for trading

Short-term investments

The Nasdaq Clearing's short-term investments comprise treasury bills, bonds and other securities issued by the state, municipalities, Swedish commercial banks and Swedish mortgage institutions. These investments are measured at fair value. The return and changes in value are recognized net in the income statement.

Derivative instruments – currency futures

Derivative instruments are measured at fair value and changes in fair value are reflected in the income statement. Fair value is based on listed market prices. The carrying amount of currency futures is recognized in the balance sheet under "Accrued income and deferred expenses" or "Accrued expenses and deferred income" depending on their value on the closing date.

Financial instruments subject to clearing

Derivative contracts

Through its clearing operations, Nasdaq Clearing AB act as counterparty in each derivative contract, thereby guaranteeing the fulfillment of each contract. The fair value of outstanding derivative contracts is measured gross in the balance sheet as a receivable towards the acquiring counterparty and liability towards the selling counterparty. Receivables and liabilities are netted to the extent a contractual entitlement exists and the intention is to simultaneously settle the items. The company does not conduct any proprietary trading in these instruments on its own, and thus receivables and liabilities will always be balanced and no effect on earnings will arise. The fair value of forward contracts is determined using standard models based on observable market information, including LIBOR and spot prices of underlying financial instruments. The fair value of option contracts is determined using standard models based on observable market data, including implicit volatility, interest rates and spot prices of underlying financial instruments. The determination of the fair value of future contracts is based on listed market prices and average listed market interest rates.

Repurchase contracts (repo contracts)

Through its clearing operations, Nasdaq Clearing AB act as counterparty in each derivative contract, thereby guaranteeing the fulfillment of each contract. These repurchase agreements are not used for the company's own financing operations. In the balance sheet, the contracts are measured gross at fair value. Receivables and liabilities have been netted to the extent there is a legal right of offset and the intention is to simultaneously settle the items.

Pledged collateral for clearing operations

Through the clearing operations, Nasdaq Clearing AB serves as the counterparty in each derivative contract thereby guaranteeing the fulfillment of each contract. Customers, who through a derivative contract incur a financial obligation towards the company, must pledge collateral against this obligation in accordance with the specific rules regulating this area. Collateral received and default reserve contributions received in the form of cash and cash equivalents are recognized in the balance sheet as an asset and liability. Collateral received and default reserve contributions in the form of pledged securities and guarantees are not recognized in the balance sheet because a transfer of ownership to Nasdaq Clearing AB has not occurred.

Guarantee obligation

Through the clearing operations, Nasdaq Clearing AB serves as the counterparty in each derivative contract thereby guaranteeing the fulfillment of each contract. Realization of such guarantee obligation which arises from a default is recorded in the balance sheet as a short term liability with corresponding restricted cash asset held for the obligation.

Loans and receivables

Pertains to accounts receivable and receivables from Group companies measured at cost. All changes in value are recognized in profit and loss.

Other financial liabilities

Other financial liabilities pertain to liabilities to Group companies, accrued expenses and other financial liabilities and recognized at cost. All changes in value are recognized in profit and loss.

Participations in Group

Participations in Group companies are exempted from BFNAR 2012:1 (K3) Chapter 12 and recognized at cost less any impairment.

Branches abroad

Receivables and liabilities in foreign currencies were valued at the closing day rate. Exchange gains and losses on operating receivables and operating liabilities are recognized in operating income while exchange gains and losses on financial receivables and liabilities are recognized as financial items.

Cash flow statement

The company applies the indirect method to the preparation of the cash flow statement. Cash and cash equivalents are defined as short-term investments with maturity terms of less than three months, and cash and bank balances.

Receivables, liabilities and provisions

Current receivables are recognized at the lower of cost and the amount expected to result from settlement, unless otherwise indicated above. Long-term receivables and liabilities are recognized at amortized cost at the first measurement occasion. Other liabilities and provisions are recognized in the amounts expected to result from settlement. Other assets are recognized at cost, unless otherwise indicated above.

Note 2 Distribution of net sales

Net sales are distributed over the business areas as follows:

	2018	2017
Stock products	53 181	53 243
Index products	116 933	105 592
Fixed income products	127 894	126 658
Commodity products	182 281	178 337
Collateral management	100 672	89 885
Other income	16 871	22 728
	597 833	576 443

Note 3 Auditors' fees

	2018	2017
<i>Ernst & Young</i>		
Audit assignment	1 010	1 010
Other auditing activities	603	135
	1 613	1 145

Note 4 Leases – lessees

Operating leases

	2018	2017
Expensed leasing charges pertaining to operating leases	4 400	4 790
Future minimum leasing charges for non-terminable operating leases:		
To be paid within 1 year	4 247	3 741
To be paid within 1-5 years	13 449	18 040

Note 5 Employees and personnel costs

Average number of employees

	2018	2017
Men	34	32
Women	32	35
	66	67

	2018	2017
<i>Remuneration and other benefits</i>		
CEO	1687	1 245
<i>(of which variable component)</i>	-317	(407)
<i>(of which share-based component)</i>	-363	(1 263)
Board	1 016	1 495
<i>(of which variable component)</i>	0	(407)
<i>(of which share-based component)</i>	0	(1 169)
Other employees	47 876	49 262
<i>(of which share-based component)</i>	-4 186	(4 120)
	50 579	52 002

Pension and other social security expenses

Pension expenses for CEO	530	916
Pension expenses for Board	0	965
Pension expenses for other employees	4 977	4 412
Other social security expenses by law and agreement	15 354	15 887
	20 861	22 181

No board remuneration except salary were paid during the period

Remuneration structure

Nasdaq's employee remuneration consists of both fixed and variable remuneration, as well as pension and other benefits. Variable remuneration is divided into short-term and long-term incentive programs. The short-term incentive program encompasses all employees and is a cash-based remuneration linked to various targets in the business.

Share-based remuneration

In December 2008, the Nasdaq Board of Directors decided to implement a long-term incentive program (LTIP) for all permanent employees. This program consists of share-based instruments linked to the Nasdaq share, which is listed on the Nasdaq Stock Market in the US. The LTIP is a performance-based program. The ratio used for measuring performance is Nasdaq's operating income in the year concerned. The principles of share-based remuneration and its components are presented in more detail below.

The amount of an employee's share-based remuneration depends on the company's earnings, the business area's earnings, the team's targets and the employee's positions in the company.

The LTIP's share-based instruments comprise three different instruments:

Performance Share Units (PSUs) with 1-year performance, one-third transferred to employees per year. The number of shares transferred is linked to Nasdaq's corporate operating income with a payment interval of 0- 150%, meaning that the number of shares transferred can be lower or higher.

Performance Share Units (PSUs) with 3-year performance, one-third transferred to employees at 100% after 3 years. The number of shares transferred is linked to the Total Shareholder Return (TSR) and to S&P 500 earnings. The number of shares transferred can be lower or higher.

Restricted Stock Units (RSUs) that are vested over time (non-performance-based), 25% transferred after two years, 25% after three years and 50% after four years. The number of shares allotted is always the same as the number transferred.

The employees, depending on the position held, have been allotted a number of RSUs, a combination of RSUs and PSUs, or alternatively a combination of one-year PSUs and three-year PSUs.

Pensions

Nasdaq offers its employees a premium-based Nasdaq pension plan, for employees in Sweden the company offers its employees a competitive market-rate occupational pension. The retirement age is 65 years.

Other benefits

In addition to the above occupational pensions, Nasdaq has taken out a health insurance and an occupational injury insurance (TFA) for its employees in Sweden. Employees are also able to supplement their coverage through Nasdaq's voluntary group insurance.

Gender distribution among senior executives

Percentage of women on the Board	43%	29%
Percentage of men on the Board	57%	71%
Percentage of women, other senior executives	45%	40%
Percentage of men, other senior executives	55%	60%

Note 6 Intra-Group purchases and sales

	2018	2017
Percentage of total purchases during the year from other Group companies	27%	47%
Percentage of total sales during the year to other Group companies	8%	5%

Note 7 Other operating expenses

<i>Default related expenses</i>	2018	2017
Direct loss from default	-70 000	0
Cost for Capital Relief Program	-203 118	0
Other default related operating expenses	-345	0
Other operating expenses	-21 243	-21 321
	-294 706	-21 321

Note 8 Other interest income and similar profit/loss items

	2018	2017
Interest income from Group companies	3 995	2 792
Other interest income	29	76
Result from short-term investments	408	1 641
	4 432	4 509

Note 9 Interest expenses and similar profit/loss items

	2018	2017
Interest expenses to Group companies	-99	-43
Other interest expenses	-9 528	-11 240
	-9 627	-11 282

Note 10 Appropriations

	2018	2017
Group contribution	53 000	0
	53 000	0

Note 11 Tax on profit for the year

	2018	2017
Current tax	-249	46 767
Adjustment related to previous years	315	-3 025
Change in deferred tax for temporary differences	-18 385	-17 200
Total recognized tax	-18 319	26 542

Average effective tax rate - 129,0%

Reconciliation of effective tax rate

Recognized profit before tax	-224 447	20 578
Tax on recognized profit as per applicable tax rate (22%):	-49 378	4 527
Tax effect of:		
Other non-deductible expenses	69	70
Non-deductible goodwill impairment	31 754	31 754
Tax effect of translation differences	2 248	-4 580
Non-taxable income	-31	-85
Difference between Swedish (22%) and Norwegian tax (25%)	0	0
Norwegian tax	0	14 181
Offsetting, Norwegian tax	0	-14 181
Tax attributable to earlier years	315	-3 025
Other	-3 296	-2 120
Recognized tax	-18 319	26 542
Effective tax rate	-	129,0%

Disclosures on deferred tax assets, see Note 17
For the change in deferred tax liabilities, see note 19.

Note 12 Capitalized expenditure for research and development and similar work

	2018-12-31	2017-12-31
Opening cost	34 448	34 448
Acquisitions for the year	0	0
Sales/disposals	0	0
Closing accumulated cost	34 448	34 448
Opening amortization	-17 139	-10 250
Amortization for the year	-4 727	-6 890
Closing accumulated amortization	-21 866	-17 139
Opening impairment	-11 580	-11 580
Closing accumulated impairment	-11 580	-11 580
Closing carrying amount	1 002	5 729

Note 13 Goodwill

	2018-12-31	2017-12-31
Opening cost	1 443 378	1 443 378
Closing accumulated cost	1 443 378	1 443 378
Opening amortization	-1 299 040	-1 154 702
Amortization for the year	-144 338	-144 338
Closing accumulated amortization	-1 443 378	-1 299 040
Closing carrying amount	0	144 338

Note 14 Trademarks and customer relationships

	2018-12-31	2017-12-31
Opening cost	685 843	685 843
Closing accumulated cost	685 843	685 843
Opening amortization	-617 256	-548 672
Amortization for the year	-68 587	-68 584
Closing accumulated amortization	-685 843	-617 256
Closing carrying amount	0	68 587

Note 15 Equipment, tools, fixtures and fittings

	2018-12-31	2017-12-31
Opening cost	3 612	25 274
Sales/disposals	213	-21 662
Exchange-rate differences	0	0
Closing accumulated cost	3 825	3 612
Opening depreciation	-2 257	-20 477
Depreciation for the year	-387	-802
Sales/disposals	-13	19 022
Closing accumulated depreciation	-2 657	-2 257
Closing carrying amount	1 168	1 355

Note 16 Other long-term receivables

	2017-12-31	2016-12-31
Long-term receivables		
Deposit	3 728	10
Prepaid pension premium	5 686	6 342
Endowment insurance	307	479
	9 721	6 831
Opening cost	6 831	6 831
Payments received	3 718	2 250
Sales/disposals	-856	-3 883
Appreciation for the year	28	32
Carrying amount	9 721	5 231

Note 17 Deferred tax assets

	2018-12-31	2017-12-31
Opening balance	567	506
Reversed/Additional tax assets	1 444	60
	2 011	567

Also refer to Note 9 Tax on profit for the year.

Note 18 Number of shares

	2018-12-31	2017-12-31	2018-12-31	2017-12-31
	<i>Quotient value</i>	<i>Quotient value</i>	No. Of	No. Of
Class A shares	100	100	2 010 000	2 010 000
			2 010 000	2 010 000

Note 19 Provisions

	2018-12-31	2017-12-31
<i>Pensions and similar obligations</i>		
Amount at beginning of year	596	793
Amounts reversed during the year	-215	-197
	381	596

	2018-12-31	2017-12-31
<i>Deferred tax liability</i>		
Amount at beginning of year	17 147	38 407
Amounts reversed during the year	-17 147	-21 260
	0	17 147

	2018-12-31	2017-12-31
<i>Specification of deferred tax liabilities</i>		
Deferred tax liability, intangible assets	0	17 147
Total deferred tax liabilities	0	17 147

Also refer to Note 11 Tax on profit of the year

	2018-12-31	2017-12-31
<i>Other provisions</i>		
Amount at beginning of year	0	178
Provisions for the year	-203 118	0
Amounts reversed during the year	0	-178
	-203 118	0

	2018-12-31	2017-12-31
<i>Specification, other provisions</i>		
Capital relief program	-203 118	0
	-203 118	0

Note 20 Accrued expenses and deferred income

	2018-12-31	2017-12-31
Accrued remuneration and other benefits	8 370	7 921
Accrued vacation pay	6 006	6 640
Accrued social security expenses	1 150	1 073
Accrued volume discounts	1 661	2 865
Other accrued expenses	43 245	41 353
	60 432	59 853

Note 21 Financial instruments in clearing operations, derivatives

	2018-12-31	2017-12-31
Market value, derivative positions outstanding		
Share options and futures	2 395 825	1 082 860
Index options and futures	1 199 615	913 878
Interest-rate options and futures	5 315 202	5 977 795
Commodity options and futures	10 589 266	4 296 261
	19 499 908	12 270 795

Note 22 Collateral received for clearing operations

	2018-12-31	2017-12-31
Collateral received	28 350 560	33 201 389
Total collateral received	28 350 560	33 201 389

Note 23 Guarantee and restricted cash related to active contracts in DF portfolio

	2018-12-31	2017-12-31
<i>Guarantee and restricted cash related to active contracts in DF portfolio</i>		
Guarantee/obligation related to open contracts in default portfolio	-976 664	0
Restricted cash for settlement	976 664	0
	0	0

	2018-12-31	2017-12-31
<i>Specification of guarantee related to open contracts in default portfolio</i>		
Delivery	-219	0
Rounding	-2	0
Settlement T+1	25 988	0
Accrued PnL (non-delivery)	-999 418	0
Overlap	1 861	0
Debt vs Members	-4 873	0
Total guarantee related to open contracts in default portfolio	-976 664	0

	2018-12-31	2017-12-31
<i>Specification of restricted cash for settlement</i>		
Remaining collateral for settlement	976 664	0
Total specification of restricted cash for settlement	976 664	0

Note 24 Contingent liabilities

	2018-12-31	2017-12-31
Guarantees	40 994	53 415
	40 994	53 415

Note 25 Disclosures on financial instruments

Assets at 2018-12-31	Financial assets held for trading	Financial assets available for sale	Loans and receivables	Non-financial assets	Total
Financial instruments subject to clearing	23 607 065	42 011 245			65 618 310
Receivables from Group companies			920 673		920 673
Accounts receivable			10 905		10 905
Other receivables				155 146	155 146
Prepaid expenses and accrued income				21 582	21 582
Short-term investments	1 080 479				1 080 479
Cash and bank balances			1 001 710		1 001 710
	24 687 544	42 011 245	1 933 288	176 728	68 808 805

Assets at 2017-12-31	Financial assets held for trading	Financial assets available for sale	Loans and receivables	Non-financial assets	Totalt
Financial instruments subject to clearing	31 110 636	32 716 071			63 826 707
Receivables from Group companies			1 102 142		1 102 142
Accounts receivable			10 459		10 459
Other receivables				6 626	6 626
Prepaid expenses and accrued income				20 132	20 132
Short-term investments	943 764				943 764
Cash and bank balances			4 477		4 477
	32 054 400	32 716 071	1 117 078	26 758	65 914 306

Liabilities at 2018-12-31	Finansiella skulder som innehas för handel	Finansiella skulder som kan säljas	Övriga finansiella skulder	Icke finansiella skulder	Totalt
Financial instruments subject to clearing	23 607 065	42 011 245			65 618 310
Other provisions			381		381
Liabilities to Group companies			15 622		15 622
Accounts payable			39 184		39 184
Accrued expenses and deferred income			44 635	15 797	60 432
	23 607 065	42 011 245	99 822	15 797	65 733 928

Liabilities at 2017-12-31	Financial liabilities held for trading	Financial liabilities available for sale	Other financial liabilities	Non-financial liabilities	Totalt
Financial instruments subject to clearing	31 110 636	32 716 071			63 826 707
Other provisions			596		596
Liabilities to Group companies			52 038		52 038
Accounts payable			3 209		3 209
Accrued expenses and deferred income			43 318	16 534	59 853
	31 110 636	32 716 071	99 161	16 534	63 942 403

Note 26 Proposed appropriation of earnings

Proposed appropriation of earnings	2018-12-31	2017-12-31
The Board of Directors proposes that the unappropriated earnings		
Profit brought forward	1 915 628	1 901 775
Net profit for the year	-206 079	-5 964
	1 709 549	1 895 811
be appropriated as follows:		
dividend to shareholders (SEK 0.00 per share)	0	0
to be carried forward	1 709 549	1 895 811
	1 709 549	1 895 811

Note 27 Significant events after the end of the fiscal year

After year end changes were made to the management group for Nasdaq Clearing AB, which now includes: Julia Haglind (CEO), Jesper Bruzelius (Chief Risk Officer), Henrik Selhammer (Chief Operating Officer), Michael Nolte (Chief Technology Officer), Mette Steinsland (new Chief Compliance Officer), Pauline Lundgren (Business Manager, new role), Göran Bolin (Head of Business Development), Gustaf von Boisman (Head of Product Development), Erica Brown (Head of Internal Affairs), Evelina Valiukoniene (Branch Manager Vilnius), and Johan Mattsson (new Legal Counsel). At the end of 2018, the company had 61 direct employees.

There were no significant events after the end of the fiscal year.

Note 28 Definitions of key performance indicators

Operating margin

Operating income as a percentage of net sales

Adjusted equity

Equity plus untaxed reserves less deferred tax.

Return on equity

Income after financial items as a percentage of average adjusted equity

Equity/assets ratio

Adjusted equity as a percentage of total assets

Nasdaq Clearing AB
556383-9058

Stockholm, May 16th 2019

Fredrik Ekström
Chairman of the Board

Julia Haglind
CEO

Lars Nyberg
Board member

Chantal Wessles
Board member

Pia Warnerman
Board member

Osmo Jauri
Board member

Peter Strandell
Board member

Our audit report was submitted on June 14, 2019

Ernst & Young AB

Daniel Eriksson
Authorized Public Accountant