CATELLA

Annual Report 2012

An independent European finance group

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Catella is an independent financial advisor and asset manager. We have a presence in 12 European countries and 430 employees. Page 2

Specialised advisory services, based in the property sector

Catella provides specialised financial advisory services within Corporate Finance; most of this business consists of transaction advice in the professional property sector. Catella has a strong local presence in Europe, with 212 professionals at 22 offices in 11 countries. Page 14

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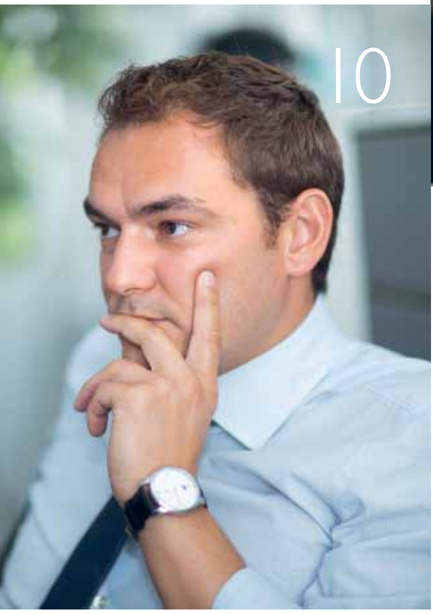
To be the best in independent financial services

Catella is being managed towards the goal of being the best, but not necessarily largest, independent financial services provider on selected European markets. Page 8

Catella believes in a culture where people think for themselves and make their own decisions

Since inception, Catella has operated according to clear, internally established core values. These values are embodied in its professionals' daily work, and shape Catella's services and way of dealing with clients. Page 10



Over 430 people contribute to Catella's positioning

The specialist expertise and market know-how that Catella's professionals possess enable Catella to create value in its two operating segments: Corporate Finance and Asset Management. Page 12

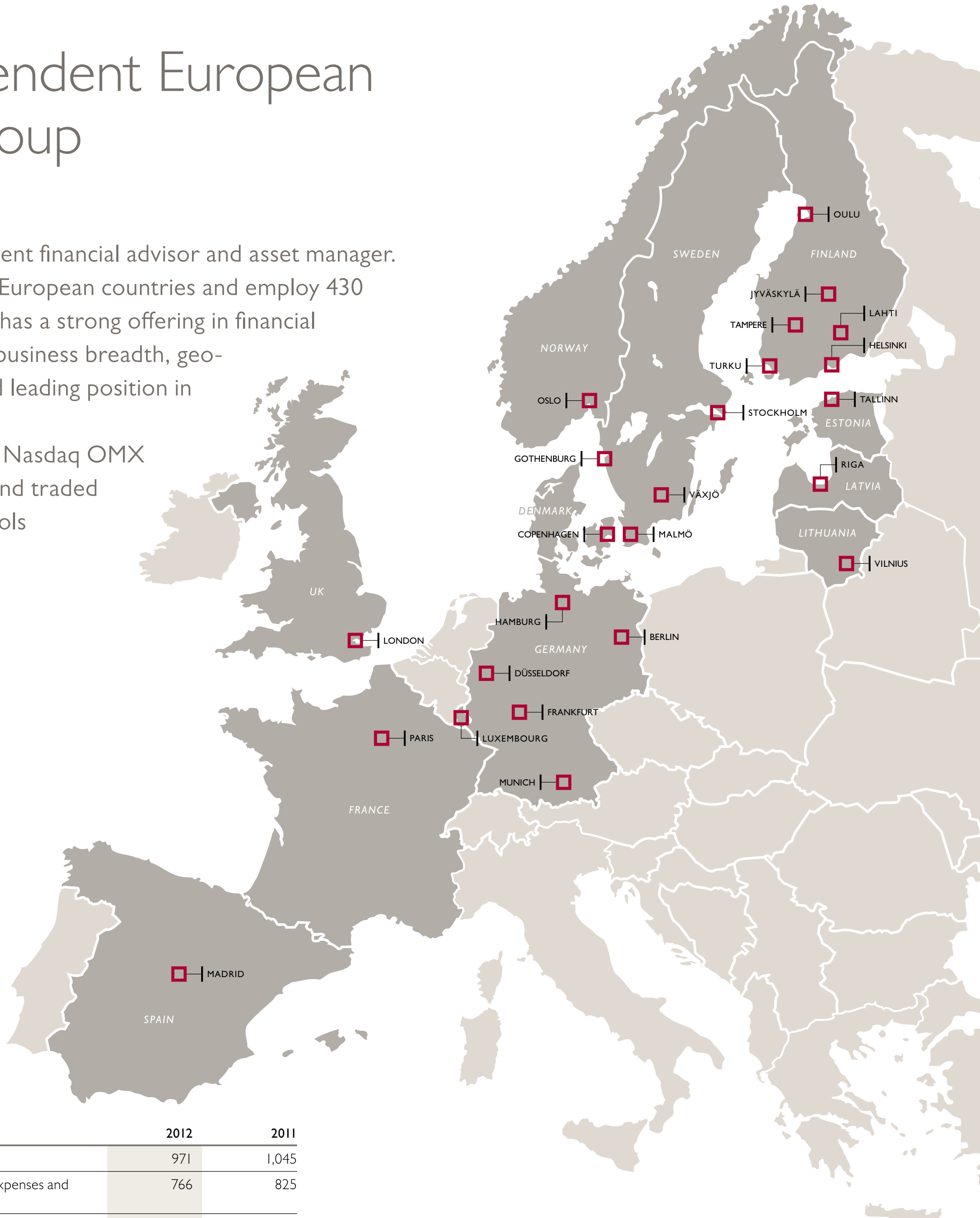
Broad-based asset management expertise with unique investment services

Catella provides institutions, corporations and private individuals with specialised financial services in fund and wealth management within the segment Asset Management. It also offers cards and payment solutions. 210 professionals work within Asset Management in four countries. Page 24

An independent European finance group

Catella is an independent financial advisor and asset manager. We are present in 12 European countries and employ 430 professionals. Catella has a strong offering in financial services through our business breadth, geographical diversity and leading position in the property sector.

Catella is listed on Nasdaq OMX First North Premier and traded under the stock symbols CAT A and CAT B.



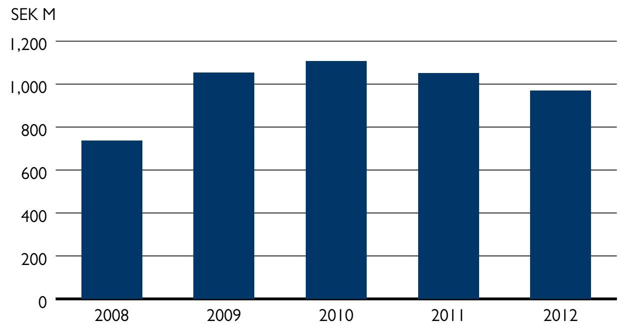
CONSOLIDATED KEY FIGURES

	2012	2011
Net sales, SEK M	971	1,045
Income excluding direct assignment expenses and commissions, SEK M	766	825
Operating profit/loss, SEK M [1]	6	1
Profit/loss before tax, SEK M [2]	30	–15
Profit/loss after tax, SEK M	–13	21
Earnings per share, SEK	–0.17	0.25
Return on equity, %	–1	2
Equity per share, SEK	11.32	12.00
Number of employees at end of year	434	443
Transaction volumes in Corporate Finance, SEK Bn	54	61
Volumes under management in Asset Management, SEK Bn	41	32

[1] Operating profit/loss before acquisition-related items and items affecting comparability.

[2] Profit/loss before tax for the full year 2012 is adjusted for items affecting comparability of SEK 34 M.

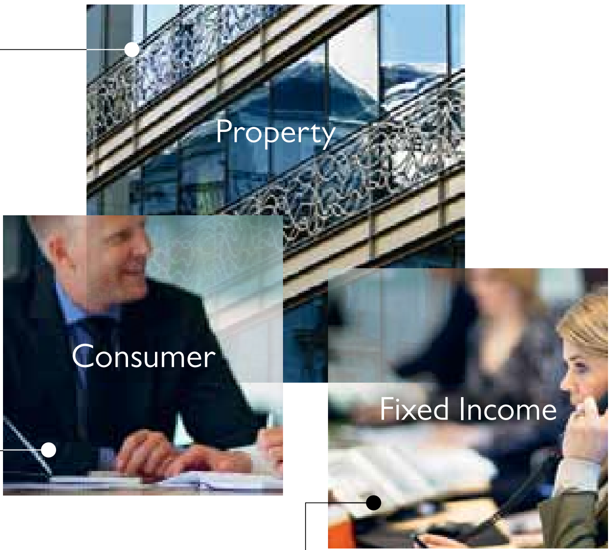
NET SALES PER YEAR 2008–2012



Corporate Finance

Property

Catella is a leading independent financial advisor in the European property sector, and delivers services in three main segments: Sales and Acquisitions, Debt and Equity, and Research and Valuation.



Consumer

Catella offers advisory services to corporations and private clients active in consumer-related sectors, mainly in the Nordics. The centre of gravity is on mergers and acquisitions (M&A).

Fixed Income

Catella offers corporations financing alternatives to bank borrowing and equity via the bond market. Catella also offers trading in fixed-income securities through its proprietary platform, Nordic Match.

Asset Management

Funds

Catella offers German and Finnish property funds with a European focus and orientation on various regions and sectors. In Sweden, Catella also offers active equity and fixed income management, as well as a portfolio of alternative products.

Wealth Management

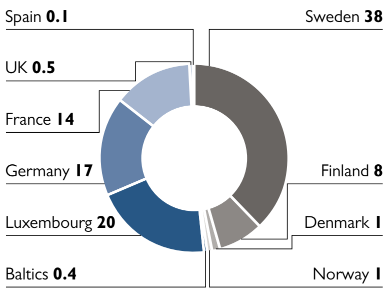
Catella provides tailored wealth management for corporations, institutions and private clients that require active independent advisory services and management.

Cards and Payment Solutions

Catella offers niche cards and payment solutions, focusing on Europe. Catella operates as a card issuing and card acquiring bank.

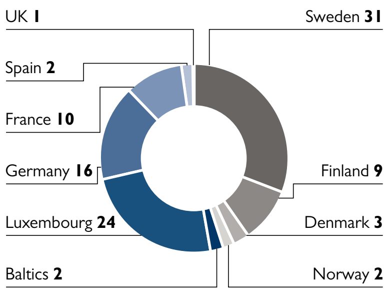
NET SALES BY COUNTRY 2012, %

Nordics   Non-Nordic Europe

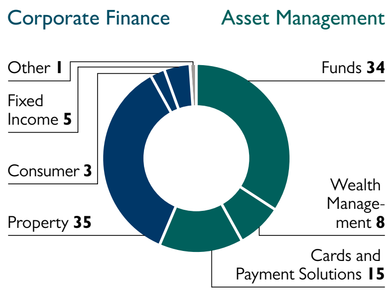


NUMBER OF EMPLOYEES BY COUNTRY 2012, %

Nordics   Non-Nordic Europe



NET SALES BY SERVICE SEGMENT 2012, %



Catella endeavours for balance between trading earnings and long-term value building

"As an owner representative in a number of companies, over the years, I have learnt that a long-term approach and perseverance, combined with good strategies, create the confidence necessary for long-term earnings and value creation. This is also Catella's primary aim.

Nearly three years have passed since we started our work on evaluating which service segments should shape the future Catella. Then, as now, our goal was to identify businesses that are stable over time and generate earnings, while simultaneously supporting each other on the product or market side.

This was based on the goal we set ourselves, to initiate a sales process of the banking operation, and this was despite us seeing high potential in the cards and payment business, which on an isolated basis, satisfies all the criteria we are pursuing; scalability, stability and good earnings capacity. However, synergies on the product and market side were not obvious.

After a fairly extended process, where there was no shortage of buyers, and where we are still being pursued, we took the decision to retain the bank, for precisely the reason I stated above. Even if there are no substantial operational synergies, our cards and payment business has great development prospects, which offer attractive potential for rapid value building.

Asset management is, and will remain, a significant part of Catella. Assuming certain minimum threshold volumes, earnings are stable and can be developed. The market's valuation of earnings from asset management is also fairly high, and accordingly, we will create significant shareholder value if we succeed in generating healthy profits in asset management.

The acquisition of EKF Kapitalförvaltning did not go as planned, and accordingly, we took a number of measures in our wealth management operation. With a new management, and partly new focus, we think that this business will achieve the necessary volumes within a few years. Catella's client offering is undeniably competitive, and gives us a good base to build on.

Our funds business is stable, and has opportunities and challenges.

With a sharper focus on our market and partially complementary product offering, we see great opportunities to grow with improved profitability. We take a upbeat view of Catella's investment in asset manager IPM. This company's volumes under management are substantial, and its focus on systematic asset management is very timely. In addition, it contributes to the rest of Catella's fund operation, providing greater uniqueness to our product offering.

Our Corporate Finance business is market dependent and cyclical. Catella has a strong market position and documented earnings for an extended period. I think that its profits are stable, and more than justify its position in a structure where long-term earnings are one of the over-arching aims. There are also synergies with the rest of our business, primarily on the client side.

Even if Catella's profitability did not attain the levels I had hoped for when I entered the company as an owner, I am optimistic. Despite economic conditions and difficulties facing the financial sector, Catella has made good progress. We have also executed several structural actions, which had been charged to profits. Catella is stable and attractive with good prospects for growth in both operating segments. If we succeed in strengthening our market positioning by increasing transaction volumes and volumes under management, this will result in higher earnings.

Catella is well positioned, with a good balance between trading earnings from Corporate Finance and its cards and payment business, and long-term value creation from Asset Management. Catella has high potential, which in time, I hope the stock market will reward.

JOHAN CLAESSON
Chairman of the Board
and principal owner

Extensive efforts to increase profitability

Our goal for 2013 is to strengthen our presence on the major European markets in Corporate Finance and build a competitive offering in Asset Management. In 2012, we commenced a number of projects to achieve this objective.

Integrating the bank

Our decision to retain the banking business in June was one of the most important events of the year. Since then, extensive efforts have been ongoing to develop and integrate the bank with the rest of our business. This work takes time, and is charged to profit in the short term. The work is demanding, but there is substantial profitability potential in the bank's cards and payment business.

High potential in cards

With its Visa and MasterCard licenses, Catella enjoys attractive growth prospects. A number of projects are currently ongoing to exploit the related earnings potential. Our cards and payment business also contributes to surplus liquidity, which offers us the opportunity to offer finance to our wealth management clients.

Direct relationships with investors

In parallel, we are gradually building a contemporary and cost-efficient wealth management business. We re-dimensioned our staffing in the year to build a new structure, which involved staff reductions and hiring.

Catella's broad-based asset management expertise, combined with strong positioning on the property market, means we have the capability to create a unique wealth management offering. By building a strong wealth management business, we will access a broader client base. This will improve the stability of our earnings over time.

Broad-based asset management expertise

Increasing our ownership of asset manager IPM was another important decision in 2012. Catella has long-term experience of active fund management and broad-based expertise in property, equities and fixed income. IPM possesses expertise in systematic asset management, and offers a wealth of exciting development opportunities. Meanwhile, IPM is inherently a very exciting company.

Strong position in Corporate Finance

2012 was a challenging year on the European transaction market overall. Total transaction volumes in Europe excluding the UK were down somewhat. Despite challenging market conditions for financial advisory services in Europe, we executed a number of major transactions and are retaining our strong positioning in the property sector. It is also pleasing that our advisory business in the consumer sector performed positively in 2012.

Developing our offering

We also took a number of major initiatives in 2012 within Corporate Finance to strengthen our business. Primarily through a resolute build-up of our

The year in brief

2012 JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST

5 January
Advisor on the sale of French property Les Renardières, with a value of EUR 148 M.

23 February
Advisor on SEK 900 M bond issue. The first major transaction in Catella's initiative in the financing segment.

19 March
Mats Andersson becomes Head of the Swedish Fund operation.

22 May
Launch of CREDI—the Catella Real Estate Debt Indicator, an indicator of the state of the Swedish property mortgage market.

28 June
Decision to retain the banking business. Corporate name changed to Catella Bank, integration work commences.

14 September
Five-year SEK 200 M bond issue, to replace previous bank financing facility.

27 September
Wealth Management in Sweden and Luxembourg coordinated, with Mikael Pauli appointed as head of this business.

29 October
Launch of Nordic Match, the first electronic matching system for corporate bonds in the Nordics.

advisory services in the financing segment. This has secured us with special status on the market by combining our specialist expertise in the property sector with the capacity to deliver financing solutions. With our in-depth sector focus and expertise, we are building an offering that is sharper than our competitors'.

The goal for 2013 is to strengthen our presence on Europe's major property markets. We will achieve this through channels including developing our business in Germany, which enjoys high growth potential.

Synergies between our businesses

Apart from all the operational collaboration opportunities in our various segments, our two operating segments support and complement each other financially.

Our Corporate Finance operation is not capital intensive but does generate substantial cash flows. Asset Management is based on long-term values and improves the stability of our earnings over time.

My role at Catella

I started up Catella's Corporate Finance business with colleagues over 20 years ago. I have held a series of executive positions since, as President and CEO for the past three years. Going forward, I will remain with Catella, but it is also the right time to consider the succession issue, because I will be 62 this year. Accordingly, we are commencing a search and selection process to identify my successor as President and CEO of Catella. This is a process that will take time, and I will continue to work as usual until my successor is in place. Once the appointment has been made, I am looking forward to remaining in a senior, business management role within Catella.

Catella is a fantastic company with great potential. And I'd like to keep contributing to developing this potential.

JOHAN ERICSSON
President and CEO

SEPTEMBER · OCTOBER · NOVEMBER · DECEMBER · 2013 JANUARY · FEBRUARY · MARCH

14 November
Catella's German property fund operation recognised as "a leading asset manager in the property sector" by German institutions.

19 November
Launch of three new funds for ICA Banken. Catella manages these funds with ICA Banken distributing and marketing them.

3 December
Decision to increase participating interest in asset manager IPM to 25%. This holding extends expertise in systematic asset management.

19 December
Advisor on the sale of the Kista Galleria shopping mall in Stockholm, the single largest property transaction in Sweden in 2012.

22 January
Catella extends its wealth management business in Gothenburg, consistent with Catella's growth ambitions in this service segment.

6 February
Catella's French corporate finance business recognised as 'Best Advisor' at the Pierre d'Or 2013.

20 February
Debt advisory services starts up in Germany, as part of work on developing the Corporate Finance services offering.

12 March
European property advisory alliance with Strutt & Parker of the UK commences.

26 March
Advisor to Klövern on SEK 700 M bond issue. The first bond issue secured on real estate.

Catella – to be the best in independent financial services

Catella is being managed towards the goal of being the best, but not necessarily largest, independent financial services provider on selected European markets. Its operations are decentralised and driven by sound business practice. Catella has broad-based expertise in the asset classes of property, fixed income and equities. By combining this expertise into its client offering, Catella secures unique positioning on the market.

Business concept

Catella offers specialised financial advisory services and asset management with unique investment products.

Vision

Catella will be the best, but not necessarily largest, independent financial services provider on selected European markets. Catella will embody high business ethics and an innovative approach, as well as being the most trustworthy member of the financial sector.

Operational goals for 2013

The overall operational goals for 2013 are to strengthen Catella's presence on the major European markets in Corporate Finance and to build a competitive offering in Asset Management.

Financial goals

Catella measures and controls its operating segments through means including the financial goals of operating margin, defined as profit before tax for the year in relation to total income. The target is to exceed 15% over time. The operating margin for 2012 was 9% for Corporate Finance and 4% for Asset Management.

Strategies

Broad-based expertise with unique investment services

Catella's objective is to be one of the best in selected segments and markets, to be achieved by offering clients specialised expertise with depth and breadth in each segment on each market.

Catella possesses broad-based expertise in property, fixed income and equities. By coordinating this expertise into its client offering, Catella gains special status on the market.

Specialised and innovative services in Corporate Finance

Catella will add unique value to each client relationship. With their specialist expertise and solid core values, Catella's professionals will create high-quality financial services. Catella's offerings compete by always being specialised and innovative. Catella will always operate closest to the client and market, through localised organisations and decentralised working methods.

Sound business practice with collective core values

Catella's operations are highly decentralised and driven by sound business practice. Coordination is achieved using clear reporting processes and standards.

Catella rests on clear core values, with these values embodied in its professionals' daily work, which shape Catella's services and way of dealing with clients.

Decentralised working methods that bring freedom with responsibility

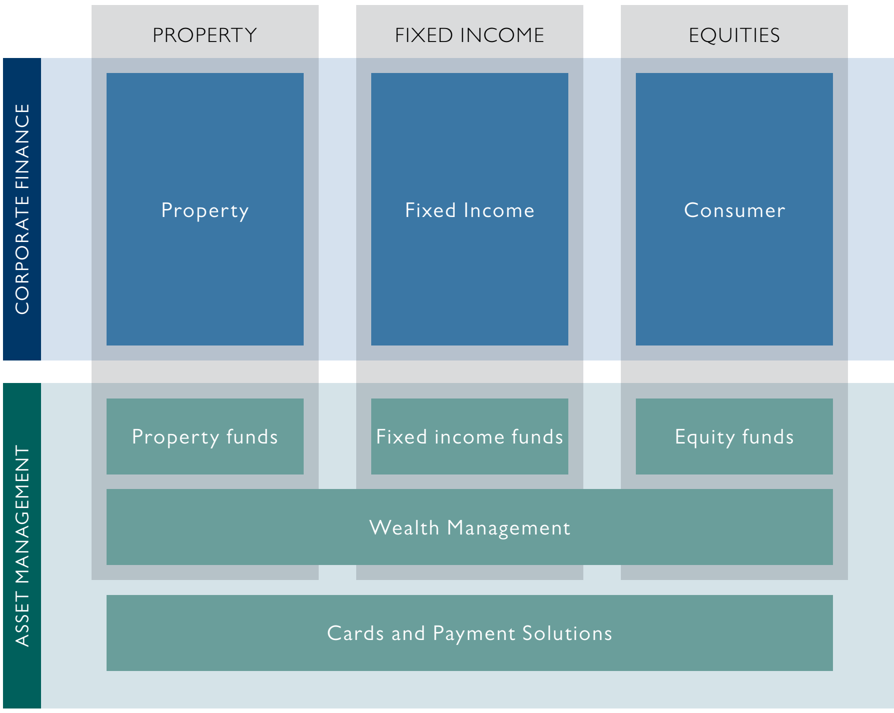
Entrepreneurship is now, and has always been, an important part of Catella. Catella provides a workplace featuring decentralised working methods offering freedom with responsibility for everyone.

Synergies between service segments

Catella's two operating segments, Corporate Finance and Asset Management, support and complement each other financially. The Corporate Finance operation is not capital intensive and generates substantial cash flows. Asset Management is based on long-term values, by means including building direct relationships with investors, thus enhancing the stability of earnings over time.

Catella possesses broad-based expertise in property, fixed income and equities, which is exchanged between services segments. By combining this expertise in its client offering, Catella secures unique positioning on the market.

The surplus liquidity generated in Asset Management creates new business opportunities for Catella, which is thus able to deliver tailored financing solutions in property advisory services and wealth management. The following schematic image presents the synergies between Catella's service segments.



Synergies between Catella's service segments

Catella possesses broad-based expertise in property, fixed income and equities that is exchanged between service segments through collective business projects and internal processes. This expertise is the base of Catella's business and is safeguarded through the continuous development of its staff and processes.

We believe in a culture where people think for themselves and make their own decisions

Since inception, Catella has operated according to clear, internally established core values. These values are embodied in its professionals' daily work, and shape Catella's services and way of dealing with clients. Catella believes in a culture that promotes high quality in delivery and research. A culture where people think for themselves and make their own decisions.

Client focus

Catella adopts a long-term client perspective so it can address the client's services needs proactively. This enables Catella to create value-added and profitability over time, which exceeds the client's expectations.

Entrepreneurship

Catella utilises individual potential and performance through decentralised working methods. Entrepreneurship is now, and has always been, an important part of Catella. Its corporate culture features sound business practice and freedom with responsibility for everyone.

Independence

Catella stands on its own two feet and always provides independent asset management and financial advice. For Catella, independence means working for the client, and not allowing itself to be controlled by any type of compensation other than what the client pays directly to Catella.

Teamwork

Catella create synergies through collaboration. Professionalism, enthusiasm and informality feature in Catella's working methods, which are flexible and tailored according to assignment. For its professionals, this means a varied environment, which utilises individual expertise effectively.

Specialisation

Catella's services are tailored to the ever-changing needs of clients. The combination of Catella's in-depth specialist expertise and a local presence creates value-added for the client.

Creativity

Catella brings creativity and innovation to its dealings with clients. By providing a working environment that encourages this, Catella creates drive and positive sentiment. In turn, this helps Catella stay at the leading edge of progress.

Ethics

Catella's high ethical standard makes it a reliable and loyal collaboration partner. Catella's professionals undertake to comply with the ethical rules set, formulated to maintain Catella's independence and trust for the client. Beyond this, high moral standards and substantial individual responsibility create the basis of daily work, which creates good relationships externally and internally.

Catella's origins – 25 years in the financial sector

Catella was founded in 1987, initially offering property advisory services, which is served as the foundation of Catella's first operating segment, **Corporate Finance**. During Sweden's property and banking crisis in the early 1990s, Catella succeeded in building a successful business focusing on the restructuring needs of the property sector. Accordingly, Catella rapidly secured status as an independent financial advisor in the property sector on the Swedish market. Subsequently, Corporate Finance has grown to cover more services segments and markets. Advisory services to the property sector have been supplemented with specialised advisory services to corporations in the consumer sector, and a business that delivers alternative financing solutions via bond market. Catella is now one of the leading European advisors in the property sector, with operations in 11 countries.

In the mid-1990s, Catella started an asset management business, and started up its Swedish funds business a few years later. This was the foundation of Catella's second operational segment, **Asset Management**. In 2006 and 2007, the funds business was expanded through property funds in Germany and Finland. Broad-based expertise in active asset management was supplemented in 2011 when Catella secured part-ownership of asset manager IPM. This added expertise in global systematic asset management. A banking operation in Luxembourg, Catella Bank, was added coincident with a change of control in 2010, when Scribona acquired Catella. Building on the base of this bank, Catella built a wealth management business in Luxembourg and Sweden. Through this bank, Catella also offers niche cards and payment solutions in Europe. Catella's Asset Management business currently has SEK 41 Bn under management, and operations in four countries.

Over 430 professionals contributing to Catella's positioning – every day

The specialist expertise and market know-how that Catella's professionals possess enable Catella to create value in its two operating segments: Corporate Finance and Asset Management.

Since Catella is a knowledge-based, specialised company, operations are based entirely on the company's resources, which means the people that make up its organisation. Catella believes in giving each employee the scope to develop and the potential for job satisfaction. With the aim of cultivating the motivation and commitment of its professionals, Catella communicates objectives and strategies within its organisation, coupled to an understanding of how individual performance contributes to overall results.

Number of employees

The number of employees, expressed as full-time equivalents, was 434 (443) at year-end, of which 212 (209) in the Corporate Finance operating segment, 210 (219) in the Asset Management operating segment and 12 (15) in other functions.

KEY FIGURES, EMPLOYEES

	2012	2011
Number of employees at end of year	434	443
Average number of employees	444	437
Staff turnover, %	16	20
Share of women, %	36	37
Share of university graduates, %	70	63

Qualified and specialised

Catella has been successfully hiring competent professionals for a long time, and has thus built a knowledge-intensive organisation. Its employees should combine specialised expertise and broad-based general skills.

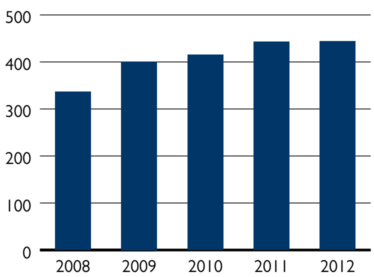
As its operations have grown, Catella has hired experienced specialists and young graduates with appropriate profiles. At year-end, 70% (63) of its employees held university degrees or equivalent qualifications. Due to its growth and conscious recruitment policy, Catella's professionals have a balanced age profile—the largest age group is the 30-40s. 36% (37) of the group's employees are women and 64% (63) men.

Goal-oriented compensation system

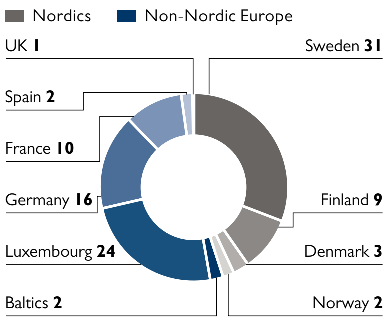
Catella believes in encouraging high performance, good conduct and balanced risk-taking consistent with its clients' and shareholders' expectations. Its variable compensation structure is based on stakeholding in the results created at the level within Catella where the relevant person operates and can exert an influence. The structure and scale of variable compensation is based on business logic, market and regulatory practice, competitive situation and the individual's contribution to operations.

The variable compensation system in Catella's operating segments, Corporate Finance and Asset Management is based on a general profit share model amounting to 50% and 30% (including social security expenses) of local levels in the

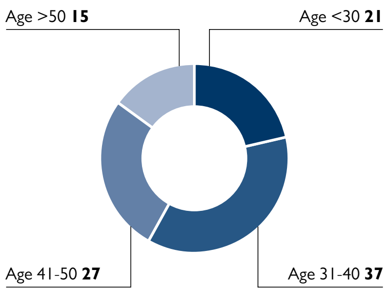
NUMBER OF EMPLOYEES, 2008–2012



NUMBER OF EMPLOYEES BY COUNTRY 2012, %



AGE PROFILE 2012, %



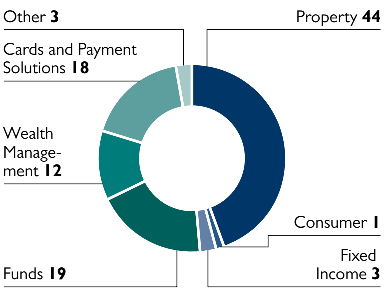
form of variable compensation and/or risk-taking via stakeholding.

Catella's compensation system creates a strong incentive to do business that adds value for the client, simultaneous with the incentive creating natural cost control because variable compensation is based on local earnings. In the event of a local unit generating a loss, this is not offset by other local profit centres.

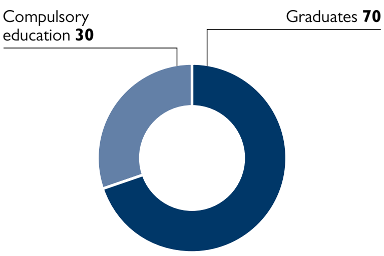
There is a share option program linked to Catella's share price performance for employees that influence the group's performance, which is reviewed in more detail in the section on the share and shareholders, and in Note 12 of the Annual Accounts for 2012.

Catella continuously monitors the effects of its compensation structure and its competitiveness. The company also works actively for equal salaries for men and women.

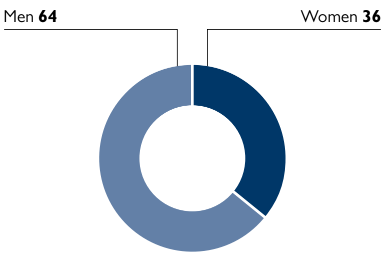
EMPLOYEES BY SERVICE SEGMENT 2012, %



EDUCATIONAL STANDARD 2012, %



DIVISION BETWEEN SEXES 2012, %



CORPORATE FINANCE OPERATING SEGMENT

Specialised advisory services based in the property sector

Catella provides specialised financial advisory services within Corporate Finance; most of this business consists of transaction advice for the professional property sector. Catella has a strong local presence in Europe, with 212 professionals at 22 offices in 11 countries.

Corporate Finance's business model is based on identifying market sectors in financial advisory services where specialisation is critical to creating value-added for the client. Catella provides specialised financial advisory services in three sectors:

PROPERTY
Advisory services for the property sector.

CONSUMER
Advisory services for the consumer sector.

FIXED INCOME
Alternative financing solutions.

Catella's ambition is to be a flexible specialist rather than the largest player on the market, even if in several countries, Catella holds a high market share. By maintaining a clear profile and professionals with market-leading expertise in three selected sectors, Catella has created a specialised organisation with clear synergies.

Catella's strategy for creating competitive advantages is to focus on expert competence and sector expertise. By developing in-depth know-how in selected market segments and continuously maintaining a sector network, Catella's aim is to stay one step ahead of competitors.

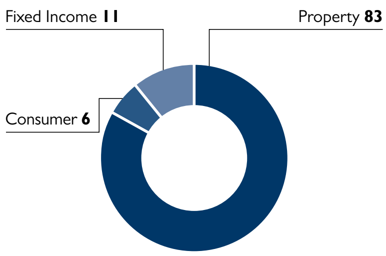
Goals for 2013

The overall business goal for Corporate Finance for 2013 is to strengthen its presence on the major European markets. Thanks to its business breadth and broad geographical diversity across Europe, Catella has good prospects of securing strong and profitable market positions.

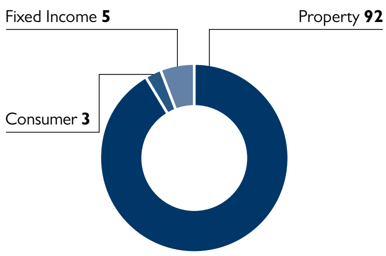
Financial goals

Catella measures and controls its operating segments through means including the financial goals of operating margin, defined as profit before tax for the year in relation to total income. The target is to exceed 15% over time. For Corporate Finance, the operating margin for 2012 was 9%.

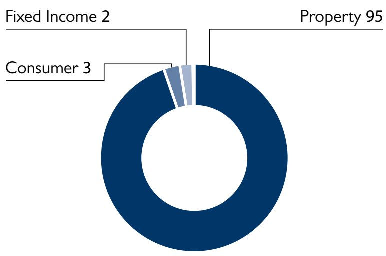
NET SALES BY SERVICE SEGMENT 2012, %



EMPLOYEES BY SERVICE SEGMENT 2012, %



CATELLA'S TRANSACTION VOLUMES BY SERVICE SEGMENT 2012, %



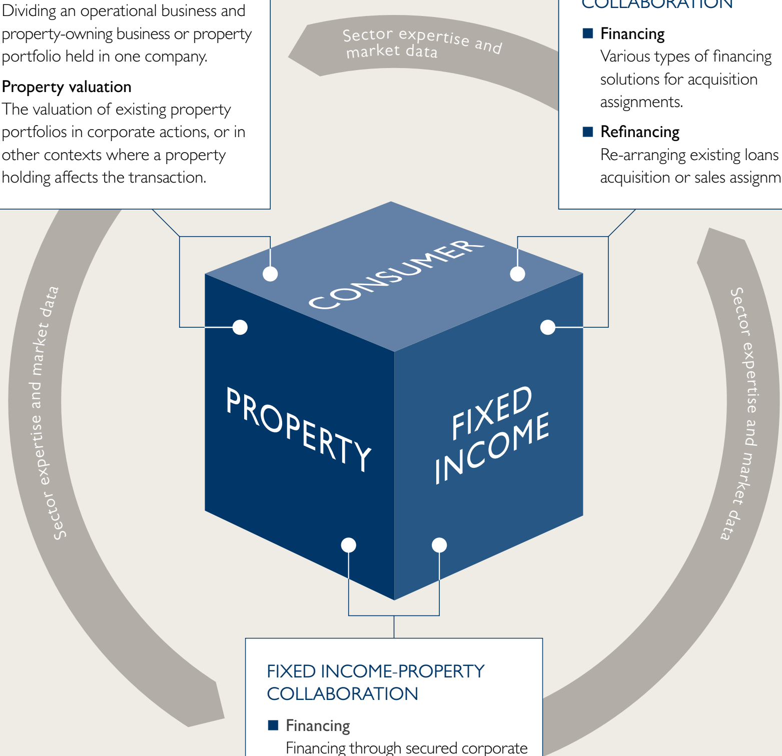
SYNERGIES IN CORPORATE FINANCE

PROPERTY-CONSUMER COLLABORATION

- **Sale and lease back**
  Transactions whereby the owner is also the tenant of a property, and enters a long-term lease contract with the purchaser on sale.
- **Op co and prop co**
  Dividing an operational business and property-owning business or property portfolio held in one company.
- **Property valuation**
  The valuation of existing property portfolios in corporate actions, or in other contexts where a property holding affects the transaction.

CONSUMER-FIXED INCOME COLLABORATION

- **Financing**
  Various types of financing solutions for acquisition assignments.
- **Refinancing**
  Re-arranging existing loans for acquisition or sales assignments.



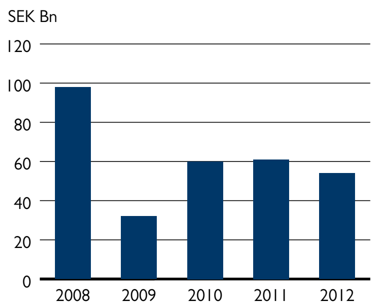
FIXED INCOME-PROPERTY COLLABORATION

- **Financing**
  Financing through secured corporate bond issues, where the company's property portfolio is collateral.
- **Financing**
  Various types of financing solutions for acquisition or sales assignments.

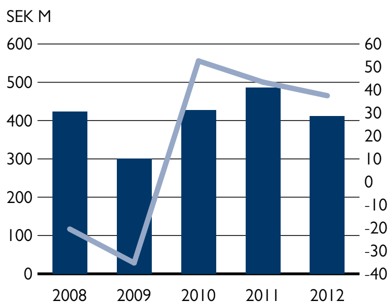
All three segments of Corporate Finance operate in adjacent markets and the exchange of sector knowledge creates a flow of deal opportunities, driving service development forwards.

The combination of the capacity to deliver financing solutions through Fixed Income and real estate expertise within Property makes Catella unique among corporate finance advisors. Catella has a stronger service offering in the property sector than its competitors on the market.

CATELLA'S TRANSACTION VOLUMES 2008–2012, %



NET SALES AND PROFIT/LOSS BEFORE TAX 2008–2012



KEY FIGURES

	2012	2011
Net sales, SEK M	412	488
Operating profit/loss, SEK M	39	44
Operating margin, %	9	9
Profit/loss before tax, SEK M	37	42
Transaction volumes, SEK Bn	54	61
of which property transactions	51	61
Number of employees at end of year	212	209

Property

Catella is a leading independent financial advisor for the property sector. This operation is established at 22 offices in 11 European countries. Its most important markets are France, Sweden and Germany.

Catella delivers services in three main areas for the professional property sector in Europe: Sales and Acquisitions, Debt and Equity, and Valuation and Research. In addition, it offers associated services such as letting and property management. The combination of services varies between countries.

Sales and Acquisitions

Catella provides advisory services for domestic and international property owners on the sale and acquisition of properties or property portfolios. On sales assignments, Catella utilises its sector network in broad or narrow tailored sales processes to find the best potential purchaser. Often, the focus in acquisition assignments is to identify an optimal investment for the buyer, in regards to structure as well as strategy. Catella has served as advisor on transactions for over 20 years and has well-established status on the European transaction market, largely thanks to its local presence and thorough market knowledge.

Debt and Equity

Catella provides a range of advisory services for financing and refinancing for companies in the property sector. With its broad-based network of, and close contacts with, banks and institutions, Catella can assist in arranging loans on competitive terms. In addition, Catella provides services for raising equity for private and public companies and for asset managers in the property sector. Its aggregate knowledge of properties, the market and finance means that Catella can also offer advisory services for corporate restructuring and the realisation of pledged assets for financiers, banks and institutions.

Valuation and Research

Catella provides independent valuation services for all types of property and is a respected appraiser, primarily in France and Finland. Its valuation work is compliant with international standards such as RICS and IVS. Catella's research services include external market reports for local markets or countries. Catella also offers feasibility studies and sensitivity

analyses on assignment for clients. This operation is closely linked to the two other service segments, as substantial market knowledge and data is generated in them.

Progress in 2012

In 2012, Catella served as advisor on property transactions at a value of SEK 50.7 Bn (60.8). Despite challenging market conditions for financial services in Europe, Catella carried out a number of major transactions in 2012, including the largest transaction on the Swedish market, the sale of Stockholm shopping mall, Kista Galleria, AP3's (the Third Swedish National Pension Fund) acquisition of the remaining 50% of property company Hemsö and a number of high-profile sales in central Paris. Accordingly, Catella retained its strong market position in Europe as a transaction advisor in the property sector.

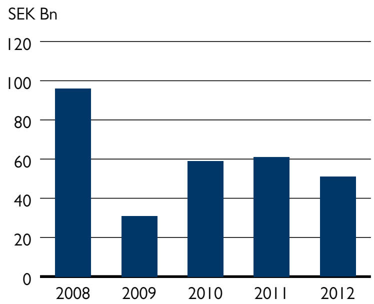
Strategic efforts with the aim of sharpening Catella's competitiveness in property advisory services commenced in 2012. The aim is to harmonise the service offering by establishing the three main service segments in all countries where Catella is active. Another ambition is to extend the collaboration between country units.

An initiative to strengthen Catella's organisation in Germany, a major European market with high growth potential, commenced in 2012. The German business is being extended organically, and passed break even in 2012.

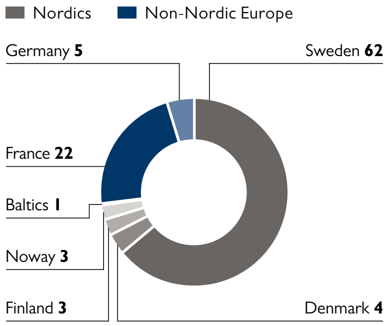
Focus in 2013

In March 2013, Catella initiated a strategic collaboration with UK property advisor Strutt & Parker, which will be established and developed in the year. Catella and Strutt & Parker will collaborate on advisory services to utilise their

CATELLA'S PROPERTY TRANSACTION VOLUMES, 2008–2012



CATELLA'S PROPERTY TRANSACTION VOLUMES BY COUNTRY 2012, %



combined strength and size on the European property market. This collaboration brings Catella the opportunity to offer its clients access to the UK market, as well as to global players who use London as their base for European initiatives.

The strategic work on extending and harmonizing the service portfolio which started in 2012 will continue in 2013. Work on developing the German operation will also continue. To utilise the business potential of current market conditions, Catella will also develop its debt advisory offering in Europe accordingly.

Market progress

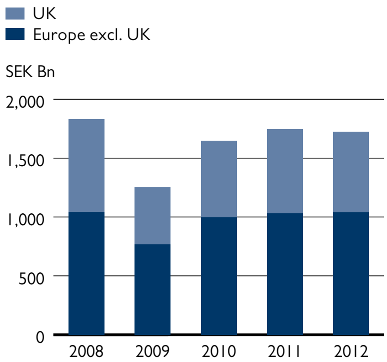
The European transaction market for property excluding the UK contracted by 3% in 2012 in year-on-year terms. A lot of large individual transactions were conducted in 2012, while the share of transactions conducted with advisors reduced. Limited financing opportunities also meant that the market was dominated by investors seeking centrally located properties with low risk. Primarily, this favoured major markets like the UK, Germany and France.

Stronger bank balance sheets, the deferral of Basel III and improved alternative financing opportunities means that transaction volumes in 2013 are expected to be somewhat higher than 2012. Activity in 2013 is expected to remain high in the UK, Germany and France, because many investors will still be seeking low-risk investments.

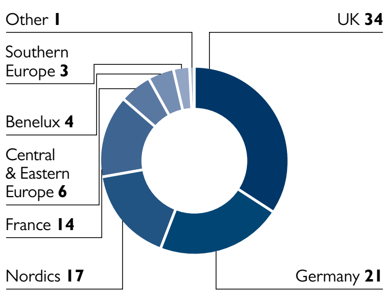
However, interest in high-yielding property segments is growing, and for properties in less central locations, because the competition over central, low-risk properties has been high, with prices subject to upward pressure.

Catella judges that this increased risk appetite and expected increased activity by foreign investors will increase the share of transactions conducted with advisors in 2013.

PROPERTY TRANSACTION VOLUMES IN EUROPE, 2008–2012



PROPERTY TRANSACTIONS IN EUROPE BY COUNTRY 2012, %



Source: Catella

Anders Palmgren

Head of Corporate Finance

How would you sum up 2012?
2012 was a fairly difficult year for Property, mainly due to a sluggish financial market in the first half-year. We also started 2012 with a fairly poor portfolio of assignments.

What's your view of market progress?
The conditions for securing financing for property acquisitions have improved in early-2013. Investor risk appetite has also increased noticeably. Accordingly, it looks like being a fairly good year for transactions. The portfolio of ongoing assignments is better than at the corresponding point of last year.

What's your focus for 2013?
To keep working on creating a consistent service offering in all countries and setting up internal structures to increase sales between different countries. We'll also be working on establishing our collaboration with Strutt & Parker in London and on developing our German business. Property sector financing will be another focus. No other Swedish firm can match the depth of knowledge of the capital and property markets Catella possesses. This offers security to property companies and investors in our products.

What challenges and opportunities do you see?
Germany represents Property's single biggest opportunity to increase sales and profitability. It's the largest transaction market in Europe after the UK, but significantly less developed. Margins are also relatively high. The biggest challenges are economic progress in Europe and the risk of government financial crises rearing up with the resulting impact on the banking system.

How do you collaborate with other service segments?
In Property, we derive great benefit from collaborating with Catella's other businesses. The bond issue Catella executed in March 2013 for property company Klövern is a good example of collaboration between different parts of Corporate Finance. We are also examining collaboration opportunities with the Asset Management operating segment to find lending opportunities for the property sector. Wealth Management also offers private clients advisory services on the sale of individual business properties, where we can offer sector expertise. Property can also provide Wealth Management with new potential clients.

Consumer

Catella offers advisory services to corporations and private clients active in consumer-related sectors such as retailing and e-commerce, consumer goods, brands and services. The centre of gravity is on mergers and acquisitions (M&A). Operations are based in Stockholm.

Catella operates on the buy and sell side of M&As for private and public transactions. Clients are based in the Nordics, or global players engaged in the Nordics, and consists of venture capital firms, family businesses/entrepreneurs, listed companies and large cooperatives.

Catella's team possesses rigorous experience of M&As with a total of over 50 years in the advisory sector and over 100 transactions executed in consumer-related sectors. Catella's strength as an advisor lies in its specialisation, independence and flexibility, unlike other advisors in the consumer sector, which are often major banks.

Progress in 2012

Catella advanced its position as an independent specialised advisor in Sweden in 2012 by completing a number of transactions and projects in the consumer sector. Catella served as a financial advisor to the owning family on the sale of multinational shirt brand Eton Fashion to private equity firm Litorina, one of the highest-profile transactions in the Nordic clothing sector in 2012. Catella also advised on IK Investment Partners' acquisition of Actic (formerly Nautilus) from FSN Capital, EQT's sale of Lundhags to Swix and Procuritas' sale of North Trade.

Focus in 2013

In 2013 the focus will lie on developing the existing client network in the consumer sector. Another ambition is to increase the collaboration with other service segments in Catella and examine potential business opportunities.

Market progress

Market activity for M&A in the consumer sector was high in 2012, especially in the second quarter, when several transactions were executed among retail and brand companies.

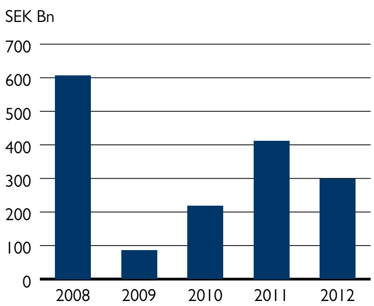
During the autumn, the market featured accentuating uncertainty due to general turbulence on the financial markets, which meant that many of the sales processes in the autumn were deferred, with several not being completed before year-end 2012.

Catella sees a number of factors that could make a positive contribution to progress of the M&A market in 2013, such as the strong balance sheets of trade buyers, private equity firms and Nordic banks. A more positive climate for acquisition finance is already apparent, and this is expected to make a real contribution to buyers and sellers being able to find a common pricing level. In addition, Catella anticipates a stabilised macroeconomic picture for the Nordics, and most international markets such as the US and Asia, and a strong start to the year on the stock

market having positive effects on transaction flow.

The expected increasing market activity in 2013, combined with a growing need for specific market knowledge is creating opportunities for Catella. The market for consumer-related M&A is getting more complex, and specialised sector knowledge makes Catella an attractive choice of independent advisor.

NORDIC TRANSACTION VOLUMES ON THE M&A MARKET, 2008–2012



Source: Catella

Fredrik Bergholm

Head of Consumer

How would you sum up 2012?

2012 was a very active year for us, particularly in the spring and summer. We were able to strengthen our status as an independent advisor in the consumer sector.

What's your view of market progress?

We see a number of factors that we expect to make a positive contribution to progress on the M&A market in 2013. We strengthened our team in 2012, adding four new people so we can deal with what we expect to be an active 2013.

What's your focus for 2013?

We will be continuing our work on strengthening relationships with our clients through close collaboration, with the goal of further advancing our positioning in M&A in the consumer sector.

What challenges and opportunities do you see?

Obviously, we are dependent on the underlying market progressing well. Our strength as an advisor lies in our specialisation, flexibility and independence, and we're noticing growing market interest for advisors with our profile.

How do you collaborate with other service segments?

We collaborate with the other segments in Corporate Finance in terms of local or sector-specific client relationships and complementary skill segments. We can also assist wealth management clients in selling companies. The sales enable clients to free up substantial capital, which then needs optimal management.

Fixed Income

Catella provides Nordic corporations alternative financing solutions to bank borrowings and equity via the bond market. Catella also offers trading in fixed income securities via its Nordic Match platform. Clients are companies that want to diversify their sources of capital and investors in fixed income securities. Operations are based in Stockholm.

These operations are conducted under the name Nordic Fixed Income. The offering includes specialised advisory services to corporations that want to diversify their debt profiles, refinance outstanding loans or want capital for expansion and acquisitions. Raising capital is mainly done through corporate bonds. In addition, Catella serves as a broker on the government, mortgage and corporate bond market, as well as offering credit and macroeconomic research. Catella also provides an independent research service that identifies investment opportunities with attractive risk-adjusted returns on behalf of investors.

Progress in 2012

Operations performed strongly in 2012, their first full financial year. The first primary market transaction, of just over SEK 900 M for district heating company Värmevärden for selected Nordic institutional investors, was conducted in February 2012. The first bond issue on the Swedish market secured by investment properties was conducted in March 2013, when Klövern issued SEK 700 M to a selection of institutional investors.

In late-October 2012, Catella launched Nordic Match—the first electronic matching system for corporate bonds on the Nordic secondary market. Nordic Match lists a selection of some 70 corporate bonds, primarily high-yield, SEK-denominated bonds. Nordic Match offers clients greater liquidity and transparency, as well as more effective execution in the secondary market. Its main users are institutional investors.

In November 2012 Nordic Fixed Income launched its market tendency survey FIKA ('Finance, Investment, and Economic Analysis'), based on in-depth interviews with senior managers of NASDAQ OMX MidCap constituents.

Focus in 2013

The goal is to provide new primary market transactions by being the most innovative player on the Swedish corporate bond market. In parallel, Nordic Match will be developed by offering more clients access to the platform and increasing its supply of bonds.

Market progress

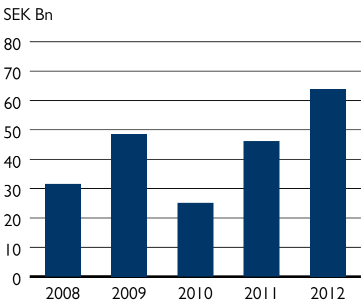
Market growth in corporate bonds in Sweden and the rest of the Nordics is primarily driven by credit institutions making far-reaching adaptations to forthcoming capital adequacy and liquidity requirements. Bonds issued in Swedish currency to non-financial companies increased by 39% in 2012 from SEK 46 Bn to SEK 64 Bn. The trend is for companies to diversify their financing sources, which is also expected to increase going forward.

Catella's FIKA market tendency survey for November indicated that one-third of companies listed on NASDAQ OMX MidCap think sales will increase in the next six months, despite a negative view of the economy. These companies are very interested in issuing corporate bonds to use as expansion capital, but primarily to re-finance existing bank debt. One general market trend is that corporations, especially capital-intensive companies like property and private equity-owned companies, are reviewing their financing sources to diversify bank loans and want to re-finance with more flexible instruments such as bonds.

Overall, progress on the corporate bond market is expected to provide good prospects for Catella in 2013. Catella possesses the knowledge and experience to identify solutions for businesses'

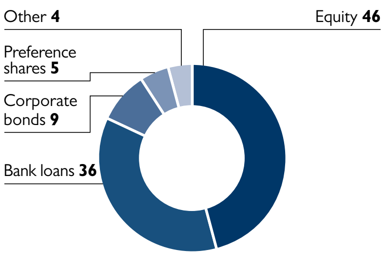
finance requirements, and also has a well-established network in those sectors where these needs are greatest.

BONDS ISSUED BY NON-FINANCIAL COMPANIES IN SWEDEN, 2008–2012



Source: Riksbank (Swedish central bank)

HOW SWEDISH COMPANIES FINANCED THEIR OPERATIONS IN 2012, %



Source: FIKA Report, 2012

Anna Ringby

Head of Nordic Fixed Income

How would you sum up 2012?
This was our first full financial year and we are proud that we were profitable. We conducted one of the largest issues in the year in the high-risk segment on the Nordic market. We also launched Nordic Match in autumn 2012, enabling our clients to match buy and sell interests on the corporate bond market. In the first four months, Nordic Match had already executed over SEK 700 M-worth of transactions.

What's your view of market progress?
Underlying interest rates will remain low in 2013, which means investors need to increase risk levels in their investments through corporate bonds, for example, to attain good risk-adjusted returns. We are seeing clear signs that investors want to increase the risk of their portfolios. The allocation is from government bonds towards equities and credit bonds, which is creating business opportunities for us.

What's your focus for 2013?
We want to drive the corporate bond market in Sweden and offer the best fixed income solutions for clients: SMEs and fixed income investors. We also want to build on Nordic Match to make it the natural tool for all fixed income investors. This platform is something new that is modernising the bond market.

What challenges and opportunities do you see?
One of the big challenges for us is to educate companies about debt finance and the opportunities that bonds offer. We need to simplify and clarify our processes. There are also opportunities in greater interest in alternative financing solutions, combined with our strength as an independent player.

How do you collaborate with other service segments?
One example was Klövern's bond issue, secured on properties, where we served as advisor alongside Property. This utilised Catella's unique combined expertise in properties and bond finance. We hope to be able to execute more transactions of this type.

ASSET MANAGEMENT OPERATING SEGMENT

Broad-based asset management expertise with unique investment services

Catella provides institutions, corporations and private individuals with specialised financial services in asset and wealth management. It also offers cards and payment solutions. 210 professionals work for Asset Management in four countries.

The business model of Asset Management is based on identifying needs and developing tailored products through close contact and long-term relationships with clients. Catella provides services in three segments:

- FUNDS
- WEALTH MANAGEMENT
- CARDS AND PAYMENT SOLUTIONS

Catella has long-term experience of fund management, currently offering active management in the equities, property and fixed income asset classes. Its part-ownership of asset manager IPM also brings expertise in systematic asset management, which further extends its expertise. The combination of this broad-based asset management expertise with strong positioning on the property market confers Catella with a unique wealth management offering. Building a strong wealth management operation not only offers Catella a direct relationship with investors but also a larger client base, which improves the stability of its earnings over time.

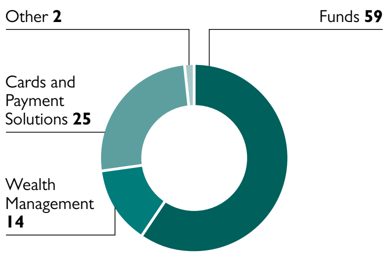
Goals for 2013

The overall business goal for 2013 is to build a competitive asset management offering.

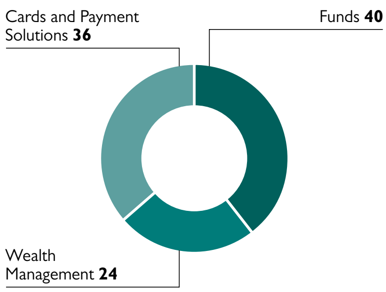
Financial goals

Catella measures and controls its operating segments through means including the financial goals of operating margin, defined as profit before tax for the year in relation to total income. The target is to exceed 15% over time. For Asset Management, the operating margin for 2012 was 4%.

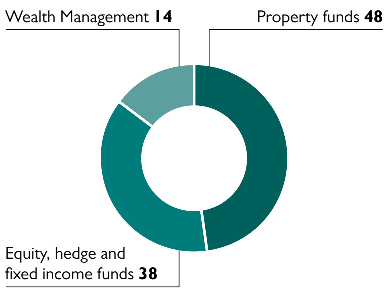
NET SALES BY SERVICE SEGMENT
2012, %



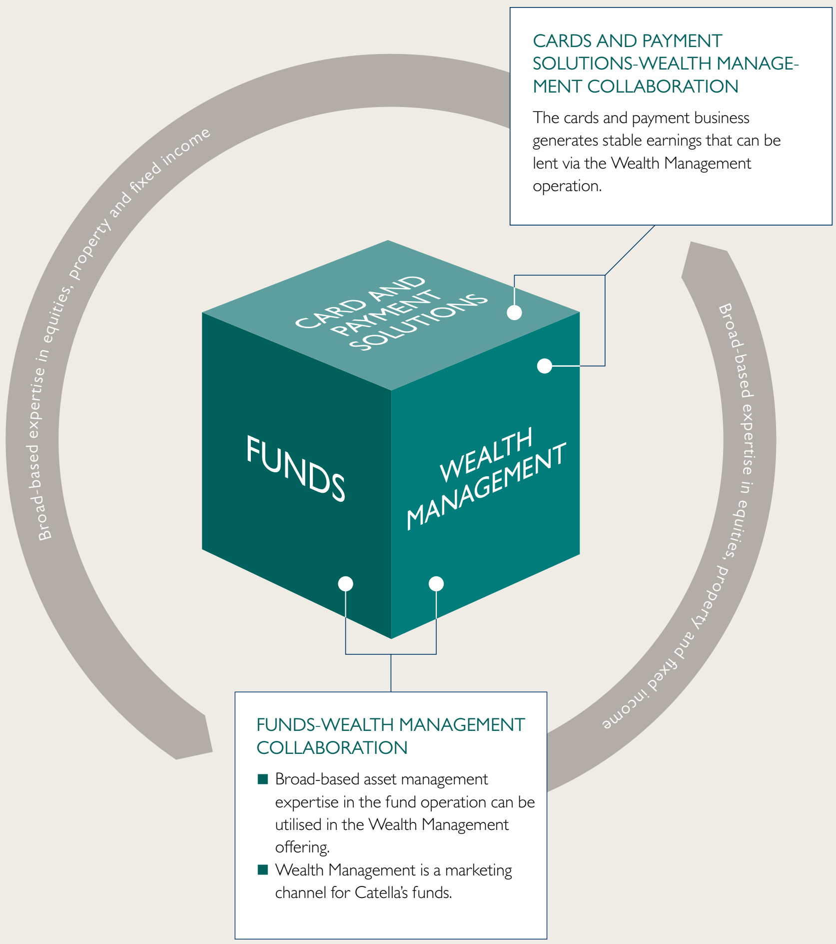
NUMBER OF EMPLOYEES BY SERVICE SEGMENT
2012, %



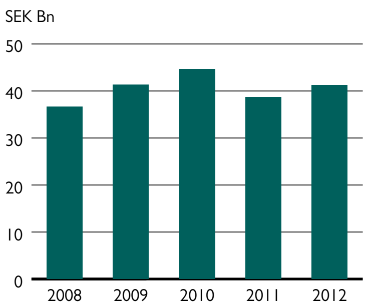
VOLUMES UNDER MANAGEMENT BY SEGMENT
2012, %



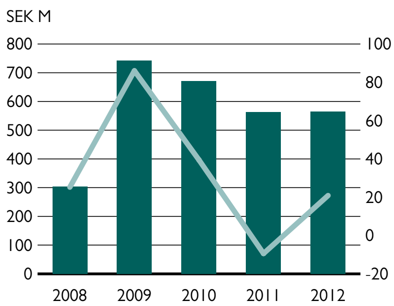
SYNERGIES IN ASSET MANAGEMENT



CATELLA'S VOLUMES UNDER MANAGEMENT, 2008–2012



NET SALES AND PROFIT BEFORE TAX[2] 2008–2012



KEY FIGURES

	2012	2011
Net sales, SEK M	565	561
Operating profit/loss, SEK M[1]	2	–5
Operating margin, %	4	neg
Profit/loss before tax, SEK M[2]	20	–7
Volumes under management, SEK Bn	41	39
Number of employees at end of year	210	219

[1] Operating profit/loss before acquisition-related items and items affecting comparability.
[2] Profit/loss before tax for the full year 2012 is adjusted for items affecting comparability of SEK 31 M.

Property funds

Catella provides property funds with a European focus. These funds are managed in Germany and Finland.

Catella's German property fund operation provides funds, primarily for institutional investors. These funds have a European focus, with orientation on various regions and sectors. Catella currently manages three open property funds and five closed property funds.

Property funds are a common savings product in Germany, with an estimated market value of some SEK 850 Bn. The revenue model is based on regular management fees, and fees on the acquisition or sale of the fund's property assets. The share of performance-based fees is low.

Catella's Finnish property fund operation provides management of property funds and advisory services to international and domestic investors. The revenue model is based on fixed management fees and performance-based income.

Progress in 2012

Volumes under management in Catella's property funds increased by 26% in 2012, from SEK 15.7 Bn to SEK 19.8 Bn

In the German funds, volumes under management were up by 42% on 2011. The German 'Catella Multitenant Stiftungsfonds' property fund was launched in September, which addresses trusts and invests in commercial rental properties. In the year, Catella was also rated as one

Dr. Andreas Kneip

Head of the German Fund Operation

How would you sum up 2012?

We can look back on a positive year when we achieved strong profits. And this was despite the market featuring uncertainty from investors as a result of factors including altered regulatory structures and more regulation.

What's your view of market progress?

We hope that the new laws and regulations for investing operations in the property sector that are being introduced will result in stabilisation and achieving optimal liquidity management. The purpose of these regulations is to increase the confidence of market participants in the sector. For us, it means less uncertainty on the market.

What's your focus for 2013?

We expect stable inflows to our funds in 2013 and further investment undertakings. Because property investors still prefer secure investments, such as high standard, centrally located properties on stable markets, we will maintain our investment strategy of low risk and portfolio diversification.

What challenges and opportunities do you see?

The future for property investments may still appear uncertain to some investors as a result of greater regulation. But for investments with a clear focus on properties in Germany, the prospects are now favourable.

of the foremost asset managers in the property sector by German institutions in a survey conducted by European credit agency Feri EuroRating Service.

The property portfolio Catella manages in Finland is worth approximately SEK 4 Bn. In 2012, Catella executed 39 transactions in Finland, corresponding to total volume of approximately SEK 500 M. Catella continuously monitors investor needs with the objective of launching new niche property products.

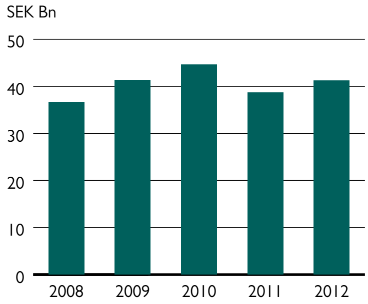
Focus in 2013

In 2013, Catella intends to launch new funds with clearly defined strategies and investor focus. The focus is on high-quality property assets, which generate stable cash flows.

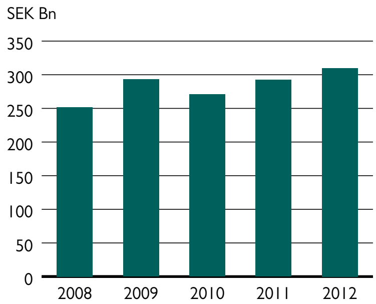
Market progress

Despite credit turbulence, property funds generally made stable progress in Europe. In 2011 and 2012, the inflow of capital to property funds increased after a few years of low inflows. The greatest interest was in funds investing in properties in central locations. Simultaneously, institutional investors wanted greater control and involvement, driving development toward new types of investment product such as joint ventures and investment clubs.

CATELLA'S VOLUMES UNDER MANAGEMENT IN PROPERTY FUNDS, 2008–2012



PROGRESS OF OPEN PROPERTY FUNDS IN GERMANY, 2008–2012



Source: BVI

More information on the property market on page 18.

How do you collaborate with other service segments?

In our German fund operation, we combined very good knowledge of the property market with many years' experience of property investment. The extensive network, experience and expertise integrated in Catella is a very substantial asset for us.

Equity, hedge and fixed income funds

Catella provides equity and fixed income fund management as well as a number of alternative products, such as the hedge fund, Catella Hedgefond. With its broad offering, Catella can address client investment needs based on a range of risk considerations and market conditions.

Catella utilises team-based asset management, which means that a fund is not dependent on an individual manager. Teams are mutually complementary through their differing areas of expertise. Catella also possesses a high level of expertise and focus on risk and risk management.

Catella's stake in IPM Informed Portfolio Management AB (IPM) extends the Catella Group's asset management expertise by enabling it to offer systematic asset management. IPM also brings a global service and broad international client base.

Progress in 2012

Volumes under management in Catella's equity, hedge and fixed income funds increased by 16% in 2012, from SEK 13.4 Bn to SEK 15.5 Bn. Approximately SEK 1 Bn of this increase is from net inflows, and the remainder is from value growth.

The largest inflows in 2012 were in Catella's fixed income funds. The inflows to Catella's Swedish funds correspond to about 2% of total inflows (excluding PPM pension management) in Sweden. Several of Catella's Swedish funds achieved very high risk-adjusted returns in 2012.

Mats Andersson became Head of the Swedish fund operation in March 2012. Three new funds allocated fund-of-fund solutions, which Catella manages, and ICA Banken distributes and markets, were launched in October.

Catella reviewed and consolidated its fund portfolio in the year to achieve a more appropriate composition in financial and management terms. As a result, six funds were merged.

At year-end 2012, fund administration and IT support transferred to Catella Bank's Swedish branch to improve the utilisation of resources and improve cost-efficiency within Catella.

In December, Catella AB decided to increase its ownership of asset manager IPM from 5 to 25% through an SEK 33 M private placement.

Focus in 2013

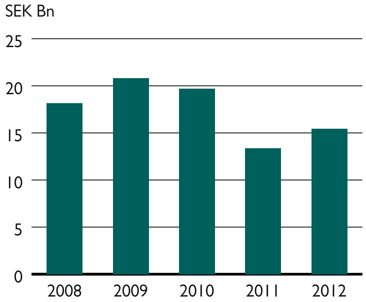
In 2013, the aim is to increase assets under management by 10% via net inflows. Because the market showed greater risk appetite in late-2012 and early-2013, Catella thinks there are good prospects to increase volumes in its equity funds. Its ambition is to develop new, niche funds, through channels including partnership with asset manager IPM.

Market progress

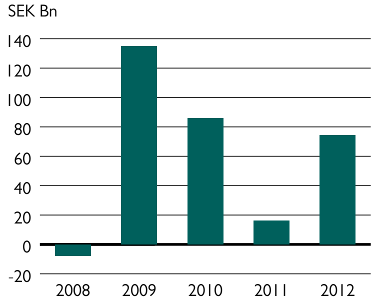
2012 got off to a brisk start in the first quarter with bright points in US housing statistics, and hopes of improvement for the real economy and stock market. Disappointing growth in China and continued turbulence related to the Euro crisis soon restrained expectations.

Sweden entered a slowdown in the late-autumn, triggering a sharp increase in the number of lay-offs. Despite a weak real economy, most stock markets rose. Very low benchmark rates in Europe and

VOLUMES UNDER MANAGEMENT IN CATELLA'S EQUITY, HEDGE AND FIXED INCOME FUNDS, 2008–2012



NET SAVINGS IN FUNDS IN SWEDEN, 2008–2012



Source: the Swedish Investment Fund Association

the US, and the ECB LTRO (long-term refinancing operation) provided renewed impetus to stock markets through the autumn, with outcomes including the Swedish stock market making gains of 16.5% in 2012 (SIX RX).

Net savings in Swedish funds, deposits minus withdraws, was positive largely throughout 2012. Total fund assets were SEK 2,049 Bn at year-end 12, an increase of SEK 229 Bn in the year. Positive net savings contributed SEK 74 Bn and value growth was SEK 155 Bn.

Mixed funds saw the highest net inflows in the year, totalling SEK 35 Bn. Bond funds (long-term fixed income funds) also registered fairly sizeable inflows in 2012, totalling SEK 21 Bn, partly explained by the interest in corporate bond funds. However, money market funds (short-term fixed income funds) saw an SEK -5 Bn outflow in the year. Those months when flows were positive for money market funds were largely consistent with the months when new savings in equity funds were negative. At year-end, index funds represented nearly 10% of equity fund assets after a net inflow of just over SEK 17 Bn in 2012.

Mats Andersson

Head of the Swedish Fund Operation

How would you sum up 2012?

Despite robust gains on the stock market in the year, clients took a hesitant view of risk-taking. We saw good inflows of new capital to our funds, primarily to our fixed income products. We took aggressive and defensive measures in the year, when we reviewed our costs, simultaneous with gradually upscaling our sales activities in the year. Accordingly, we are entering 2013 with a lower cost base, and expect to see the results of increased sales activities.

What's your view of market progress?

In terms of the stock market, the prospects for 2013 are fairly good. Because in late-2012 and early-2013, markets exhibited greater risk appetite, we think there are good prospects for increased volumes in equity funds. Meanwhile, we know that the eurozone debt crisis is far from over, which means we have to expect setbacks and high volatility on the market.

What's your focus for 2013?

Our goal is to increase assets under management by 10% via net inflows. We also have the ambition of developing one or two new funds, one of which will be an absolute return fund with a higher risk level than the funds we offer at present.

What challenges and opportunities do you see?

The regulatory structures implemented in recent years present a challenge because cost pressure is increasing. Traditional fund management is a mature market with fairly low growth. Catella has a broad offering of equity, hedge and fixed income funds with differing risk levels. This means we can address the differing needs of our clients in all potential market conditions.

How do you collaborate with other service segments?

The fund operation has a close collaboration with Wealth Management, where asset management and market expertise in fixed income, equity and alternative investments can be utilised.

Wealth Management

Catella provides tailor-made wealth management for companies, institutions and private clients that require active, independent advisory services and management. Catella offers wealth management from offices in Luxembourg, Stockholm, Gothenburg, Malmö and Växjö.

Catella provides independent advisory services and wealth management. Its business model is based on an open architecture (independence) and full transparency. Catella is impartial in its selection of the best managers and products. Income is generated from the fixed percentage fee debited to clients assets under management. Other services generate income per assignment.

Catella regards wealth management as an extremely client-specific business, and bases its services on a long-term approach, expertise and trust. The ambition is to create value-added by focusing on the complete picture. Catella provides advisory services in tax and law, pensions and finance. Asset management is tailor-made based on risk and return profiles, and the selected structure.

Progress in 2012

Building the Swedish wealth management business on the platform of Catella Bank commenced and a number of key individuals were hired in asset management, financial planning and as client advisors. In September, Catella decided to coordinate its wealth management businesses in Sweden and in Luxembourg. Mikael Pauli took up his position as Head of Wealth Management in December. A special focus on the operation in Gothenburg was also implemented.

Focus in 2013

Efforts on developing wealth management in Sweden and Luxembourg will intensify in 2013. In 2013, Catella will launch an enhanced asset management offering creating opportunities for individualised portfolio solutions in a fully open architecture. Catella will also develop its advisory services for entrepreneurs with a broader-based offering.

Market progress

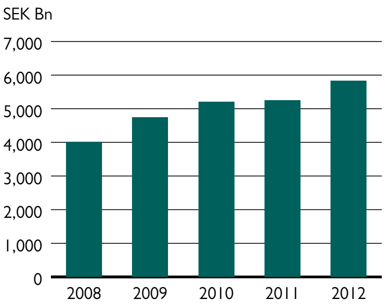
Financial savings in Sweden increased by SEK 153 Bn in 2012. The household sector tends to increase savings when real growth is falling, and vice versa. On the asset side, insurance savings, bank deposits, ownership of tenant-owners' associations and foreign equities and fund units primarily increased. There were net sales of bonds and Swedish listed equities in the period. On the liabilities side, the increase in borrowing fell for the third consecutive year, and were at their lowest level since 2002. Household borrowing increases remained restrained in the final quarter of the year despite falling lending rates.

Household financial assets increased by SEK 582 Bn in 2012 to SEK 5,828 Bn, an increase of 11%. The geographical location of private individual financial assets indicate that Greater Stockholm, the Counties of Västra Götaland and Skåne represent 58%, while other Swedish counties represent 42%. This indicates a high concentration of net worth in and around Stockholm, Gothenburg and Malmö.

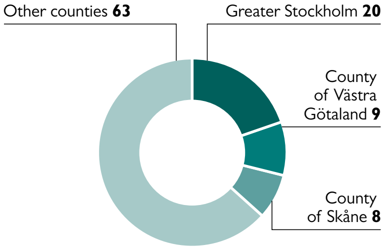
Catella judges that the share of private clients, smaller institutions and

businesses that want transparent advisory services will increase in the coming years due to factors including impending EU legislation including proposals to ban what are known as kickbacks.

HOUSEHOLDER AND NON-PROFIT ORGANISATION FINANCIAL POSITIONS, 2008–2012



FINANCIAL ASSETS HELD BY PRIVATE INDIVIDUALS BY SWEDISH COUNTY



Source: Statistics Sweden

Mikael Pauli

Head of Wealth Management

How would you sum up 2012?

In 2012, we worked intensively on developing our wealth management offering. We hired a number of key individuals, very skilled specialists, and are concentrating on developing our local offices. We also started work on coordinating our operations in Sweden and Luxembourg. Catella's ambition is growth within wealth management, and we've laid a foundation to grow on.

What's your view of market progress?

We think risk appetite is gradually increasing, which is a good prerequisite for overall business decisions among clients and collaboration partners. We are also seeing flows from the bond market to the stock market, although without any great activity on the commission site. For us, rising stock markets and an increase in the equity share in portfolios means higher repeat income, with some delay.

What's your focus for 2013?

We've laid a foundation to grow on with a strong offering. Our focus right now is on reaching out with our offering, mainly in those locations where we are active. Our ambition is to offer the market's most tailor-made wealth management service, and to be the self-evident choice for individuals looking for the best offering on the market.

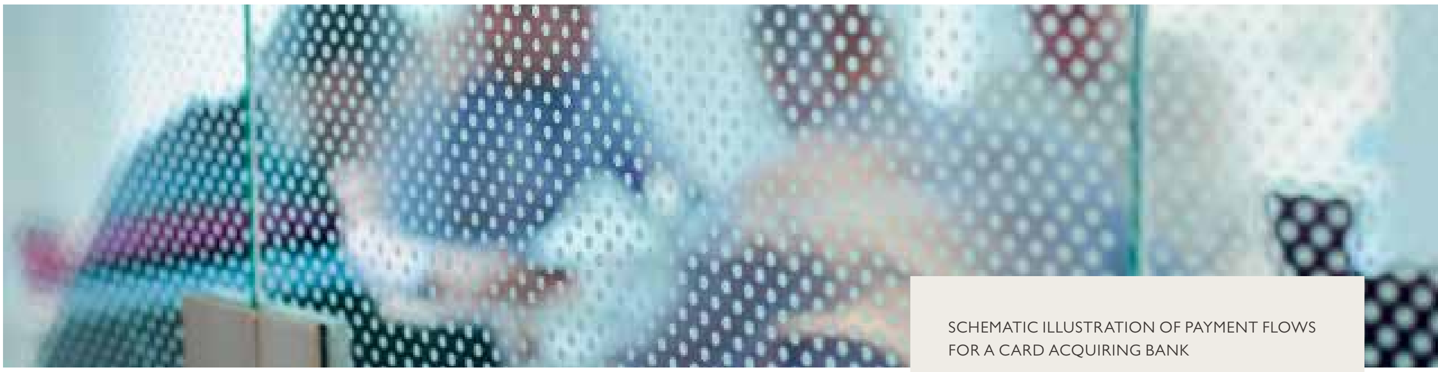
What challenges and opportunities do you see?

Satisfying regulatory standards on participants in the financial markets conducting operations requiring permits means increased costs and is a major challenge. Not all participants will be able to satisfy these standards, which obviously creates opportunities for others to secure positioning. Potential forthcoming regulatory decisions including banning kickbacks creates opportunities for asset managers like Catella with their scalable processes and open reporting.

How do you collaborate with other service segments?

In Catella, we integrate market-leading expertise and local presence on the property, fixed income and stock markets. By collaborating, high flexibility and short decision-paths, we create a really good environment for active advisory services and management.

Cards and Payment Solutions



Catella provides cards and payment solutions focusing on Europe. Catella operates as a card issuing and card acquiring bank. Operations are conducted from Luxembourg.

Catella offers other banks complete card programmes under its own Visa and MasterCard licenses. Catella provides all services including clearing for Visa and MasterCard, card branding, billing, risk monitoring and customer services in-house.

In addition, Catella clears international credit card transactions for e-commerce companies and provides daily settlement in multiple currencies, as well as electronic statements.

Progress in 2012

Jonathan Reddin became Head of Cards and Payment Solutions in June. In the year, operations focused on business development in card issuing and card acquisition. In parallel, operations were reorganised, with IT infrastructure consolidated to enable further growth.

Focus in 2013

Work on building greater capacity in infrastructure will continue in 2013. The focus going forward is growth, primarily in card acquisition.

Market progress

Global volumes (number of transactions) of non-cash payments are maintaining high growth. Volumes were up by 7.1% to SEK 283 Bn in 2010 (the most recent year official data is available for all regions).

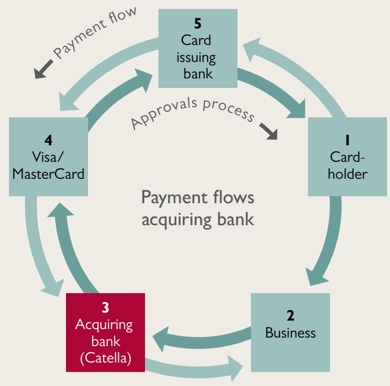
Volumes were up by 16.9% on growth markets, with Russia and China increasing by 30%. Even if growth in developing markets was modest, at 4.9%, this growth rate exceeded GDP. Developed markets still present 79.5% of all non-cash payments globally.

Cards remain the biggest driver of non-cash payments globally, representing 55.8% of all non-cash payments in 2010, up from 53.4% in 2009.

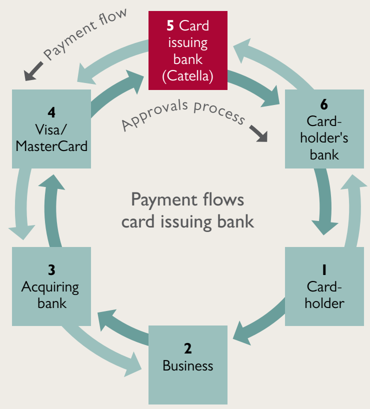
In 2011, 306 billion non-cash payment transactions were conducted globally, an increase of 5.6%.

The growth of non-cash payments in Europe was comparable to global growth, at 4.9% in 2010. Growth was limited by the economic downturn on several markets such as Greece, Italy, Spain and Ireland. However, these growth rates were still substantially above GDP growth. Europe remains the world's second-largest market in non-cash payments, representing 82 billion transactions, or 29% of total volumes in

SCHEMATIC ILLUSTRATION OF PAYMENT FLOWS FOR A CARD ACQUIRING BANK



SCHEMATIC ILLUSTRATION OF PAYMENT FLOWS FOR A CARD ISSUING BANK

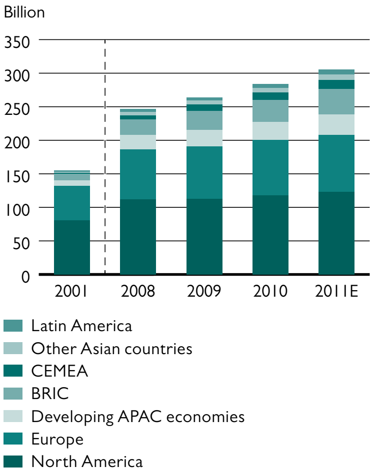


The cardholder makes a purchase in store or on the Internet using his/her card. The business/e-commerce enterprise is connected to an acquiring bank, which authorises the card purchase via Visa or MasterCard. The card issuing bank confirms that the card is valid for the purchase and pays the business/e-commerce enterprise via Visa or MasterCard and the acquiring bank.

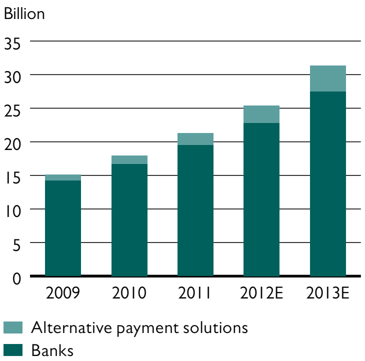
2010. The largest markets in Europe are France, Germany and the UK.

Internet payments (e-payments) are still rising briskly worldwide. Sector research indicates that 17.9 billion e-payments were made globally in 2010, with an estimated 21.3 billion in 2011. The forecast number of e-payments in 2013 is 31.4 billion. This increase is driven by the rapid growth of alternative payment solutions via new channels.

NUMBER OF NON-CASH PAYMENTS GLOBALLY BY REGION 2001 AND 2008–2011



NUMBER OF ELECTRONIC PAYMENTS GLOBALLY, 2009–2013E



Source: World Payments Report (WPR) from Capgemini, the Royal Bank of Scotland (RBS) and EFMA.

Jonathan Reddin

Head of Cards and Payment Solutions

How would you sum up 2012?

The year featured intensive work on evaluating the capacity and potential of our cards and payment operation. We also embarked on extensive efforts to build an organisation and systems that can cope with higher volumes.

What's your view of market progress?

Major changes are ongoing on the market, which are creating opportunities through new technology and altered consumer behaviour.

What's your focus for 2013?

We are continuing our work on expanding our capacity so that we can benefit from the growth opportunities on new markets through emerging technology. Eventually, our ambition is to expand in the broader-based payment segment.

What challenges and opportunities do you see?

One of our opportunities is to secure a higher share of the growing e-commerce market in profitable segments, for fairly low risk. The challenge is to grow with control cost-efficiently.

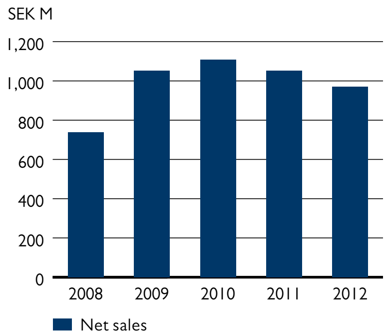
How do you collaborate with other service segments?

We are in close collaboration with our colleagues in Wealth Management. Our clients generate deposits, which in turn, offer lending opportunities.

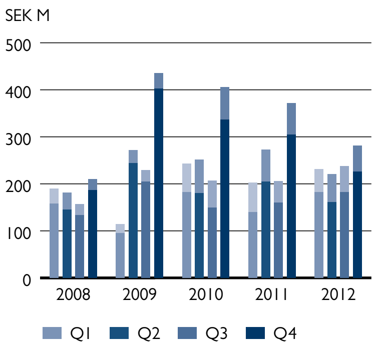
Financial overview

Group

NET SALES PER YEAR, 2008–2012

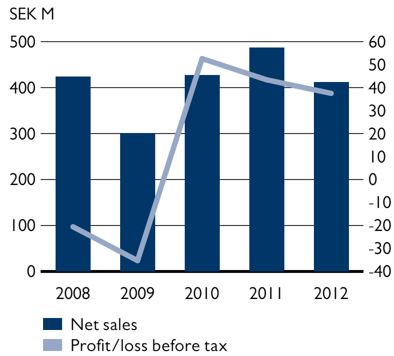


NET SALES PER QUARTER, 2008–2012

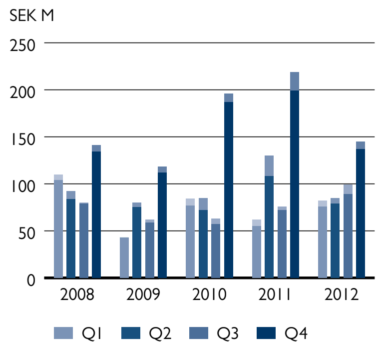


Corporate Finance

NET SALES AND PROFIT/LOSS BEFORE TAX PER YEAR, 2008–2012

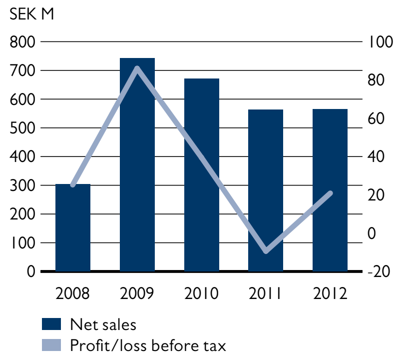


NET SALES PER QUARTER, 2008–2012

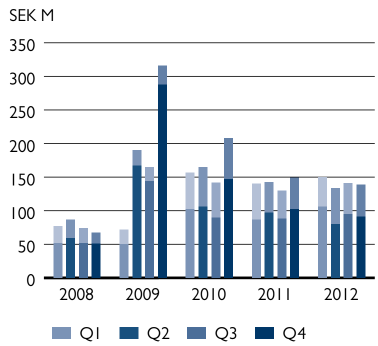


Asset Management

NET SALES AND PROFIT/LOSS BEFORE TAX[1] PER YEAR, 2008–2012



NET SALES PER QUARTER, 2008–2012



2008–2010 pro forma, as if the former Catella group was acquired and consolidated as of 1 January 2008.
In their graphs of progress per quarter, total income is divided between income excluding assignment expenses and commissions and assignment expenses and commissions.

CONSOLIDATED KEY FIGURES

	Corporate Finance		Asset Management		Other		Group	
	2012	2011	2012	2011	2012	2011	2012	2011
Operating margin, %[1]	9	9	4	–0	–	–	4	–1
Profit margin, %	5	5	–1	1	–	–	–1	2
Return on equity, %	14	17	–1	1	–	–	–1	2
Equity/assets ratio, %	52	42	22	16	–	–	27	25
Number of employees, average	212	206	220	218	12	13	444	437
Number of employees, at end of period	212	209	210	219	12	15	434	443
Staff turnover, %[2]	14	12	19	28	17	8	16	20
Transaction volume for the period, SEK Bn	54	61	–	–	–	–	54	61
Assets under management at end of period, SEK Bn	–	–	41	39	–	–	41	39

[1] Profit/loss before tax excluding items affecting comparability.
[2] Number of people that terminated employment in 2012 divided by the average number of employees.

SUMMARY INCOME STATEMENT BY OPERATING SEGMENT

	Corporate Finance		Asset Management		Other		Group	
SEK M	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Net sales	412	488	565	561	–6	–4	971	1,045
Other operating income	7	6	3	8	6	6	17	20
	419	**493**	**568**	**569**	**0**	**2**	**987**	**1,064**
Personnel costs	–243	–282	–219	–217	–16	–16	–478	–516
Other expenses	–138	–167	–347	–357	–19	–24	–503	–547
Total expenses	–380	–449	–566	–574	–35	–40	–981	–1,063
Operating profit/loss before acquisition-related items and items affecting comparability	**39**	**44**	**2**	**–5**	**–35**	**–38**	**6**	**1**
Amortisation of acquisition-related intangible assets	–	–	–5	–4	–	–	–5	–4
Items affecting comparability	–	–	–31	–	–3	–	–34	–
Operating profit/loss	**39**	**44**	**–34**	**–9**	**–38**	**–38**	**–33**	**–3**
Financial items—net	–2	–2	23	2	8	–12	29	–12
Profit/loss before tax	**37**	**42**	**–11**	**–7**	**–30**	**–50**	**–4**	**–15**
Tax	–15	–15	4	12	2	39	–9	35
Net profit/loss for the year	**22**	**27**	**–7**	**5**	**–28**	**–11**	**–13**	**21**

FINANCIAL POSITION BY OPERATING SEGMENT

ASSETS								
Non-current assets								
Intangible assets	60	61	201	201	50	50	311	311
Financial assets measured at fair value in profit or loss	–	–	18	18	258	304	276	322
Long-term loan receivables	–	–	304	111	–	–	304	111
Other non-current assets	17	66	22	16	40	–7	79	76
	78	**127**	**545**	**347**	**348**	**346**	**971**	**820**
Current assets								
Accounts receivable	85	142	93	17	3	2	181	161
Current loan receivables	–	–	489	–	–	–	489	–
Cash and cash equivalents	102	80	1,568	104	11	–32	1,680	152
Other current assets	44	31	91	60	5	46	141	137
	231	**253**	**2,242**	**181**	**18**	**16**	**2,491**	**450**
Assets in disposal group held for sale	–	–	–	2,637	–	–	–	2,637
Total assets	**309**	**380**	**2,787**	**3,165**	**366**	**362**	**3,462**	**3,907**
EQUITY AND LIABILITIES								
Equity attributable to shareholders of the Parent Company	142	132	611	493	151	324	904	949
Non-controlling interests	19	28	2	3	–	–	21	31
Total equity	**161**	**160**	**614**	**496**	**151**	**324**	**925**	**980**
Liabilities								
Non-current liabilities								
Non-current loan liabilities	–	–	–	–	197	–	197	–
Other non-current liabilities	6	11	12	8	19	23	37	42
	6	**11**	**12**	**8**	**216**	**23**	**234**	**42**
Current liabilities								
Borrowings	–	–	155	86	–	154	155	240
Current loan liabilities	–	–	1,824	–	–	–	1,824	–
Other current liabilities	142	210	182	257	–1	–140	323	328
	142	**210**	**2,161**	**343**	**–1**	**14**	**2,302**	**567**
Liabilities in disposal group held for sale	–	–	–	2,318	–	–	–	2,318
Total liabilities	**148**	**221**	**2,173**	**2,669**	**215**	**38**	**2,537**	**2,927**
Total equity and liabilities	**309**	**380**	**2,787**	**3,165**	**366**	**362**	**3,462**	**3,907**

CASH FLOW BY OPERATING SEGMENT

Profit/loss before tax	37	42	–11	–7	–30	–50	–4	–15
Adjustment for non-cash items	11	32	2	27	–19	3	–6	62
Adjustment for cash items	–19	–35	–138	–1,119	66	17	–91	–1,137
Cash flow from operating activities	**29**	**39**	**–147**	**–1,099**	**17**	**–30**	**–101**	**–1,090**
Cash flow from investing activities	**–5**	**–5**	**57**	**11**	**15**	**69**	**67**	**75**
Cash flow from financing activities	**–**	**–9**	**–2**	**13**	**14**	**–93**	**12**	**–90**
Cash flow for the year	**24**	**24**	**–92**	**–1,075**	**45**	**–54**	**–22**	**–1,105**

The Catella share and owners

Catella is listed on Nasdaq OMX First North Premier and the share is traded under the stock symbols CAT A and CAT B. Remium is the company's certified advisor. Catella has approximately 7,000 shareholders, the largest being the Claesson & Anderzén group, followed by Traction.

The Catella share

Catella's market capitalisation was SEK 452 M (571) as of 31 December 2012. The price Catella's class B shares fell from SEK 7.00 to SEK 5.55 in 2012, a downturn of 21%. The Stockholm Stock Exchange Nasdaq OMX Stockholm PI index rose by 10% in 2012. The closing price for Catella's class B share varied between SEK 4.95 and SEK 8.50 in 2012, with average daily turnover of about SEK 310,000 in 2012, or 49,530 shares. Total turnover in 2012 was SEK 77 M, corresponding to just over 12 million shares.

Share capital

Share capital as of 31 December 2012 was SEK 163.4 M, divided between 81,698,572 shares. The quotient value per share is 2. Share capital is divided between two share classes with different voting rights. 2,530,555 class A shares with five votes per share and 79,168,017 class B shares with one vote per share.

The Articles of Association confer the right for holders of class A shares to reclassify these shares to an equal number of class B shares. No class A shares were converted to class B shares in the full year 2012.

Dividend policy and proposed dividend

Catella's objective is to transfer the Group's profit after tax to shareholders to the extent it is not judged as necessary to develop the Group's operations, and considering the company's strategy and financial position. Adjusted for unrealised value increases recognised in profit, at least 50% of the Group's profit after tax will be transferred to shareholders as dividends, re-purchases of treasury shares or share redemptions over time.

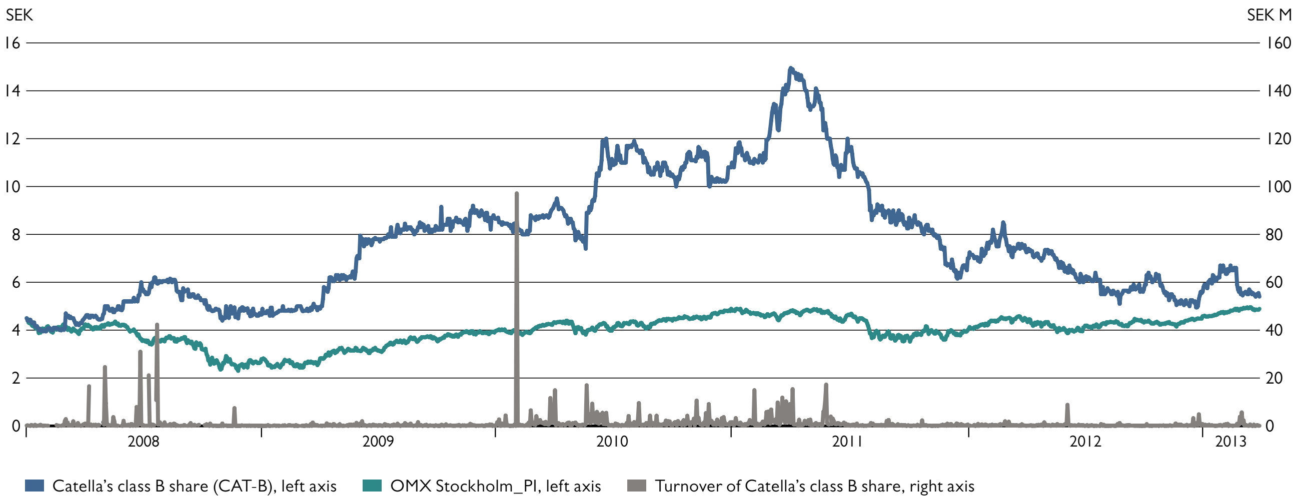
The Board of Directors proposes that no dividend is paid to shareholders for the financial year 2012. No dividend was paid to shareholders for the financial year 2011.

Shareholders

Catella had 6,933 (7,410) shareholders registered at the end of 2012. As of 31 December 2012, the single largest shareholders were the Claesson & Anderzén group represented by Johan Claesson, who is also Chairman of the Board, with a shareholding of 48.4% and 47.8% of the votes, followed by Traction AB with a shareholding of 7.9% and 8.6% of the votes. After the end of the period, Traction AB increased its shareholding, so that its ownership had increased to 11.6% of the capital and 11.9% of the votes as of 31 March 2013. The majority of the other major owners are institutions, with total holdings of 19.1% and 17.5% of the votes.

The ten largest shareholders represent 75.4% (73.2) of the capital and 73.9% (72.0) of the votes as of 31 December 2012. Foreign owners held 11.1% (12.1) of the capital and 10.5% (11.4) of the number of votes as of 31 December 2012.

FIVE-YEAR OVERVIEW OF CATELLA'S CLASS B SHARE



Shareholders as of 31 December 2012

Shareholder	Class A shares	Class B shares	Total	Capital, %	Votes, %
Claesson & Anderzén group (and related parties)	1,087,437	38,480,821	39,568,258	48.4	47.8
Traction AB	356,695	6,122,831	6,479,526	7.9	8.6
Avanza Pension	52,163	4,557,241	4,609,404	5.6	5.2
Catella Bank S.A. [1]	42,167	2,791,527	2,833,694	3.5	3.3
Unionen	–	1,981,158	1,981,158	2.4	2.2
Nordnet Pension	21,763	1,684,917	1,706,680	2.1	2.0
Humle Kapitalförvaltning AB	–	1,250,000	1,250,000	1.5	1.4
TAB Holding AB	–	1,155,000	1,155,000	1.4	1.3
Robur Försäkring	–	1,031,900	1,031,900	1.3	1.1
Olle Engkvist Foundation	–	1,000,000	1,000,000	1.2	1.1
Other	970,330	19,112,622	20,082,952	24.6	26.1
Total	**2,530,555**	**79,168,017**	**81,698,572**	**100.0**	**100.0**

[1] Nominee-registered clients of Catella Bank.

Division of shareholdings as of 31 December 2012

Shareholding	No. of shareholders	No. of class A shares	No. of class B shares	Capital, %	Votes, %
1–500	4,923	249,028	481,782	0.89	1.88
501–1,000	805	155,364	474,705	0.77	1.36
1,001–5,000	832	295,601	1,643,830	2.37	3.40
5,001–10,000	165	135,066	1,154,545	1.58	1.99
10,001–15,000	34	25,132	416,430	0.54	0.59
15,001–20,000	35	128	623,808	0.76	0.68
20,001–	139	1,670,236	74,372,917	93.08	90.09
Total	**6,933**	**2,530,555**	**79,168,017**	**100.00**	**100.00**

Outstanding warrant programmes

The Annual General Meeting (AGM) on 20 May 2010 authorised the Board of Directors to decide on the issue of 30 million share warrants for class B shares. The issue was executed later the same year. The AGM on 25 May 2011 resolved to issue a further 6,100,000 share warrants for class B shares. The 30,000,000 share warrants were used as part-payment for the acquisition of the former Catella group, with senior managers and key staff of the former Catella group receiving share warrants settled on market terms. 5,500,000 of the 6,100,000 share warrants were used as part-payment for the acquisition of the remaining 30% of subsidiary Catella Capital Intressenter AB, a holding company of Catella Fondförvaltning AB (Asset Management), where senior managers and key staff of the company received share warrants settled on market terms. The share warrants confer entitlement to subscribe for a maximum of 36,100,000 new class B Catella shares.

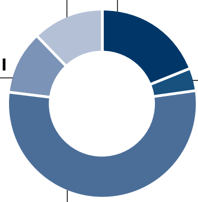
Upon exercise of the issued share warrants, the ownership structure at each point would be affected by a dilution effect. The dilution effect of share warrants on the ownership structure as of 31 December 2012 is stated on page 39. The share warrants held by key staff of the Catella group have exercise dates from 25 March to 25 May 2014, 2015 and 2016, all dates inclusive. The majority of senior managers' warrant holdings have expiry in 2015 and 2016. Each warrant issued in 2010 confers entitlement to subscribe for one class B share at a price of SEK 11.00. Each warrant issued in 2011 confers entitlement to subscribe for one class B share at a price of SEK 16.70.

According to the terms and conditions of the warrants, Catella is entitled to re-purchase share warrants from option-holders if they are no longer employees of the group. 2,625,000 share warrants were re-purchased at market value from senior managers in 2012 due to changed employment terms, in accordance with the terms and conditions of the warrants. As of 31 December 2012, Catella held 5,460,000 share warrants.

An Extraordinary General Meeting (EGM) of Catella AB on 18 January 2013 resolved to divide its series A 2010 share warrants into two series with extended subscription periods of two years.

For more information see Note 12 of the Annual Accounts for 2012.

OWNERSHIP OF CAPITAL AS OF 31 DECEMBER 2012, %



Allocation of share warrants by exercise year as of 31 December 2012

Issued 2010 (exercise price, SEK 11.00 per share) Year	Share warrants held	Outstanding share warrants	Total no. of share warrants	Proportion, %
2013	260,000	9,640,000	9,900,000	27
2014	1,040,000	2,980,000	4,020,000	11
2015	2,080,000	5,960,000	8,040,000	22
2016	2,080,000	5,960,000	8,040,000	22
Total, 2010	**5,460,000**	**24,540,000**	**30,000,000**	**83**

Issued 2011 (exercise price, SEK 16.70 per share) Year	Share warrants held	Outstanding share warrants	Total no. of share warrants	Proportion, %
2013	–	–	–	0
2014	–	2,033,000	2,033,000	6
2015	–	2,033,000	2,033,000	6
2016	–	2,034,000	2,034,000	6
Total, 2011	**–**	**6,100,000**	**6,100,000**	**17**
Total	**5,460,000**	**30,640,000**	**36,100,000**	**100**

Shareholdings after full dilution as of 31 December 2012

Shareholder	Class A shares	Class B shares	Total	Capital, %	Votes, %
Claesson & Anderzén group (and related parties)	1,087,437	38,480,821	39,568,258	33.6	34.3
Traction AB	356,695	6,122,831	6,479,526	5.5	6.2
Avanza Pension	52,163	4,557,241	4,609,404	3.9	3.8
Catella Bank S.A. [1]	42,167	2,791,527	2,833,694	2.4	2.3
Unionen	–	1,981,158	1,981,158	1.7	1.5
Nordnet Pension	21,763	1,684,917	1,706,680	1.4	1.4
Humle Kapitalförvaltning AB	–	1,250,000	1,250,000	1.1	1.0
TAB Holding AB	–	1,155,000	1,155,000	1.0	0.9
Robur Försäkring	–	1,031,900	1,031,900	0.9	0.8
Olle Engkvist Foundation	–	1,000,000	1,000,000	0.8	0.8
Other	970,330	19,112,622	20,082,952	17.0	18.7
Total	**2,530,555**	**79,168,017**	**81,698,572**	**69.4**	**71.8**
Warrant holders	**Class A shares**	**Class B shares**	**Total**	**Capital, %**	**Votes, %**
Johan Ericsson, President and CEO	–	5,250,000	5,250,000	4.5	4.1
Ando Wikström, Chief Financial Officer	–	5,250,000	5,250,000	4.5	4.1
Fredrik Sauter, President of Catella Bank [2]	–	1,200,000	1,200,000	1.0	0.9
Anders Palmgren, Head of Corporate Finance	–	600,000	600,000	0.5	0.5
Johan Nordenfalk, General Counsel & Head of Business Development	–	300,000	300,000	0.3	0.2
Treasury	–	5,460,000	5,460,000	4.6	4.3
Other	–	18,040,000	18,040,000	15.3	14.1
Total	**–**	**36,100,000**	**36,100,000**	**30.6**	**28.2**
Total number of shares and warrants	**2,530,555**	**115,268,017**	**117,798,572**	**100.0**	**100.0**

[1] Nominee-registered clients of Catella Bank.
[2] re-purchase of these options was initiated after Fredrik Sauter's resignation.

Share data, five years

	2012	2011	2010	2009	2008 [1]
Price of class B share, SEK					
Average price	6.39	10.46	9.92	7.06	5.24
Closing price for the year	5.55	7.00	10.80	8.70	4.65
High/low	8.50 / 4.95	14.95 / 6.15	12.00 / 7.40	9.20 / 4.60	6.15 / 3.95
Earnings per share, SEK	–0.17	0.25	0.28	5.75 [2]	0.12
Cash flow per share, SEK	–0.27	–13.53	13.61	20.28	3.22
Equity per share, SEK	11.32	12.00	12.39	12.86	6.88
Dividend per share, SEK	–	–	–	–	–
Dividend yield, %	–	–	–	–	–
Market capitalisation at end of year, SEK M	452	571	893	710	382
P/E	neg	27.20	38.82	1.51	38.17
P/B	0.49	0.58	0.88	0.68	0.68
EV/EBITDA	27.50	neg	20.07	neg	neg
Net debt (+)/net cash (–), SEK M [3]	–287	–306	–331	–629	–604
Number of class A shares	2,530,555	2,530,555	2,530,555	2,530,555	2,530,555
Number of class B shares	79,168,017	79,168,017	79,168,017	79,168,017	79,168,017
Total number of shares	**81,698,572**	**81,698,572**	**81,698,572**	**81,698,572**	**81,698,572**
Newly issued shares	–	–	–	–	–
Average weighted number of shares after dilution	81,698,572	95,463,278	87,550,220	81,698,572	81,698,572
Newly issued warrants	–	6,100,000	30,000,000	–	–
Warrants	36,100,000	30,000,000	–	–	–
Total number of shares and warrants	**117,798,572**	**117,798,572**	**111,698,572**	**81,698,572**	**81,698,572**

[1] Operations in 2008 differ from the current Catella and consisted of the distribution of IT and communication products, the segment where Scribona was previously active, which was divested in 2008.
[2] Year-2009 profit includes recognition of negative goodwill of SEK 440 M relating to the acquisition of European Equity Tranche Income Ltd. ('EETI') and Banque Invik.
[3] Net cash for 2009-2012 excludes Catella Bank, see Note 3 of the Annual Accounts for 2012 for more information.

Corporate governance

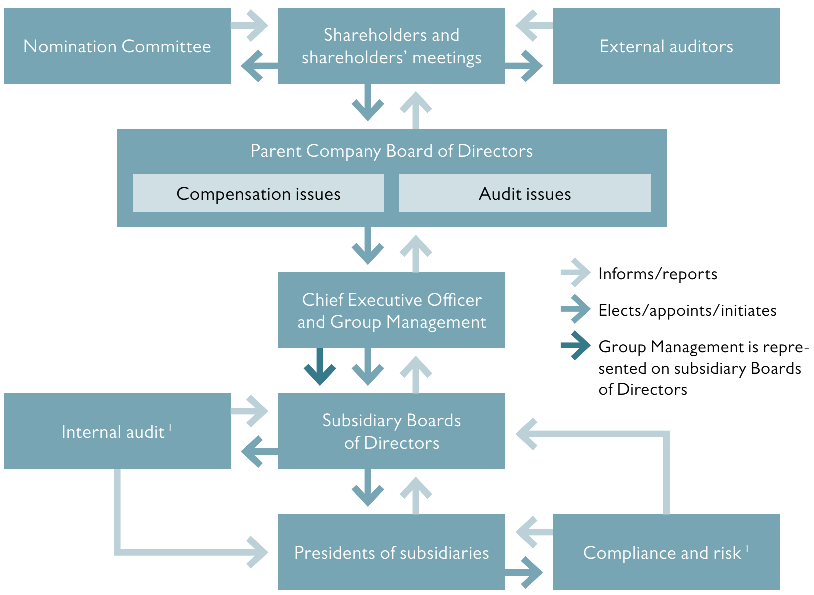
Catella AB (publ) is a Swedish public limited company with its registered office in Stockholm, Sweden. Catella has been listed on NASDAQ OMX First North Premier since 17 June 2011, and is subject to regulation according to the Swedish Companies Act and First North Premier's regulations. Catella does not apply the Swedish Code of Corporate Governance or the Swedish Annual Accounts Act's rules on corporate governance reports, because NASDAQ OMX First North Premier is not defined as a regulated marketplace, and accordingly, its rules are not applicable.

Governance and control

Responsibility for the management and control of operations in Catella AB with subsidiaries is divided between the shareholders at the Annual General Meeting, the Board of Directors, the Chief Executive Officer and the auditor elected by the Annual General Meeting. This responsibility is based on the Companies Act, the Articles of Association, NASDAQ OMX First North Premier's listing agreement and internal rules of procedure and instructions. These provisions are applied and followed up with the aid of company-wide reporting procedures and standards.

→ The current Articles of Association are available at
www.catella.com

CATELLA'S CORPORATE GOVERNANCE STRUCTURE



[1] There are internal audit, compliance and risk functions in those subsidiaries that conduct regulated operations.

Largest shareholders

As of 31 December 2012, the single largest shareholders were the Claesson & Anderzén group represented by Johan Claesson, who is also Chairman of the Board, with a shareholding of 48.4% and 47.8% of the votes, followed by Traction AB with a shareholding of 7.9% and 8.6% of the votes. After the end of the period, Traction AB increased its shareholding, so that its ownership had increased to 11.6% of the capital and 11.9% of the votes as of 31 March 2013. More detail on shareholders is in the section on the Catella share and owners.

Annual General Meeting

The AGM is the company's highest decision-making body and is held in Stockholm. The official notice of the AGM will be through an announcement in the Swedish Official Gazette (Post- och Inrikes Tidningar) and by the official notice being available at the company's website. Notification that the official notice has been made will be announced in Swedish daily newspaper Svenska Dagbladet. The official notice of the AGM and official notices of EGMs that consider amendments of the Articles of Association will be issued at the earliest six weeks and the latest four weeks prior to such Meetings. Official notices of other EGMs will be issued at the earliest six weeks and the latest three weeks prior to such Meetings.

The date and location of the AGM will be stated on Catella's website at the latest coincident with publication of the com-

→ Documentation from previous shareholders' meetings is available at
www.catella.com

pany's Third-quarter Interim Report. Shareholders wishing to participate in the AGM should firstly be recorded in the share register at the latest five working days prior to the meeting, and secondly notify the company by 4 p.m. on the day stated in the official notice of the Meeting. Shareholders that are unable to participate in person may be represented by proxy or power of attorney.

Annual General Meeting 2012

The AGM was held on 24 May 2012 in Stockholm. The Board of Directors, auditor and owners representing 54% of the votes attended the AGM. Resolutions of the Meeting included:

- That retained profits and net profit for the year be carried forward.
- That fees to Board members should be unchanged from the previous year, with a total payable of SEK 1,700,000, of which the Chairman of the Board should receive SEK 500,000 and other members should receive SEK 300,000 each. Additionally, fees to auditors should be paid in accordance with approved account.
- Re-election of Johan Claesson, Jan Roxendal, Niklas Johansson and Björn Edgren and election of Stefan Carlsson. Peter Gyllenhammar declined re-election. Johan Claesson was elected Chairman of the Board.
- Approval of the Nomination Committee's proposed principles for the Nomination Committee.
- Approval of the Board of Directors' proposed resolution regarding guidelines for remunerating senior managers.

→ Information on the AGM 2013, including notification of attendance, is at www.catella.com

Nomination Committee

The members of the Nomination Committee will be appointed by the Chairman of the Board contacting the three largest shareholders in terms of the number of votes as of 30 September of the same year as the AGM, who should each appoint one representative to make up the Nomination Committee for the period until the next AGM, along with the Chairman of the Board. The Nomination Committee should be convened by no later than 31 October of the same year. The Nomination Committee will appoint a Chairman internally who should not be the Chairman of the Board. The composition of the Nomination Committee should be published as soon as it has been appointed and by no later than six months prior to the AGM. The Nomination Committee's duty is to submit proposals to the AGM regarding the number of Board members, Directors' and auditor's fees, the composition of the Board of Directors, Chairman of the Board, resolutions on the Nomination Committee, Chairman of the AGM and election of auditors.

The Nomination Committee's proposals are presented on Catella's website before the Meeting. At the AGM, the Nomination Committee presents a report on how its work has been conducted and presents and reasons its proposals.

→ Information on the members of the Nomination Committee and the Nomination Committee's proposals is available at www.catella.com

For the AGM 2013, the Nomination Committee consists of Petter Stillström, appointed by Traction AB and Chairman of the Nomination Committee Johan Claesson, appointed by CA Plusinvest AB and Chairman of the Board of Catella AB (publ), as well as Thomas Andersson Borstam, appointed by TAB Holding AB. Two of the three members are independent of the Company, its Management and largest shareholder.

The Nomination Committee has proposed re-election of Johan Claesson, Jan Roxendal and Niklas Johansson and the election of Viveka Ekberg and Petter Stillström. Stefan Carlsson and Björn Edgren declined re-election. The Nomination Committee has proposed Johan Claesson as Chairman of the Board.

ATTENDANCE AND COMPENSATION TO THE BOARD OF DIRECTORS IN 2012

	Elected	Independent of companies/ owners	Attendance	Fees, SEK 000
Johan Claesson	2008	No / No	9 / 9	500
Stefan Carlsson [1]	2012	No / Yes	6 / 6	488
Björn Edgren	2008	Yes / Yes	7 / 9	300
Peter Gyllenhammar [2]	2008	Yes / Yes	3 / 3	200
Niklas Johansson	2011	Yes / Yes	9 / 9	300
Jan Roxendal	2011	Yes / Yes	9 / 9	300

[1] Stefan Carlsson became a Board member at the AGM on 24 May 2012. He also became Chairman of the Board of Catella Bank. SEK 388,000 of fees of SEK 488,000 relate to his position with Catella Bank.

[2] Peter Gyllenhammar was not available for re-election at the AGM on 24 May 2012.

Board of Directors

In accordance with an AGM resolution, the Board of Directors should consist of five ordinary members with no deputies. The AGM 2012 resolved to re-elect Johan Claesson, Björn Edgren, Jan Roxendal and Niklas Johansson, and to elect Stefan Carlsson as Chairman of the Board for the period until the next AGM. Johan Claesson was elected as Chairman of the Board. Former Board member Peter Gyllenhammar was not available for re-election at the AGM on 24 May 2012. Information on the Board members is available in the section on the Board of Directors and auditors.

The Board of Directors' rules of procedure

The Board of Directors has adopted rules of procedure, instructions for financial reporting and instructions for the Chief Executive Officer. The rules of procedure formalise items including the duties of the Chairman of the Board, business for each meeting and matters considered on special occasions in the year.

Committees

In 2012, the Board of Directors did not work through committees, but rather, manages those matters dealt with by a compensation or audit committee, for example, at scheduled Board meetings.

Work of the Board of Directors in 2012

The number of Board meetings in 2012 was nine (9) of which one (1) was per capsulam and one (1) was a telephone conference. The Chief Executive Officer, Johan Ericsson, is not a member of the Board but reported to the Board of Directors. Johan Ericsson attended all Board meetings. Over and above operating activities, matters regarding the integration of the bank operation, as well as strategy, coordination and streamlining operations were matters of this particular focus in the year. The Chairman of the Board led the work of the Board of Directors and maintained continuous contact and dialogue with the Chief Executive Officer. On one occasion, the Board of Directors met the auditors and received their views of the company's financial reporting and internal controls, and the Board of Directors met the auditors without the attendance of Group Management. Minutes were taken at Board meetings in 2012 by the company's General Counsel. The minutes were verified by the Chairman, and by one Board member. There is an overview of the work of the Board of Directors and its decisions in the year below.

Appraisal of the work of the Board of Directors

The Chairman of the Board was responsible for appraising the work of the Board of Directors through contact with individual members and verifying that the Nomination Committee received his judgement.

WORK AND DECISIONS OF THE BOARD OF DIRECTORS IN 2012

QUARTER 1

- Decision to harmonise the services offering of Corporate Finance.
- Decision on compensation issues dealt with by the whole Board.
- Decision to appoint a new Head of the Swedish Funds operation.

QUARTER 2

- Decision to discontinue the sales process of the bank operation and integrate this operation.
- Adoption of a new dividend policy.
- Decision to divest the Memphis loan portfolio.

QUARTER 3

- Decision to acquire another 20% of asset manager IPM through a new share issue.
- Decision to issue a bond of an initial SEK 200 M, with a limit of SEK 300 M.

QUARTER 4

- Decision to open a London office for Corporate Finance.
- Adoption of rules of procedure for the Board of Directors.
- Adoption of instructions for the CEO and reporting instructions.
- Decision to extend the warrant program for warrants with exercise date in 2013 and convene an EGM.

Compensation to the Board of Directors

The AGM 2012 resolved that Directors' fees should be unchanged on the previous year, at a total of SEK 1,700,000, of which the Chairman of the Board should receive SEK 500,000 and other member should receive SEK 300,000 each. For Directors' fees paid in the financial year 2012, see the above table and Note 11 of the Annual Accounts for 2012.

Group Management

Group Management bears overall responsibility for the operations of the Catella Group in accordance with the strategy and long-term objectives set by the Board of Directors of Catella AB. The Chief Executive Officer regularly convenes subsidiary Presidents and other senior managers to discuss business conditions and other operational matters. The Chief Executive Officer has delegated the right to make decisions to subsidiary Presidents through channels including rules of procedure for each subsidiary. The Group Management is presented in more detail in the Group Management section.

Compensation guidelines for senior managers

Compensation to the Chief Executive Officer and other members of Group Management should consist of basic salary, variable salary and other benefits, as well as pensions. Total compensation should be on market terms and competitive, and relate to responsibilities and authorisation. Variable compensation is based on results in relation to individually defined qualitative and quantitative targets and should never exceed basic salary. On termination of employment contracts by the company, dismissal pay and severance pay combined should not exceed 12 months' salary.

Pension benefits should be defined contribution, unless special circumstances justify otherwise. The Board of Directors may depart from these guidelines only in individual cases where there are special circumstances.

Compensation to the Chief Executive Officer and other senior managers is stated in Note 11 of the Annual Accounts for 2012.

Appraisal of the Chief Executive Officer

The Board of Directors continuously appraises the work of the Chief Executive Officer. This matter is dealt with specifically at one Board meeting per year, when no member of management attends.

Audit

The auditor is appointed by the AGM for a term of office of one year. According to its Articles of Association, Catella should have a minimum of one and a maximum of two auditors with a maximum of two deputy auditors. An Authorised Public Accountant, or registered public accounting firm should be appointed as auditor, and where applicable, deputy auditor.

The AGM 2012 elected audit firm PricewaterhouseCoopers AB (PwC), with Authorised Public Accountant Patrik Adolfson as Auditor in Charge. The company's external auditors attended one (1) Board meeting. In addition to auditing, audit firm PricewaterhouseCoopers AB had a number of other limited assignments from Catella.

According to AGM resolution, auditor's fees should be payable according to approved account. The compensation paid to auditors for the financial year 2012 is stated in Note 8 of the Annual Accounts for 2012.

Follow-up and internal control

The Board of Directors has ultimate responsibility for the company's follow-ups and internal control, and has delegated ongoing administration of the company's affairs to the Chief Executive Officer in dedicated instructions. The company's authorised signatories are the Board as a whole or two Board members jointly and severally. The Chief Executive Officer may serve as sole signatory of the company concerning matters of ongoing administration, in accordance with the Swedish Companies Act.

The Catella Group consists of some 50 subsidiaries active in 12 European countries. Operations are mainly decentralised. Rules of procedure formalising the division of responsibility between subsidiary Boards of Directors and the Presidents of each subsidiary are adopted by subsidiary Boards of Directors. The basis of internal control is a control environment that consists of the company's and the Group's corporate culture and business ethics, which are followed up and led with the aid of collective reporting procedures and standards. One important element of the group's follow-ups and governance is that Group Management is represented on subsidiary Boards of Directors and also reports to the Parent Company's Board of Directors.

Several of the Group's subsidiaries conduct operations that are subject to regulation by the financial supervisory authority of each jurisdiction. The regulatory structures these subsidiaries comply with affect the organisation and structure of subsidiaries. For example, these subsidiaries have dedicated risk management functions, internal audit and compliance functions, which are independent from business operations and report to the relevant subsidiary's President and direct to the subsidiary's Board of Directors. Group Management is represented on subsidiary Boards of Directors and also reports to the Parent Company's Board of Directors. Several of these subsidiary Boards of Directors also have independent Board members.

Board of Directors and auditors

Johan Claesson
Chairman
Born in 1951

Chairman of the Board of Catella AB since 2011 and Board member since 2008.

Other Board assignments: Chairman of the Boards of Claesson & Anderzén AB, CA Fastigheter AB, Alufab Ltd, K3Business Technology Group PLC and Leeds Group PLC.

Background: owner and Executive Chairman of Claesson & Anderzén AB.

Education: B.Sc. (Econ.).

Shareholdings (December 2012): 1,087,437 Class A shares and 38,480,821 class B shares.

Warrant holdings (December 2012): none.

Ownership: through company and private.

Independent of the company and management: no.

Independent of major shareholders of the Company: no.

Stefan Carlsson
Member
Born in 1961

Board member of Catella AB since 2012.

Other Board assignments: Chairman of the Board of Catella Bank.

Background: former member of Swedbank's Group Management, also served in companies including Öhman Luxembourg S.A., SEB Enskilda Equities and DnB Asset Management, New York.

Education: B.Sc. (Econ.), MBA.

Shareholdings (December 2012): none.

Warrant holdings (December 2012): none.

Ownership: -

Independent of the company and management: no.

Independent of major shareholders of the Company: yes.

Björn Edgren
Member
Born in 1938

Board member of Catella AB since 2008.

Other Board assignments: Chairman of the Olle Engkvist Foundation and Board member of Brogarn Förvaltning AB.

Background: former Partner of law firm Vinge KB. Former member of Skandinaviska Enskilda Banken's Group Management. Member of the Swedish Bar Association, 1969–1992 and 1996 onwards.

Education: LL.B.

Shareholdings (December 2012): 100,000 class B shares.

Warrant holdings (December 2012): none.

Ownership: private.

Independent of the company and management: yes.

Independent of major shareholders of the Company: yes.

Niklas Johansson
Member
Born in 1961

Board member of Catella AB since 2011.

Other Board assignments: Chairman of the Board of the Swedish National Pharmacy Corporation Pension Fund and the Telia Pension Fund, Board member of AP2 (the Second Swedish National Pension Fund).

Background: previously served companies including Ernst & Young, Skandia Liv and Crédit Agricole Indosuez Cheuvreaux Nordic and President & CEO of Carnegie Investment Bank.

Education: B.Phil., MBA and CEFA.

Shareholdings (December 2012): 28,300 class B shares.

Warrant holdings (December 2012): none.

Ownership: private.

Independent of the company and management: yes.

Independent of major shareholders of the Company: yes.

Jan Roxendal
Member
Born in 1953

Board member of Catella AB since 2011.

Other Board assignments: Chairman of the Board of the Swedish Export Credits Guarantee Board and mySafety Group and Board member of the Swedish Export Credit Corporation.

Background: former CEO of Gambro AB. CEO & President of Intrum Justitia Group. COO of ABB Group and CEO of ABB Financial Services.

Education: higher public education in banking.

Shareholdings (December 2012): none.

Warrant holdings (December 2012): none.

Ownership: -

Independent of the company and management: yes.

Independent of major shareholders of the Company: yes.

Auditor

Patrik Adolfson
Auditor
Born in 1973

Since 2011, Catella's auditing firm has been PricewaterhouseCoopers AB (PwC). The Auditor in Charge is Authorised Public Accountant Patrik Adolfson, a member of FAR SRS.

Other audit assignments: Attendo AB, Loomis AB, Nordstjernan Investment AB and Securitas Sverige AB.

Shareholdings (December 2012): none.

Warrant holdings (December 2012): none.

Ownership: -

Group Management

Johan Ericsson

President and Chief Executive Officer, born in 1951

President and Chief Executive Officer of Catella AB and member of Group Management since September 2010.

Current Board assignments: Board member of the majority of the Catella Group's subsidiaries, and minor Board assignments outside Catella.

Background: employed by Catella since 1992. President of Property Advisory Services for the former Catella.

Education: B.Sc. (Econ.).

Shareholdings (December 2012): 25,000 class B shares.

Warrant holdings (December 2012): 5,250,000 with class B shares as underlying security. Most of these options have exercise dates between March and May of 2015 and 2016.

Ownership: through company and related parties.

Ando Wikström

Chief Financial Officer, born in 1964

CFO of Catella AB and member of Group Management since September 2010.

Current Board assignments: Board member of the majority of the Catella Group's subsidiaries, and minor Board assignments outside Catella.

Employment: employed by Catella since 2001. Formerly COO and CFO of Property Advisory Services for the former Catella. COO and CFO of Capona AB.

Education: B.Sc. (Econ.).

Shareholdings (December 2012): 30,000 class B shares.

Warrant holdings (December 2012): 5,250,000 with class B shares as underlying security. Most of these options have exercise dates between March and May of 2015 and 2016.

Ownership: through company and related parties.

Johan Nordenfalk

General Counsel and Head of Business Development, born in 1973

General Counsel and Head of Business Development of Catella AB since January 2011 and member of Group Management since March 2011.

Current Board assignments: Board member of the majority of the Catella Group's subsidiaries, and minor Board assignments outside Catella.

Employment: employed by Catella since 2011. Former Partner and Attorney-at-Law and partner with Hamilton law firm.

Education: LL.B., Maîtrise en droit.

Shareholdings (December 2012): none.

Warrant holdings (December 2012): 300,000 with class B shares as underlying security. Most of these options have exercise dates between March and May of 2015 and 2016.

Ownership: private.

Anders Palmgren

Head of Corporate Finance, born in 1959

Head of Corporate Finance since January 2012 and member of Group Management since April 2011.

Current Board assignments: Board member of Catella's Nordic Corporate Finance companies, and minor Board assignments outside Catella.

Employment: employed by Catella since 2007. Previously founder of, and served, Genesta Property Nordic AB.

Education: LL.B.

Shareholdings (December 2012): 26,000 class B shares.

Warrant holdings (December 2012): 600,000 with class B shares as underlying security. Most of the options have redemption dates between March and May of 2013.[1]

Ownership: private.

[1] In spring 2013, these warrants and their term extended until 2015.

Financial Statements

NOTES ON THE CONSOLIDATED ACCOUNTS:

NOTES FOR THE PARENT COMPANY:

Administration Report

The Board of Directors and the Chief Executive Officer of Catella AB (publ), corporate identity number 556079-1419, hereby present the Annual Accounts for the financial year 2012. The results of operations of the Group and Parent Company is presented in the following Income Statements, Balance Sheets, Cash Flow Statements, Statements of Changes in Equity and Notes.

On 28 June 2012, Catella decided to discontinue the previous sales process of its subsidiary Banque Invik, corporate name changed to Catella Bank. This operation has been recognised as a disposal group held for sale. This meant that Catella Bank's net profit (after tax) is recognised on a separate line in the Consolidated Income Statement called 'net profit/loss from disposal group held for sale.' The assets in this operation have been recognised on a separate line in the Income Statement called 'Assets in the disposal group held for sale' and liabilities on a separate line in the Balance Sheet called 'Liabilities in disposal group held for sale.' Because the sales process was discontinued, this means that the conditions for recognizing the operations of Catella Bank as an operation hell for sale according to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are no longer satisfied. For this reason, the profit or loss of Catella Bank is no longer recognised on a line in the Income Statement, but instead, its profit or loss is accounted gross on the relevant line of the Consolidated Income Statement and previous year's comparative figures have been restated correspondingly. However, in accordance with IFRS 5, previous year's Balance Sheets have not been restated. The amended accounting primarily affects the balance sheet items other non-current receivables, current loan receivables, cash and cash equivalents and current loan liabilities.

From the annual financial statement 2012 onwards, Catella is recognising acquisition-related expenses pertaining to the amortisation of acquisition-related intangible assets such as contract portfolios, transaction expenses and revaluations of additional purchase considerations on a separate line in the Income Statement. In addition, from the annual financial statement 2012 onwards, interest income, interest expenses and other operating income in the Asset Management operating segment is being recognised as part of 'net sales,' from previously being recognised as part of net financial income/expense. This reclassification has been made because these income and expenses relate to the main operating activities. From year-end, Catella is conducting operations in two operating segments only, Corporate Finance and Asset Management, while operations previously conducted in Treasury Management are included in Other, which also includes the Parent Company and Group eliminations. Comparative figures for previous years have been reclassified correspondingly.

OWNERSHIP STRUCTURE

Catella AB (publ) has its registered office in Stockholm, Sweden, and is listed on NASDAQ OMX First North Premier, with Remium AB as its Certified Adviser. Catella's largest shareholder, accounting for at least one-tenth of the shares/votes at the end of the financial year was the Claesson & Anderzén group (and associates) with 48.4% (47.6) of the share capital and 47.8% (47.1) of the votes. Catella's ten largest shareholders jointly controlled 75.4% (73.2) of the share capital and 73.9% (72.0) of the votes. The ownership structure is described in the section on the Catella share and owners on page 35.

INFORMATION ON OPERATIONS

Catella is active in Corporate Finance and Asset Management.

The Catella Group ("Catella") comprises the Parent Company Catella AB (publ) (the "Parent Company") and a number of independent, but closely co-operating subsidiaries with their own Boards of Directors. Catella has 434 employees in 12 European countries.

Corporate Finance operations offer specialised financial advisory services, Transaction advisory services in the professional property market are its main activity.

Asset Management offers institutions, companies and individuals specialised financial services in fund and asset management, as well as wealth management and card and payment solutions. Catella also manages loan portfolios consisting of securitised European loans, mainly exposed to housing.

The current Group was formed through the acquisition of Catella AB on 13 September 2010, which was renamed Catella Brand AB. The acquired operation has been consolidated in the Group since 30 September 2010.

Prior to the above acquisition, the Group's operations consisted of investment operations with two major investments implemented, namely of European Equity Tranche Income Ltd. and Banque Invik S.A., whose corporate name has been changed to Catella Bank S.A. In addition, investments had been made in listed shares. Accordingly, the acquisition of Catella Brand AB involved a change of operational focus for the Group.

OVERVIEW OF EARNINGS, FINANCIAL POSITION AND CASH FLOW

Group performance—five-year summary

SEK M	2012	2011	2010	2009	2008 [1]
Net sales	971	1,045	611	235	2,670
Operating profit before acquisition-related items and items affecting comparability	6	1	33	425	–12
Operating profit/loss	–33	–3	33	425	–12
Net financial items	29	–12	11	51	24
Profit/loss before tax	–4	–15	44	476	12
Net profit/loss for the year	–13	21	25	472	10
Average number of employees	444	437	200	88	79

SEK M	2012	2011	2010	2009	2008
Equity	925	980	1,012	1,051	562
Total assets	3,462	3,907	5,343	3,956	641
Equity/assets ratio, %	27	25	19	27	88

SEK M	2012	2011	2010	2009	2008
Cash flow from operating activities	–101	–1,090	1,153	–463	1,031
Cash flow from investing activities	67	75	–268	2,120	–51
Cash flow from financing activities	12	–90	227	0	–717
Cash flow for the year	–22	–1,105	1,112	1,657	263

[1] Operations for 2008 and earlier years differ from today's Catella and consist of the distribution of IT and communications products where Scribona, which was divested in 2008, was previously active.

The Group's net sales totalled SEK 971 M (1,045) for the full year 2012. Income, excluding assignment expenses and commission, totalled SEK 766 M (825). The Group's net financial income and expense was SEK 29 M (-12) and includes interest income from loan portfolios of SEK 25 M (43). Financial income and expense also includes interest expenses, guarantee claims and other financial expenses relating to the acquisition of the former Catella Group totalling SEK 12 M (14).

The measurement of non-current securities and investments in securities etc. at fair value resulted in negative value adjustments of SEK 2 M (-32) and SEK -4 M (-12), respectively. In addition, the disposal of non-current securities generated a gain of SEK 17 M (-2) primarily relating to Catella Bank's disposal of shares in Visa, received as a bonus based on transaction volumes in its card operation.

The Group's profit/loss before tax was SEK -4 M (-15) and has been charged with expenses of SEK 34 M (-) for the integration of Catella Bank with Catella's other asset management operations, recognised as items affecting comparability in the Consolidated Income Statement. Of this amount, SEK 22 M are expenses for vacated office premises in Luxembourg, SEK 10 M are staff termination costs and SEK 2 M are other non-recurring expenses.

The group's profit/loss before tax adjusted for items affecting comparability was SEK 30 M (-15). The net profit/loss for the year after tax was SEK -13 M (21), corresponding to earnings per share of SEK -0.17 (0.25).

During 2012, consolidated equity decreased by SEK 55 M to SEK 925 M as of 31 December 2012. In addition to net profit/loss for the year of SEK -13 M, equity was impacted by negative translation differences of SEK 29 M, value changes in defined benefit pension plans of SEK -1 M and changes in non-controlling interests totalling SEK -10 M. In addition, equity was affected by the re-purchase of issued warrants of SEK -2 M. The consolidated equity/assets ratio as of 31 December 2012 was 27% (25).

In 2012, the Group's total assets decreased by SEK 445 M to SEK 3,462 M as of 31 December 2012. The decrease in total assets mainly relates to Catella Bank.

The Group's cash flow from operating activities in 2012 was SEK -101 M (-1,090). The changes in working capital related mainly to Catella Bank's deposits and lending, which amount to SEK -120 M (-1,077), but also to tax payments.

Cash flow from investing activities amounted to SEK 67 M (75) and includes payments from the disposal of the loan portfolio of SEK 36 M, the sale of Visa shares of SEK 26 m, the sale of fund units of SEK 6 M and net deposits totalling SEK 35 m relating to purchases and sales of business-related holdings. Cash flows from loan portfolios also amounted to SEK 26 M (44) and dividends from investments were SEK 1 M (12).

In addition, payments were made for final settlement of the purchase considerations for participating interests in the subsidiary Catella Capital Intressenter and in the former Catella Group, totalling SEK 51 M, and for the purchase of property, plant and equipment and intangible assets of SEK 9 M. Cash flow from financing activities was SEK 12 M (-90) and consists of a bond issue of SEK 200 M, amortisation of an acquisition finance loan from an external bank of SEK 154 M (93), guarantee claims paid of SEK 5 M, re-purchase of share warrants issued of SEK 12 M (0) and dividend to non-controlling interest of SEK 15 M (previous year, net contribution of SEK 4 M). Cash flow for the year was SEK -22 M (-1,105), of which cash flow from Catella Bank was SEK -140 M (-1,064) and cash flow from other operations was SEK 118 M (-41).

Performance of operating segments—two-year summary

	Corporate Finance		Asset Management	
SEK M	2012	2011	2012	2011
Total income	419	493	568	569
Assignment expenses and commissions	–30	–52	–193	–190
Income excluding assignment expenses and commissions	389	441	376	379
Operating expenses	–350	–397	–373	–384
Operating profit/loss before acquisition-related items and items affecting comparability	39	44	2	–5
Amortisation of acquisition-related intangible assets	–	–	–5	–4
Items affecting comparability	–	–	–31	–
Operating profit/loss	39	44	–34	–9
Net financial items	–2	–2	23	2
Profit before tax	37	42	–11	–7
Tax	–15	–15	4	12
Net profit/loss for the year	22	27	–7	5
SEK M	2012	2011	2012	2011
Equity	161	160	614	496
Total assets	309	380	2,787	3,165
Equity/assets ratio %	52	42	22	16

Corporate Finance reported net sales of SEK 412 M (488). The decrease of net sales primarily relates to lower transaction volumes in property advisory services, which reduced from SEK 60.8 M in 2011 to SEK 50.7 M in 2012. Income excluding invoices for assignment expenses was SEK 389 M (441). Profit/loss before tax was SEK 37 M (42).

Asset Management reported net sales of SEK 565 M (561). Income excluding invoicing for assignment expenses and commissions was SEK 376 M (379). The profit/loss before tax was SEK -11 M (-7) and was charged with SEK 31 M (-) of expenses for the integration of Catella Bank with Catella's other Asset Management operations. Profit/loss before tax excluding items affecting comparability was SEK 20 M (-7). Profit/loss includes a gain of SEK 17 M for the disposal of shares in Visa, received as a bonus based on transaction volumes in its card operation. Profit/loss also includes expenses of SEK 5 M (4) for the amortisation of acquisition-related intangible assets.

During the year, Catella conducted impairment tests on assets with indefinite useful lives based on carrying amounts as of 30 June 2012. Catella's assets with indefinite useful lives consist of goodwill and brands. Impairment tests proceed on the basis of estimated future cash flows based on budgets approved by management and the Board of Directors. The impairment tests confirmed that there was no need to impair book values.

INVESTMENTS, DEPRECIATION AND AMORTISATION

In 2012, the Group made investments totalling SEK 88 M (121). Of this amount, SEK 8 M (7) is investments in property, plant and equipment and SEK 1M (24) is investments in intangible assets. No investments were made in non-current financial assets (previous year: SEK 20 M).

In addition, the Group made purchases of operational short-term holdings of SEK 78 M (71), of which SEK 59 N (45) is Catella Bank's purchase of treasury bills and derivatives. Depreciation and amortisation in the financial year was SEK 22 M (25).

FUNDING[1]

In September 2012, Catella AB (publ) issued a five-year unsecured bond of SEK 200 M. This item is included in non-current loan liabilities in the Consolidated Statement of Financial Position. This bond has a nominal amount of SEK 300 M and accrues variable interest at 3-month Stibor plus 500 basis points. Funding is also conditional on the satisfaction of covenants based on financial position and liquidity. The issue proceeds were partly utilised to repay subsidiary Catella Holding AB's acquisition finance loan of SEK 100 M from an external bank. Coincident with this repayment, a guarantee issued by Claesson & Anderzén AB, which held 47.8% of the votes and 48.4% of the capital of Catella AB (publ) also ceased to apply.

The Group was also granted an overdraft facility of SEK 31.5 M (36.5), of which 31.5 M was un-utilised as of 31 December 2012.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Banque Invik Integrated into Catella and changes corporate name to Catella Bank

In June 2012, Catella decided to discontinue the sales process of Banque Invik with the intention of integrating the bank into Catella's operations.

Simultaneously, the Bank's corporate name was changed to Catella Bank. Subsequently, work commenced on co-ordinating Catella's asset management operations with Catella Bank with the intention of strengthening Catella's services and product offering. A decision was also taken to develop the Bank's card business and lending operation. The co-ordination and restructuring of operations generated non-recurring costs of SEK 34 M which are charged to net profit/loss for the year and recognised as items affecting comparability in the Consolidated Income Statement.

The start-up of Catella Bank also resulted in organisational and management changes, such as a new President and Chairman of the Board.

[1] The Group excluding subsidiary Catella Bank.

Sale of loan portfolio

In May 2012, the Memphis loan portfolio, which is primarily exposed to the Netherlands, was divested. The sale raised SEK 35 M and generated a capital loss of SEK -1 M.

Bond issue

In September 2012, Catella AB (publ) issued a five-year unsecured bond of SEK 200 M. This bond has a nominal amount of SEK 300 M and accrues variable interest at 3-month Stibor plus 500 basis points. Catella intends to list this these bonds on Nasdaq OMX Stockholm. The issue proceeds were primarily utilised to repay previous bank funding, and will be used as expansion capital.

Extended ownership of IPM

Catella increased its holding from 5% to 25% of IPM (Informed Portfolio Management AB) by executing a SEK 33 M private placement (this new issue is conditional on ownership assessment approval). IPM is a leading supplier of systematic investment services in discretionary management and fund management. IPM currently has assets under management of SEK 42 Bn on assignment from major institutional investors, pension funds, insurance companies and foundations.

SUBSEQUENT EVENTS

Extraordinary General Meeting

An EGM of Catella AB held on Friday 18 January 2013 decided to divide share warrants of series A 2010 into two series—series A and series A1. The period for subscribing for shares was extended by two years for series A1 and the new subscription period runs from 25 March 2015 to 25 May 2015, both dates inclusive. Holders of share warrants of series A are entitled to exchange to share warrants of series A1 for the payment of a market premium.

Changes to Group Management

Timo Nurminen became Interim President of Catella Bank on 28 January 2013. He succeeds Fredrik Sauter, who is also leaving Catella's Group Management to take up a new position outside Catella.

EMPLOYEES

The number of employees at the end of the period, expressed as full-time equivalents, was 434 (443), of whom 212 (209) were employed in the Corporate Finance operating segment, 210 (219) in the Asset Management operating segment and 12 (15) in other functions.

FINANCIAL INSTRUMENTS, RISKS AND UNCERTAINTIES

Risks and uncertainties

Within the Corporate Finance operating segment, seasonal variations are significant. This means that sales and results of operations vary during the year. In Corporate Finance, transaction volumes are usually highest in the fourth quarter, followed by the second quarter, then the third and first quarters.

The Corporate Finance operating segment relies on the credit market functioning efficiently. In turn, the credit market affects the market for property transactions, which is one of Catella's principal markets in Corporate Finance. Corporate Finance is also very personnel intensive and relies on key employees. If several key employees decided to leave Catella, this could affect the Group's sales and performance.

In the Asset Management operating segment, various kinds of risk arise, such as credit risk, market risk, liquidity risk and operating risk. Policies and instructions have been established for limiting and controlling risk-taking in the operations in terms of issuing credit and other operating risks.

The Group's asset management and banking operations are part of the Asset Management operating segment, which is also where premium bonds are traded and leveraged, and where credit is granted in connection with client purchases of equities and funds.

Trading in this operating segment is primarily on behalf of clients for client transactions, but on occasion, these transactions are also conducted via a small-scale proprietary trading portfolio. All transactions that are implemented on behalf of clients are controlled by instructions from the client, or through agreed investment rules or fund provisions. Catella does not bear any risk in terms of the progress of clients' financial instruments, other than due to non-compliance with agreed instructions. Several subsidiaries in the operating segment are regulated by the supervisory authority in the country in which they have their legal domicile.

The bank operation, and the credit card and acquisition operation conducted in subsidiary Catella Bank, is exposed to risks including credit and counterparty risk, as well as changes to regulatory structures relating to its operations. The Bank's sales and results of operations can be negatively affected by potential regulatory changes, and altered credit ratings of its clients and counterparties. The bank has limited currency exposure to foreign currency transactions. Currency exposure is hedged using derivative instruments.

Financial risks are mainly managed through continuous measurement and follow-up of financial progress. Financial risks also arise because the Group is in need of external funding and uses various currencies. The Group's financial risks, which mainly comprise financing and liquidity risk, interest rate risk, currency risk and credit/counterparty risk, are described in Note 3.

The preparation of financial statements requires the Board and Group management to make estimates and judgements.

Estimates and judgements affect the Income Statement and Balance Sheet, as well as disclosures regarding contingent liabilities, for example. Actual outcomes may differ from these estimates and judgements, due to changed circumstances or conditions. More information on critical estimates and judgements is presented in Note 4.

Financial instruments

The use of financial instruments is mainly in the Asset Management operating segment, as follows:

Strategy for the use of financial instruments

In Asset Management, active trading is conducted in all types of security and foreign currency on behalf of clients and managed funds. In addition, the bank advises its clients on financial matters as follows:

Short-term investments: deposit accounts with automatic payment of accrued interest and principal at maturity.

Mid-term investments: at the client's request, investments in equities, funds and bonds adapted to the client's risk profile with an investment horizon of three to five years.

Management of funds and discretionary management: investments in accordance with each fund's provisions or investment directives based on the manager's judgement.

The operating segment does not trade in or take positions on its own behalf in financial instruments apart from with the intention of limiting the currency exposure that arises in Catella Bank's card operation.

Due to the operating segment's prudent policy for issuing credit and trading in financial instruments, exposure to risks is limited. The operating segment is mainly exposed to credit risk and market price risk.

Derivative instruments

Catella Bank's card operation has some currency exposure arising from transactions in foreign currency. The Bank uses currency swaps and forward contracts to limit the risk as follows:

Currency forwards are agreements to purchase foreign and domestic currency, including undelivered spot transactions.

Currency swaps are agreements to swap cash flow in one currency for another. Swaps result in a financial exchange of currencies. The hedging transactions described above are of a financial nature and are not recognised as hedges in accordance with the accounting standard IAS 39 Financial Instruments.

Other risks

Other risks in the Group include operating, strategic, political, reputational and commercial risks.

Operating risk

Operating risk is the risk of a loss due to internal causes (data error, mistakes, fraud, incomplete compliance with laws and internal regulations, other deficiencies in internal control etc.) and events in the surrounding world (natural disasters, external crime, etc.) The Group has established procedures and controls to minimise operating risk. There are operating risks in the subsidiary Catella Bank there are significant volumes and amounts of transactions with real-time systems, that require 24-hour availability. For traditional insurable risks such as fire, theft, liability and similar, the Group judges that it has satisfactory protection through the existing insurance cover.

Parts of the group's operations require permits and are subject to regulation by the financial supervisory authority of each country. In instances of subsidiaries being unable to satisfy the standards set by regulatory structures, this may have a negative impact on the Group's results of operations and the value of the Group's assets.

Reputational risk

Reputational risk is the risk that the Group's reputation is damaged on the market, in the media or with clients, which could have a negative impact on Group profit. Reputational risk also increases as the Group grows and becomes a larger player on the market. Catella currently believes that its reputation is strong and its client base is broad.

Political risks

Catella holds equities, funds and loan portfolios. Its most significant investment is in the subsidiary European Equity Tranche Income ("EETI"), which has invested in securitised European loans primarily with exposure to housing. The loan portfolios owned by EETI are described further in Notes 3 and 24 in the Annual Accounts. In addition to the financial risks described in these notes, EETI is exposed to political risk. Retroactive changes to legislation could have a negative impact on the value of EETI's investments. It is difficult to determine precisely how such changes would influence consumer behaviour and it is possible that the degree of prepayment would increase and affect the expected cash flow from the investments.

Other political risks include potential changes in regulations that affect the Group's operations and how they are conducted. Should subsidiaries be unable to meet the requirements arising from any new regulations, this could have a negative impact on the Group's results of operations and on the value of the assets in these subsidiaries. No assessment can be made of any impact from this risk.

Strategic risk and other risks

Strategic risk could result from institutional changes and changes in fundamental market conditions that may occur. Legal and ethical risks are based in part on external regulations, mainly legislation and regulations, guidelines and instructions of supervisory authorities regarding operations, and in part on the requirements of the business community that operations be conducted on confidence-building grounds. The Catella Group actively works with trade organisations, legal networks and other contacts to be able to influence and adapt the companies' operations to changes in strategic risks at an early stage. Processes in the operations are subject to internal regulations. Continuous training, control and follow-up in terms of regulatory compliance are arranged by the Risk and Legal/Compliance units, which together with management, are responsible for continuously updating regulations.

FUTURE PROGRESS

Work on harmonising and streamlining the services offering of the Corporate Finance operation commenced in 2012. Simultaneously, the service offering was extended in raising capital from internal and external sources, and satisfying the need for finance in Europe. In Asset Management, work on integrating Catella Bank with the rest of Catella's asset management business, with the intention of strengthening Catella's service and product offering is ongoing. The Bank's card operation and lending business will also develop. In the fund operation, the objective is growth by increasing efficiency of sales work and enhancing products. The goal for 2013 is for Catella to strengthen its presence on the major European markets in Corporate Finance and build a competitive offering in Asset Management. Through its business breadth and geographical diversity in Europe, Catella enjoys good prospects of securing strong and profitable positions in selected market segments in Europe.

RESEARCH AND DEVELOPMENT

Catella is active in Corporate Finance and Asset Management, and does not conduct research in the sense referred to in IAS 38 Intangible assets. The work of enhancing and developing the Group's range of services is continuously in progress. The Group had no capitalised development expenses as of 31 December 2012.

ENVIRONMENTAL IMPACT

Catella AB and its subsidiaries do not conduct operations that require permits under the Swedish Environmental Code.

PARENT COMPANY

Catella AB (publ) is a holding company for the Group. As of 1 January 2012, Group Management and other central Group functions were gathered into the Parent Company Catella AB (publ). For 2012, the Parent Company recognised income of SEK 6 M (0). The operating profit/loss for the year was SEK -28 M (-3) and the profit/loss before tax was SEK -28 M (-1). Dividends of SEK 34 M (9) were received from subsidiaries in the year. The value of shares in subsidiaries was impaired by SEK 33 M (8) coincident with payment of dividends.

Cash and cash equivalents amounted to SEK 51 M (0) on the reporting date. The improved liquidity is due to Catella AB (publ) issuing a five-year, SEK 200 M unsecured bond in September 2012. The issue proceeds were partly used to repay subsidiary Catella Holding AB's loans from an external bank. Total assets amounted to SEK 749 M (573). As of 1 January 2012, Catella AB (publ) made an unconditional shareholders' contribution of SEK 465 M two wholly owned subsidiary Catella Holding AB. At year-end, there were 11 (1) employees in the Parent Company, expressed as full-time equivalents.

PROPOSED APPROPRIATION OF PROFIT

The following non-restricted reserves and earnings in the Parent Company are at the disposal of the Annual General Meeting:

SEK	
Share premium reserve	49,562,148
Retained earnings	108,552,123
Net profit/loss for the year	–27,903,920
	130,210,351

The Board of Directors and Chief Executive Officer propose that funds at the disposal of the Annual General Meeting are allocated so that SEK 130,210,351 is carried forward, of which SEK 49,562,148 is allocated to the share premium reserve.

PROPOSED COMPENSATION GUIDELINES FOR SENIOR MANAGERS OF CATELLA, 2012

The Board of Directors of Catella AB (publ) proposes that the AGM 2013 approves the following guidelines for the compensation of senior managers.

Scope of guidelines

These guidelines concern compensation and other terms of employment for the members of Catella's Group Management for the period the guidelines apply, hereby jointly designated 'senior managers.' The current members of Group Management are Johan Ericsson (CEO), Ando Wikström (CFO), Johan Nordenfalk (General Counsel) and Anders Palmgren (Head of Corporate Finance). The guidelines apply to agreements entered after AGM resolutions and for amendments to existing agreements after this time. The Board is entitled to depart from these guidelines in individual cases in special circumstances. The guidelines are to be subject to an annual review.

Guidelines

The Board proposes the following compensation guidelines for senior managers.

Compensation of the CEO, other members of Group Management and employees of the Parent Company will normally comprise basic salary, variable salary and other benefits, as well as pensions. Overall compensation should be on commercial terms and competitive, and in proportion to responsibility and authority. Variable salary must not exceed basic salary. Upon termination of employment by the company, dismissal pay and severance pay may not exceed 12 months' salary. Pension benefits should be defined contribution..

Consolidated Income Statement

SEK M	Note	2012 Jan–Dec	2011 Jan–Dec
Net sales	6	971	1045
Other operating income	7	17	20
		987	**1064**
Assignment expenses and commissions		–221	–239
Other external costs	8	–258	–271
Personnel costs	10, 11, 12	–478	–516
Depreciation/amortisation	9	–18	–21
Other operating expenses	13	–7	–16
Operating profit/loss before acquisition-related items and items affecting comparability		**6**	**1**
Amortisation of acquisition-related intangible assets	9	–5	–4
Items affecting comparability	14	–34	0
Operating profit/loss		**–33**	**–3**
Interest income	15	28	47
Interest expense	15	–14	–11
Other financial income	15	39	14
Other financial expenses	15	–24	–62
Financial items, net		29	–12
Profit/loss before tax		**–4**	**–15**
Tax	16	–9	35
Net profit/loss for the year		**–13**	**21**
Profit attributable to:			
Shareholders of the Parent Company		–14	20
Non-controlling interests		1	1
		–13	**21**
Earnings per share attributable to Parent Company shareholders, SEK	17		
- before dilution		–0.17	0.25
- after dilution		–0.17	0.21
Number of shares at end of year		81,698,572	81,698,572
Average weighted number of shares after dilution		81,698,572	95,463,278

Consolidated Statement of Comprehensive Income

SEK M	2012 Jan–Dec	2011 Jan–Dec
Net profit/loss for the year	–13	21
Other comprehensive income:		
Fair value changes in financial assets available for sale	0	–2
Value change, defined benefit pension plans	–1	–
Translation differences	–29	–6
Other comprehensive income for the year, net after tax	–29	–8
Total comprehensive income for the year	**–42**	**12**
Profit/loss attributable to:		
Shareholders of the Parent Company	–43	12
Non-controlling interests	0	0
	–42	**12**

Consolidated Statement of Financial Position

SEK M	Note	2012 31 Dec	2011 31 Dec
ASSETS			
Non-current assets			
Intangible assets	19	311	311
Property, plant and equipment	20	17	15
Holdings in associated companies	21	2	1
Financial assets available for sale	23	0	0
Financial assets measured at fair value through profit or loss	24	276	322
Non-current loan receivable	27	304	111
Deferred tax assets	16	52	51
Other non-current receivables	28	8	8
		971	**820**
Current assets			
Accounts receivable	26	181	161
Current loan receivable	27	489	0
Tax receivables		39	13
Other receivables		18	11
Prepaid expenses and accrued income	29	53	55
Derivative instruments	22	2	0
Financial assets measured at fair value through profit or loss	24	22	56
Financial assets held to maturity	25	6	0
Client funds		0	2
Cash and cash equivalents	30	1,680	152
		2,491	**450**
Assets in disposal group held for sale	44	–	2,637
		2,491	**3,087**
Total assets		**3,462**	**3,907**
EQUITY AND LIABILITIES			
Equity	31		
Share capital		163	163
Other contributed capital		273	275
Reserves		–177	–149
Profit brought forward including net profit for the year		644	659
Equity attributable to shareholders of the Parent Company		904	949
Non-controlling interests		21	31
Total equity		**925**	**980**
Liabilities			
Non-current liabilities			
Borrowings	32	0	0
Non-current loan liabilities	32	197	0
Other non-current liabilities		5	9
Deferred tax liabilities	16	23	28
Other provisions	34	9	5
		234	**42**
Current liabilities			
Borrowings	32	155	240
Current loan liabilities	32	1,824	0
Derivative instruments	22	2	0
Accounts payable		83	36
Liabilities to associated companies		0	0
Tax liabilities		19	21
Other liabilities		28	94
Accrued expenses and deferred income	35	191	173
Client funds		0	2
		2,302	**567**
Liabilities in disposal group held for sale	44	–	2,318
		2,302	**2,885**
Total liabilities		**2,537**	**2,927**
Total equity and liabilities		**3,462**	**3,907**

For information on the Group's pledged assets and contingent liabilities, see Notes 36-38.

Consolidated Statement of Cash Flows

SEK M	Note	2012 Jan–Dec	2011 Jan–Dec
Cash flow from operating activities			
Profit/loss before tax		–4	–15
Adjustment for non-cash items:			
Other financial items		–15	48
Depreciation/amortisation	9	22	25
Impairment current receivables	13	8	15
Change in provisions		–4	–1
Interest income from loan portfolios		–25	–43
Acquisition expenses		1	1
Loss from participations in associated companies	7	0	–7
Capital gain/loss, property, plant and equipment		0	–
Personnel costs not affecting cash flow	10	6	25
Paid income tax		–46	–51
Cash flow from operating activities before changes in working capital		**–56**	**–4**
Cash flow from changes in working capital			
Increase (–) / decrease (+) in operating receivables		194	380
Increase (+) / decrease (–) in operating liabilities		–239	–1,466
Cash flow from operating activities		**–101**	**–1,090**
Cash flow from investing activities			
Purchase of property, plant and equipment	20	–8	–6
Sale of property, plant and equipment	20	0	0
Purchase of intangible assets	19	–1	–1
Purchase of subsidiaries, after deductions for acquired cash and cash equivalents	40	–51	–60
Purchase of associated companies	21	0	0
Purchase of financial assets		–74	–90
Sale of financial assets		175	175
Cash flow from loan portfolios		26	44
Dividends from investments		1	12
Cash flow from investing activities		**67**	**75**
Cash flow from financing activities			
Re-purchase of share warrants		–12	0
Proceeds from share warrants issued		0	0
Borrowings		224	–
Repayment of loans		–184	–94
Transactions with, and payments to, non-controlling interests		–15	4
Cash flow from financing activities		**12**	**–90**
Cash flow for the year		–22	–1,105
Cash and cash equivalents at beginning of year		1,768	2,879
Exchange rate differences in cash and cash equivalents		–65	–7
Cash and cash equivalents at end of year [1]	30	**1,680**	**1,768**
[1] of which cash and cash equivalents recognised in assets in disposal group held for sale.		**–**	**1,616**

Interest received and paid are stated in Note 39.

Consolidated Statement of Changes in Equity

SEK M	Equity attributable to shareholders of the Parent Company							
	Share capital	Other contributed capital [1]	Fair value reserve	Translation reserve	Profit brought forward incl. net profit/loss for the year	Total	Non-controlling interests	Total equity
Opening balance 1 January 2012	**163**	**275**	**0**	**–149**	**659**	**949**	**31**	**980**
Comprehensive income for the year, January – December 2012:								
Net profit/loss for the year					–14	–14	1	–13
Other comprehensive income/loss, net after tax				–28	–1	–29	0	–29
Comprehensive income/loss for the year			**0**	**–28**	**–15**	**–43**	**0**	**–42**
Transactions with shareholders								
Transactions with non-controlling interests					0	0	–10	–10
Re-purchase of warrants issued [2]		–2				–2		–2
Closing balance 31 December 2012	**163**	**273**	**0**	**–177**	**644**	**904**	**21**	**925**

[1] Other contributed capital is share premium reserves in the Parent Company.

[2] Refers to 2,625,000 share warrants re-purchased at market price from senior managers due to changed employment terms in accordance with the terms and conditions of the warrants.

In May 2010, the parent company issued 30,000,000 share warrants to senior managers of Catella. A further 6,100,000 share warrants were issued in November 2011, of which 5,500,000 were used as part-payment for the acquisition of outstanding shares of Catella Capital Intressenter AB. In 2011 and 2012, share warrants were re-purchased at market price from senior managers due to changed employment terms in accordance with the terms and conditions of the warrants. As of 31 December 2012, Catella holds 5,460,000 share warrants.

SEK M	Equity attributable to shareholders of the Parent Company							
	Share capital	Other contributed capital [1]	Fair value reserve [2]	Translation reserve	Profit brought forward incl. net profit/loss for the year	Total	Non-controlling interests	Total equity
Opening balance 1 January 2011	**163**	**283**	**2**	**–143**	**671**	**976**	**36**	**1,012**
Comprehensive income for the year, January – December 2011:								
Net profit/loss for the year					20	20	1	21
Other comprehensive income/loss, net after tax			–2	–6		–8	0	–8
Comprehensive income/loss for the year			**–2**	**–6**	**20**	**12**	**0**	**12**
Transactions with shareholders:								
Transactions with non-controlling interests [3]					–32	–32	–5	–37
Warrants issued		3				3		3
Re-purchase of share warrants issued [4]		–11				–11		–11
Closing balance as of 31 December 2011	**163**	**275**	**0**	**–149**	**659**	**949**	**31**	**980**

[1] Other contributed capital is share premium reserves in the Parent Company.

[2] Refers to fair value reserve regarding financial assets available for sale, including the related translation differences.

[3] The item includes an expense of SEK -31 M from the acquisition of outstanding shares in subsidiaries Catella Capital Intressenter AB and CFA Partners AB.

[4] Refers to 2,835,000 share warrants repurchased at market price from senior managers due to changed employment terms in accordance with the terms and conditions of the warrants.

In May 2010, the Parent Company issued 30,000,000 share warrants to senior managers of Catella. In November 2011, an additional 6,100,000 share warrants were issued, of which 5,500,000 were used as part-payment in the acquisition of the outstanding shares in Catella Capital Intressenter AB. In 2011, warrants were re-purchased from senior managers at market price due to changed employment terms in accordance with the terms and conditions of the warrants. As of 31 December 2011, Catella holds 2,835,000 share warrants.

Notes on the Consolidated Accounts

NOTE 1 COMPANY INFORMATION

The Catella Group ("Catella") includes the Parent Company Catella AB (publ) (the "Parent Company") and a number of companies that conduct operations in two operating segments: Corporate Finance and Asset Management. In addition, Catella manages a loan portfolio consisting of securitised European loans, with its main exposure to housing.

Catella AB (publ), previously Scribona AB (publ), acquired the Catella Group during the financial year 2010, and after completing the acquisition, changed its corporate name from Scribona AB (publ) to Catella AB (publ).

The Annual Accounts and Consolidated Accounts of Catella AB (publ) for the financial year ending on 31 December 2012 were approved for publication by the Board of Directors and the Chief Executive Officer on 26 April 2013 and will be presented for adoption by the Annual General Meeting on 22 May 2013.

The Parent Company is a Swedish limited liability company with its registered office in Stockholm, Sweden. The head office is located at Birger Jarlsgatan 6 in Stockholm. The shares have been traded on NASDAQ OMX First North Premier since 17 June 2011. First North Premier is an unregulated market but is a segment intended for companies that have made the conscious decision to comply with more stringent reporting requirements than the regulations covering companies listed on First North. A prerequisite for the listing on First North Premier is application of IFRSs for accounting and financial reports.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The Consolidated Accounts of the Catella Group were prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 1 Supplementary Accounting Rules for Groups and International Financial Reporting Standards (IFRS) and IFRIC interpretation statements endorsed by the EU. The Consolidated Accounts were prepared in accordance with the cost method, apart from the remeasurement of financial assets held for sale and financial assets and liabilities (including derivative instruments) measured at fair value through profit or loss.

The preparation of financial statements requires the Board of Directors and Group Management to make estimates and judgements. These estimates and judgements affect the Income Statement, Statement of Comprehensive Income and Statement of Financial Position, as well as the disclosures provided, such as contingent liabilities. Actual outcomes may differ from these assessments in the context of other assumptions or in other circumstances. The areas involving a high degree of judgement and that are complex, or such areas for which assumptions and estimates of material importance to the Consolidated Accounts, include the assessment of future cash flows, which for example, form the basis of the measurement of loan portfolios, goodwill, trademarks & brands and contract portfolios, the measurement of deferred tax assets attributable to tax-loss carry-forwards, the measurement of accounts receivable and assessments of disputes and provision requirements for such disputes.

The accounts were restated to comply with the application of IFRS 5, and the introduction of some new lines in the Income Statement. This is reviewed in detail on page 47 of the Administration Report and on page 61 under the heading Non-current assets held for sale and discontinued operations.

The accounting policies presented below were applied consistently to all periods presented in the Consolidated Accounts, with the exceptions described in greater detail. Furthermore, the Group's accounting policies were applied consistently by Group companies and the policies of associated companies were adjusted to the Group's accounting policies as necessary.

Introduction and effects of IFRS of new and revised IFRSs relating to 2012

IAS 19 Employee Benefits was amended in June 2011. The expenses for service in previous years will be recognised immediately. Interest expenses and expected returns on plan assets will be replaced by a net interest rate computed with the aid of the discount rate based on the net surplus or net deficit in the defined benefit plan. Catella has applied this standard prospectively from the financial year 2012 and is recognising actuarial losses of SEK 673,000 (0) in other comprehensive income for 2012.

Other standards

None of the amendments and interpretation statements on standards that were introduced in 2012 had any impact on the consolidated financial statements.

Introduction and effects of new and revised IFRSs that have not yet become effective and have not been applied prospectively by Catella

Published standards and interpretation statements that are mandatory for the Group during the financial year 2013 will have some impact on the consolidated financial statements.

IAS 1 (revised) applies to financial years beginning on 1 July 2012 or later. It will be applied by Catella from the financial year 2013 inclusive. The revisions of the standard entail that items within other comprehensive income are divided into two categories: items to be restated in profit or loss or items that will not be restated in profit or loss. Tax is divided between the two categories.

None of the other published standards and interpretation statements that are mandatory for the Group for the financial year 2013 are judged to have any impact on the Consolidated Accounts.

IFRS 10 Consolidated Financial statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities become effective on 1 January 2013. They should be applied by companies within the EU for financial years that begin 1 January 2014 or later. Accordingly, Catella will be applying these standards from the financial year 2014 onwards. They are not judged to have any material impact on the consolidated financial statements.

In addition, other standards and interpretation statements have been published that are mandatory for the Group as of the financial year 2014 or later. The impact of these standards and interpretation statements on the consolidated financial statements has yet to be evaluated.

IFRS 13 Fair Value Measurement is designed for fair value measurement to become more consistent and less complex by the standard providing a precise definition and single source of fair value measurement and associated disclosures within IFRS. The standard offers guidance on fair value measurement for all classes of assets and liabilities, financial and non-financial. These standards do not extend the application for when fair value should be applied, but offer guidance on how it should be applied when other IFRSs already require or permit measurement at fair value.

Consolidated Accounts

(a) Subsidiaries: Subsidiaries are all of the companies (including special purpose entities) in which the Group has the right to formulate financial and operational strategies in a manner usually associated with a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that may currently be utilised or converted are taken into consideration in the assessment of whether the Group exercises a controlling influence over another company. Subsidiaries are included in the Consolidated Accounts from the date on which the controlling influence is transferred to the Group. They are excluded from the Consolidated Accounts on the date on which the controlling influence ceases. All transactions with shareholders of subsidiaries are recognised based on the substance of these transactions. Gains/losses attributable to shareholders of subsidiaries, in which they are active, are placed on a par with other forms of variable compensation and, accordingly, are recognised as personnel costs in the Income Statement. These shareholders' portion of the net assets in the Group is recognised in the Consolidated Statement of Financial Position as a non-controlling interest.

The purchase method is applied to the recognition of the Group's acquisitions of subsidiaries. Goodwill arises coincident with the acquisition of subsidiaries, associated companies and joint ventures and relates to the amount by which the purchase consideration exceeds Catella's share of the fair value of identifiable assets, liabilities and contingent liabilities in the acquired company and the fair value of the non-controlling interest in the acquired company on the date of transfer. If the fair value of the subsidiary's acquired assets, liabilities and contingent liabilities exceeds the purchase consideration, the difference is recognised directly in profit or loss. Contingent consideration is recognised on the acquisition date at fair value and classified as a liability that is subsequently remeasured through profit or loss. Non-controlling interests in the acquired business can, on an acquisition-by-acquisition basis, be measured at either fair value or at the proportionate share of the net assets of the acquired business held without a controlling influence. All acquisition-related transaction costs are expensed. These costs are recognised in the Group under the item "Other external expenses" in profit or loss.

Intragroup transactions, balance sheet items and unrealised gains and losses on transactions between Group companies are eliminated. Wherever appropriate, the accounting policies for the subsidiaries have been changed in order to guarantee consistent application of the Group's policies.

(b) Transactions with shareholders of non-controlling interests: The Group treats transactions with non-controlling interests as transactions with the Group's shareholders. Coincident with acquisitions from non-controlling interests, the difference between the consideration paid and the actual acquired portion of the carrying amount of the subsidiary's net assets is recognised in equity. Gains and losses attributable to divestments of non-controlling interests are also recognised in equity.

When the Group no longer holds a controlling or significant influence, each remaining holding is remeasured at fair value and the change in the carrying amount is recognised in profit or loss. The fair value is utilised as the first carrying amount and forms the basis for the future accounting of the remaining holding as an associated company, joint venture or financial asset. All amounts relating to the divested unit that were previously recognised in other comprehensive income are recognised as if the Group had directly divested the attributable assets or liabilities, which may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Associated companies: The equity method is used for recognising shareholdings that are neither subsidiaries nor joint ventures, but for which the Group is able to exercise a significant influence, which in general applies to shareholdings of between 20% and 50% of the votes. Holdings in associated companies are recognised in accordance with the equity method and initially measured at cost. The carrying amount of the Group's holdings in associated companies includes the goodwill identified coincident with the acquisition, net of any impairment losses.

Associated companies are included in the Consolidated Accounts from the acquisition date. They are excluded from the Consolidated Accounts on the date on which they are divested. Transactions, balance sheet items and unrealised gains on transactions between the Group and its associated companies are eliminated in accordance with the Group's participation in the associated company. Unrealised losses are also eliminated but are taken into consideration as an indication that the transferred asset requires impairment testing. Shares of profits of associated companies are recognised in the Consolidated Income Statement under "Operating profit" if the holding relates to operating associated companies or in "Profit before tax", on a separate line under "Net financial items," if the holding relates to a financial investment. In both cases, the share in profits relates to share of the associated company's profit after tax. The classification of associated companies was applied as follows during 2012: the associated companies ANL Kiinteistöt Oy, ARIF I GP Py and SIA AREAL Baltic were classified as operational associated companies. No associated companies are currently classified as a financial investment. Shares in associated companies are recognised in the Statement of Financial Position at cost, including the portion comprised of goodwill, adjusted for dividends and the share of the associated company's profit after the acquisition date.

Segment reporting

Operating segments are recognised in a manner that is consistent with the internal reporting presented to the chief operating decision maker. The chief operating decision maker is the function that is responsible for the allocation of resources and the assessment of the operating segment's profit or loss. For the Group, this function has been identified as the CEO.

Translation of foreign currencies

(a) Functional currency and reporting currency: Items included in the financial statements of the Group's various units are valued in the currency used in the financial environments in which each company primarily conducts its business activities (functional currency). Swedish krona (SEK) is used in the Consolidated Accounts, which is Catella AB's functional currency and the Group's reporting currency.

(b) Transactions and balance sheet items: Transactions in foreign currencies are translated to the functional currency at the rates of exchange ruling on the transaction date or the date on which the items were remeasured. Exchange rate gains and losses arising coincident with the payment of such transactions and coincident with the translation of monetary assets and liabilities in foreign currency at the closing day rate are recognised through profit or loss. The exception is for transactions comprising hedging that meet the requirements for hedge accounting of cash flows or for net investments, since gains/losses are recognised in other comprehensive income. Exchange rate gains and losses attributable to loans and cash and cash equivalents are recognised through profit or loss as "Other financial items." All other exchange rate gains and losses are recognised in the items "Other operating income" or "Other operating expenses" in the Income Statement.

Changes in the fair value of securities in foreign currencies that have been classified as financial assets available for sale have been allocated among translation differences, due to the change in the original cost of the security and other changes in the carrying amount of the security. Translation differences attributable to changes in amortised cost are recognised through profit or loss.

Translation differences for non-monetary financial assets and liabilities, such as shares measured at fair value through profit or loss, are recognised through profit or loss as a portion of fair value gains/losses. Translation differences for non-monetary financial assets such as assets classified as financial assets available for sale are entered in the fair value reserve through other comprehensive income.

(c) Group companies: The earnings and financial position of all of the Group companies that have a functional currency that is different to the reporting currency are translated to the Group's reporting currency as follows:

(a) assets and liabilities for each of the balance sheets are translated at the closing day rate;

(b) income and expenses for each of the income statements are translated at the average exchange rates (insofar as the average rate constitutes a reasonable approximation of the accumulated effect of the rates applying on the transaction date, otherwise income and expenses are translated at the rate on the transaction date), and

(c) all translation differences arising are recognised in other comprehensive income and accumulated in the translation reserve in equity.

Translation differences arising as a result of the translation of net investments in foreign operations and borrowing and other currency instruments identified as hedging of such investments are entered in other comprehensive income on consolidation. When a foreign operation is divested, either wholly or partly, the translation differences that were recognised in other comprehensive income are entered in profit or loss and recognised as a portion of the capital gain/loss.

Goodwill and adjustments of fair value arising on the acquisition of foreign operations are treated as assets and liabilities of this operation and translated at closing day rates.

Classification of assets and liabilities

Non-current assets and non-current liabilities essentially comprise amounts that are expected to be recovered or paid after more than 12 months from the reporting date. Current assets and current liabilities essentially comprise amounts that are expected to be recovered or paid within 12 months of the reporting date.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any accumulated impairment. Depreciation is based on historical cost and estimated useful life. Straight line depreciation is utilised for all types of assets as follows:

Leasehold improvements	20% per year or over the lease contract term
Computers and peripherals	25–33% per year
Other office machines and office equipment	20% per year

The residual values and useful lives of the assets are tested at the end of every reporting period and adjusted as necessary.

The carrying amount of an asset is immediately written down to its recoverable amount if the carrying amount of the asset exceeds its estimated recoverable amount.

Gains and losses on divestment are determined by comparing sales proceeds to carrying amounts and are recognised in other operating income or other operating losses.

Intangible assets

(a) Goodwill: The amount by which the purchase price, any non-controlling interest and the fair value on the acquisition date of previous shareholdings exceeds the fair value of identifiable acquired net assets is recognised as goodwill. Goodwill from acquisitions of subsidiaries is recognised as intangible assets. Goodwill is tested annually to identify any impairment and is recognised at cost less accumulated impairment losses. Impairment of goodwill is not reversed. Gains or losses on the divestment of a unit include the remaining carrying amount of the goodwill relating to the divested unit.

Goodwill is allocated between cash-generating units when any impairment tests are performed. Goodwill is allocated to cash-generating units or groups of cash-generating units, as established in accordance with the Group's operating segments that are expected to benefit from the business combination in which the goodwill item arose.

(b) Brands: Brands acquired on the basis of a business combination are recognised at fair value on the acquisition date. Brands recognised in the Consolidated

Statement of Financial Position are the "Catella brand," which is deemed to have an indefinite useful life. The brand is tested every year to identify any impairment and is recognised at cost less accumulated impairment losses. The annual testing of the value of the brand is performed by an external party that is independent of Catella.

(c) Customer relations: Contract portfolios and associated customer relationships relating to a business combination are identified in the acquisition analysis and are recognised as a separate intangible asset. The customer relationships arising from business combination are measured at fair value. Fair value measurement uses a valuation model based on discounted cash flows. Measurement is based on the turnover rate and return for the acquired portfolio on the acquisition date. In this model, a separate cost or required return is paid in the form of a "contributory asset charge" for the assets utilised in order for the intangible asset to generate a return. Cash flows are discounted through a weighted average cost of capital (WACC), which is adjusted with respect to local interest rate levels in the countries where the acquisitions occurred. The useful life of the contract portfolios and associated customer relationships is based on the turnover rate of the acquired portfolio, which is deemed to be five years and corresponds to an annual amortisation rate of 20%. Amortisation is recognised in the item Deprecation of acquisition-related intangible assets in profit or loss.

(d) Software licences: Acquired software licenses are capitalised on the basis of the expenses arising when the relevant software was acquired and commissioned. These capitalised expenses are amortised over the estimated useful life of three to four years.

(e) Deferred tax attributable to intangible assets: A deferred tax liability is measured based on the local tax rate for the difference between the carrying amount and the taxable value of the intangible asset. The deferred tax liability is to be reversed over the same period in which the intangible asset is amortised, which results in the effect of the amortisation on the intangible asset, in terms of the full tax rate relating to profit after tax, being neutralised. The deferred tax liability is initially recognised with a corresponding increase in goodwill. No deferred tax attributable to goodwill on consolidation is considered.

Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill, are not amortised/depreciated but tested for impairment yearly. Assets that are amortised/depreciated are tested for impairment whenever events or changed circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the amount at which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less any selling expenses and its value in use. For impairment testing, assets are grouped at the lowest levels at which separate identifiable cash flows exist (cash-generating units). Assets, that are not financial assets or goodwill and that were previously amortised/depreciated, are tested on each closing day to determine whether a reversal should be made.

Reversal of impairment

Impairment of assets included in the scope of IAS 36 are reversed if there is an indication that the impairment no longer exists and a change has occurred in the assumptions underlying the calculation of the recoverable amount. However, impairment of goodwill is never reversed. A reversal is only conducted to the extent that the carrying amount of the asset after the reversal does not exceed the carrying amount, less any depreciation/amortisation wherever applicable, that would have been recognised had no impairment loss been recognised.

Impairment of loan receivables and accounts receivable recognised at amortised cost is reversed if the previous reasons for impairment no longer exist and full payment from the customer can be expected to be received.

Financial assets

Classification

The Group classifies its financial assets in the following categories: financial assets measured at fair value through profit or loss, loan receivables, accounts receivable, financial assets available for sale and financial assets held to maturity. Classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets when they are first recognised.

(a) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are financial assets held for trading or financial assets that have been identified as an item measured at fair value on initial recognition (fair value option).

Financial assets held for trading: A financial asset is classified in this category if it was primarily acquired with the aim of being sold in the near future. Those financial assets that are measured at fair value through profit or loss and that are held for trading are the Group's equities and fund portfolios and the derivatives that have not been identified as hedges in accordance with IAS 39 Financial Instruments. Assets in this category are normally classified as current assets. However, the holdings in the Nordic Light Fund will be divested after 12 months, which is why this holding has been classified as non-current.

Items measured at fair value (fair value option): A financial asset that on initial recognition has been identified as an item measured at fair value is classified in this category. The loan portfolios are classified in this category since this corresponds to the original recognition and Catella's monitoring of these assets. Assets in this category are classified as current assets to the extent relating to the cash flows forecast over the next 12 months, while the remainder of the loan portfolios are recognised as noncurrent assets.

(b) Loan receivables and accounts receivable

Loan receivables and accounts receivable are financial assets that are not derivatives, that have determined or determinable payments and that are not listed on an active market. They are included in current assets, except for items becoming due for payment more than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loan receivables and accounts receivable comprise Accounts receivable and other receivables as well as cash and cash equivalents in the Balance Sheet.

(c) Financial assets available for sale

Financial assets available for sale are assets that are not derivatives and where the assets have been identified as available for sale or have not been classified in any of the other categories. They are included in non-current assets if management does not intend to divest them within 12 months of the end of the reporting period. Catella holds a small equities portfolio comprising shares in Swift that are classified in this category.

(d) Assets held to maturity

Financial assets held to maturity are financial assets that are not derivatives, that have determined or determinable payments and determined maturity periods and that Group Management intends and is able to hold until maturity. If the Group were to sell more than an insignificant amount in the category of financial assets held to maturity, the whole category would have to be reclassified (termed tainting) to the category of financial assets available for sale. Financial assets held to maturity are included in non-current assets except for the cases in which the maturity date is less than 12 months from the end of the reporting period, when they are classified as current assets. Assets in this category comprise treasury bills.

Recognition and measurement

Purchases and sales of financial assets are recognised on the transaction date—the date on which the Group undertakes to purchase or sell the asset. Financial instruments are initially recognised at fair value plus transaction costs, which apply to all financial assets that are not recognised at fair value through profit or loss. Financial assets measured at fair value through profit or loss are initially recognised at fair value, while attributable transaction costs are recognised through profit or loss. Financial assets are derecognised from the Statement of Financial Position when the right to receive cash flows from the instrument has expired or been transferred and the Group has essentially transferred all risks and rewards associated with ownership. Financial assets available for sale and financial assets measured at fair value through profit or loss are recognised at fair value after the acquisition date. Loan receivables, accounts receivable and assets held to maturity are recognised after the acquisition date at amortised cost by applying the effective interest method.

Gains and losses due to changes in fair value relating to the category of financial assets measured at fair value through profit or loss are recognised in profit or loss in the period in which they arise and are included in the income statement item other financial items divided between the interest coupon received on outstanding loans and the change in fair value. The interest rate component is calculated in accordance with the effective interest method based on applicable discount interest rates that are an approximation of the instrument's interest rate component. The basis for determining fair value in this category is either the listed market value or a valuation based on a discounted cash flow analysis performed by a party external to Catella. After the acquisition date, assets held to maturity are measured at amortised cost by applying the effective interest method. Dividend income from securities in the category of financial assets measured at fair value through profit or loss are recognised through profit or loss as a portion of Other financial items when the Group's right to receive payments has been determined. Translation differences from monetary securities are recognised through profit or loss, while translation differences from non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as financial assets available for sale are recognised in other comprehensive income. When securities classified as financial assets available for sale are sold or impaired, the accumulated adjustments of fair value are transferred from equity to the income statement as gains and losses from financial instruments.

Interest on available-for-sale securities calculated in accordance with the effective interest method is recognised through profit or loss as a portion of Interest income. Dividends from available-for-sale equity instruments are recognised through profit or loss as a portion of Other financial items when the Group's right to receive payments has been determined.

Impairment of financial assets

The company evaluates whether there is objective evidence that a financial asset or group of assets is impaired at each reporting date. Objective evidence may be firstly, observable circumstances that have occurred and that have a negative impact on the possibility of recovering the cost, or secondly a significant or protracted decline in the fair value of an investment in a financial investment classified as an available-for-sale financial asset.

The impairment of receivables is measured on the basis of historical experience of bad debt loss on similar receivables. Accounts receivable subject to impairment are recognised at the present value of expected future cash flows, although receivables with short terms are not discounted.

Derivative instruments and hedging measures

Derivative instruments are recognised in the statement of financial position on the contract date and measured at fair value, both initially and at subsequent remeasurement. The effect of the remeasurement is recognised in profit or loss. No hedge accounting in accordance with IAS 39 Financial Instruments takes place for the hedging transactions implemented by Catella, except for hedging of a net investment in a foreign operation (hedging of net investment).

Hedging of net investments

The share of gains or losses from a hedging instrument that is deemed to be an effective hedge is recognised in other comprehensive income. The gain or loss attributable to the ineffective portion is immediately recognised in profit or loss under other financial items. Accumulated gains and losses in equity are recognised through profit or loss when the foreign operation is wholly or partly divested.

Receivables in foreign currency that comprise a portion of the company's net investments in foreign subsidiaries are also measured at the closing day rate. Exchange rate differences of these receivables are eliminated from the income statement and recognised directly in other comprehensive income.

Accounts receivable

Accounts receivable are amounts to be paid by the customer for goods sold or services rendered in operating activities. If payment is expected in one year, the receivable is classified as a current asset. Otherwise, the receivable is entered as a non-current asset.

Accounts receivable are initially recognised at fair value and subsequently at amortised cost by applying the effective interest method, less any reserves for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and other investments in securities, etc. that are due for payment within three months after the acquisition date.

Accounts payable

Accounts payable are obligations to pay goods or services that have been purchased from suppliers in operating activities. Accounts payable are classified as current liabilities if they become due for payment within one year. Otherwise, the liability is entered as a non-current liability.

Accounts payable are initially recognised at fair value and subsequently at amortised cost by applying the effective interest method less any provision for value depletion.

Borrowing

Borrowing is initially recognised at fair value, net of transaction costs. Borrowing is subsequently recognised at amortised cost and any difference between the amount received (net after transaction costs) and the amount of the repayment is recognised through profit or loss allocated over the loan term, by applying the effective interest method.

Fees paid for loan commitments are recognised as transaction costs for the borrowing to the extent that it is probable that a portion of or the whole credit facility has been utilised. In such cases, the fee is recognised when the credit facility is utilised. Where there is no longer any evidence to suggest that it is probable that part or all of the credit facility will be utilised, the fee is recognised as an advance payment for financial services and allocated over the term of the relevant loan facility.

Overdraft facilities are recognised as borrowing under Current liabilities in the Statement of Financial Position.

Current and deferred income tax

Tax expenses for the year include current and deferred tax. Tax is recognised through profit or loss, except when the tax relates to items recognised in other comprehensive income or directly in equity. In such cases, tax is also recognised in other comprehensive income or equity, respectively.

The current tax expense is calculated on the basis of the tax rules that have been enacted or substantively enacted on the reporting date in the countries in which the Parent Company's subsidiaries and associated companies conduct business activities and generate taxable income. Management regularly evaluates the claims made in tax returns for situations in which applicable tax rules are subject to interpretation. Whenever deemed necessary, management provisions for amounts that must probably be paid to the tax authority.

In accordance with the balance sheet method, deferred tax is recognised on all temporary differences arising between the taxable value of the assets and liabilities and their carrying amounts in the Consolidated Accounts. However, deferred tax is not recognised if it arises as a result of a transaction comprising the initial recognition of an asset or liability that is not a business combination and that on the transaction date impacts neither recognised nor taxable earnings. Deferred income tax is calculated by applying tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date and that are expected to be applicable when the deferred tax asset in question is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future tax surpluses will be available that the temporary differences can be utilised against.

Deferred tax is measured on temporary differences arising on participations in subsidiaries and associated companies, except where the date of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets and liabilities are offset when a legal offset right for the tax assets and liabilities in question exists and when the deferred tax assets and liabilities are attributable to taxes charged by the same tax authority and relate to the same taxpayer or different taxpayers where there is the intention of settling the balances by making a net payment.

Employee benefits

(a) Pension obligations

Group companies have different pension plans. The pension plans are usually financed through payments to insurance companies or funds administered by an asset manager, with payments determined based on periodic actuarial calculations. At present, the Group has defined benefit and defined contribution pension plans, but has adopted the principle of not arranging any new defined benefit plans.

A defined contribution pension plan is a pension plan in which the Group pays fixed contributions to a separate legal entity. The Group does not have any legal or informal obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all benefits to employees associated with their service in current or earlier periods.

A defined benefit pension plan is a pension plan that is not defined contribution. The distinguishing feature of defined benefit plans is that they define an amount of pension benefit an employee receives after retirement, usually based on one or more factors such as age, length of service and salary. The liability recognised in the Balance Sheet for defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, with adjustments for unrecognised actuarial gains and losses, and for unrecognised expenses relating to service in earlier periods. The defined benefit pension obligation is measured yearly by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is measured by discounting estimated future cash flows by using the yield on investment grade corporate bonds issued in the same currency in which the benefits will be paid, with maturities comparable to the relevant pension obligation's. Actuarial gains and losses resulting from experienced-based adjustments and changes to actuarial assumptions are recognised in other comprehensive income in the period when they arise. Expenses relating to service in earlier periods are recognised directly in profit or loss, unless changes to the pension plan are conditional on the employee remaining in service in a stated period (vesting period). In such case, the expense is relating to service in previous periods is allocated on a straight-line basis over the vesting period. There are defined benefit plans in the Group's operations in Luxembourg and Norway.

In defined contribution pension plans, the Group pays contributions to public or privately administered pension insurance plans on a compulsory, contractual or voluntary basis. The Group has no other additional payment obligations once the payments have been made. The contributions are recognised as Personnel costs when they become due for payment. Prepaid contributions are recognised as an asset to the extent that the cash repayment or decrease in future payments benefit the Group.

Additionally, a small number of employees or former employees of the Group have pension policies that are insured on the basis of endowment insurance. These policies are recognised as other provisions the Consolidated Statement of Financial Position. Changes in the value of these policies, based on the change in value of the underlying assets in these policies, are recognised as a personnel cost. Investments in these pension policies are recognised as other long-term receivables and the change in value of these investments are recognised as a personnel costs. The Group does not have any responsibility for further commitments to these pension solutions.

(b) Compensation on termination

Compensation on termination is paid when the Group terminates the employment of an employee prior to the normal time of retirement or when the employee accepts voluntary redundancy in exchange for such compensation. The Group recognises severance pay when it is demonstrably obliged to either terminate the employment of an employee in accordance with a detailed, irrevocable formal plan, or to provide severance pay as a result of an offer made to encourage voluntary redundancy. Benefits expiring more than 12 months after the end of the reporting period are discounted to present value.

(c) Profit share and bonus plans

The Group recognises a liability and an expense for bonuses and profit shares based on a formula that takes into consideration the profit that is attributable to the Parent Company's shareholders after certain adjustments. The Group recognises a provision when a legal obligation or an informal obligation exists due to previous practice.

Share-based payment

The Group has issued warrants that senior managers and other key employees in the Group received as part payment coincident with the acquisition of the former Catella Group in 2010 and the acquisition of the remaining 30% of the subsidiary Catella Capital Intressenter AB, the holding company for Catella Fondförvaltning AB, during 2011. These warrants were settled on market terms. The value of these warrants was determined by using an option valuation model (Black & Scholes). The warrants are classified as share-based payment.

Other contributed capital was credited when the warrants were issued. The company issues new shares when the options are utilised. Payments received, less any directly attributable transaction costs, are credited to share capital (quotient value) and other contributed capital when the options are utilised.

Provisions

Provisions for restructuring expenses and statutory requirements are recognised when the Group has a legal or informal obligation due to earlier events, it is probable that an outflow of resources will be required to settle the commitment and the amount has been measured reliably. Restructuring provisions include expenses for the termination of lease agreements and severance pay. No provisions are made for future operating losses.

If a number of similar commitments exist, an assessment is made of the probability of an outflow of resources being required to settle this whole group of commitments. A provision is recognised even if the probability of an outflow being required for a specific item in this group of commitments is insignificant.

Provisions are valued at the present value of the amount expected to be required to settle the commitment. In this context, a discount rate before tax is used that reflects the current market assessment of the time value of money and the risks associated with the provision. The increase in the provision due to the passing of time is recognised as an interest expense.

Revenue recognition

Revenue includes the fair value of what is received or will be received for the services sold in the Group's operating activities. Revenue is recognised excluding value-added tax and discounts, and after elimination of intragroup sales. The Group recognises revenue when its amount can be reliably measured, it is probable that future financial benefits will flow to the company and specific criteria have been satisfied for each of the Group's operations as described below. The Group bases its estimates on historical outcomes, and in this context, takes the type of customer, type of transaction and special circumstances in each individual case into account.

Remuneration that is progressively accrued through services rendered, for example, fixed-fee consultancy, advisory or management fees are taken up as income coincident with the delivery of these services, which in practice, means that recognition is on a straight-line basis for the period to which the service relates. This revenue can either be a predetermined amount or a percentage fee of volumes managed for example (such as assets under management).

Remuneration attributable to a specific service or action is recognised as revenue when the service is rendered. Such income includes commission for such items as Catella Bank's credit card and acquisition operation and currency services and fees for business services (incorporating companies, administration, etc.). This revenue can either be a predetermined amount or a percentage fee of volumes managed for example (such as card programme transactions or currency exchange).

Performance-based revenue, such as performance fees for extra returns in asset management or coincident with sales assignments, are recognised in accordance with applicable agreements regarding the point in time at which the performance-related fees may be charged. This means that in the case of a property sales assignment for example, where remuneration is a predetermined percentage of the customers' sales price of the property that is paid only when a sale has been completed is not recognised until a legally binding business transaction on the property has been concluded, and correspondingly, performance fees paid for surplus returns as recognised against an established reference level only on the measuring date, which is usually 31 December.

Commissions to resellers and settlement companies in Catella Bank's credit card and acquiring operations is recognised as an expense coincident with income being accrued in accordance with the above principles.

Interest income is taken up as income by applying the effective interest method. When the value of a receivable in the category of loan receivables and accounts receivable decreases, the Group decreases the carrying amount to the recoverable amount, which comprises the estimated future cash flow discounted by the original effective interest for the instrument, and continues to dissolve the discount effect as interest income. Interest income on impaired loan receivables and accounts receivable is recognised at the original effective interest rate.

Dividend income is recognised when the right to receive payment has been established.

Lease arrangements

Lease arrangements, where essentially, the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made during the lease term (after discounting for any incentives from the lessor) are expensed in the Income Statement on a straight-line basis over the lease term. The Group has only entered operating leases.

Earnings per share

The computation of earnings per share is based on consolidated net profit/loss for the year attributable to the Parent Company's owners and on the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, earnings and the average number of shares after dilution are adjusted to take the effects of dilutive potential ordinary shares that originate from warrants issued during reporting periods into account. The dilution of warrants affects the number of shares and arises only when the exercise price is lower than the share price quoted on the stock exchange.

Non-current assets held for sale and discontinued operations

On 28 June 2012, Catella decided to discontinue the previous sales process of its subsidiary Banque Invik, corporate name changed to Catella Bank. This operation has been recognised as a disposal group held for sale. This meant that Catella Bank's net profit (after tax) is recognised on a separate line in the Consolidated Income Statement called "net profit/loss from disposal group held for sale." The assets in this operation have been recognised on a separate line in the income statement called "Assets in the disposal group held for sale" and liabilities on a separate line in the Balance Sheet called "Liabilities in disposal group held for sale." Because the sales process was discontinued, this means that the conditions for recognizing the operations of Catella Bank as an operation hell for sale according to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are no longer satisfied. For this reason, the profit or loss of Catella Bank is no longer recognised on a line in the Income Statement, but instead, its profit or loss is accounted gross on the relevant line of the Consolidated Income Statement and previous year's comparative figures have been restated correspondingly. However, in accordance with IFRS 5, previous year's Balance Sheets have not been restated.

Items affecting comparability

Events and transactions that are material and not repeated items and whose effect on profit or loss is important to consider when net profit/loss is compared to previous years are recognised as items affecting comparability.

Other

Part of the Group's asset management assignment involves retaining cash and cash equivalents belonging to clients in the Group's bank accounts, with the corresponding liability to clients. Client funds are recognised in the Consolidated Statement of Financial Position as a current receivable and current liability. Both the receivable and liability are treated as items under financing activities in the Cash Flow Statement, and accordingly, do not impact on cash flow.

NOTE 3 FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks such as interest rate risk, currency risk, financing/liquidity risk and credit risk through its operating activities. Catella's Board of Directors assesses these risks and decides how they are to be managed. Group Management actively participates in the preparation of risk management guidelines, which are evaluated and amended continuously. At present, the Board has decided not to establish any Group-wide objectives and principles for the financial position and financial risk management because the Group's activities and structure are being reviewed and streamlined. Instead, risk management is conducted at the relevant subsidiary level under the supervision of Group Management, which is why the risk management of significant subsidiaries is described below.

With regard to Asset Management operations, these subsidiaries include a dedicated risk management function that is independent from business operations, with the relevant managers reporting to each subsidiary's President and directly to the subsidiary's Board of Directors. Group Management is represented on subsidiary Boards and reports on to the Parent Company's Board.

Subsidiaries under the supervision of the financial supervisory authority of each country are Catella Real Estate AG Kapitalanlagegesellschaft, Catella Fondförvaltning, Catella Bank and Catella Förmögenhetsförvaltning in the Asset Management operating segment. The subsidiary Catella Förmögenhetsförvaltning also includes Nordic Fixed Income, whose operations require a permit and which includes the Corporate Finance operating segment. These subsidiaries have a compliance function that monitors the subsidiaries' compliance with internal and external regulations and customer agreements. This function is independent of the business activities of each subsidiary and its managers report to the President and directly to the Board of the subsidiary. Group Management is represented in the subsidiary Boards and reports on to the Parent Company's Board.

As mentioned above, risk management is applied at subsidiary and operational levels since the different operating segments in the Group differ with regard to the operations conducted. For this reason, significant risks in each operating segment are described separately in the respective section on risk below.

The Group's asset management and banking operations are a part of the Asset Management operating segment. The subsidiaries in this operating segment do not trade in financial instruments except in respect of hedge positions relating to client transactions. Nor do the subsidiaries trade in or take positions on their own account. Due to the subsidiaries' prudent policy for the granting of credit and trading in financial instruments, exposure to risks is limited. This operating segment is mainly exposed to credit risk.

The group's treasury management consists of investments and holdings in loan portfolios, funds and a short-term investment portfolio. These assets are recognised with the Parent Company in the category "Other." Investments in loan portfolios, described in more detail in Note 24, are mainly exposed to credit risk, but also to liquidity risk depending on potential changes in the repayment rate of the loan portfolios, interest rate risk and currency risk because the loans are in a currency other than SEK and mainly issued at variable interest. The book, and fair, value of the securitised loan portfolios at year-end was SEK 229 M (282) at year-end. Fund investments, described in more detail in Note 24, are mainly exposed to market price risk on the value of the funds and the holdings in them. Fund investments had a book value, also market value, of SEK 48 M (47) at year-end. The short-term investment portfolio is described in Note 24. The most significant risks in the short-term investment portfolio are market price risk when the value of shares changes and liquidity risk. The short-term investment portfolios had a book value, also market value, of SEK 1 M (7) at year-end.

The decision to discontinue the sales process of Catella Bank means that the conditions for reporting the operations of Catella Bank as an operation held for sale according to IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations are no longer satisfied. This means that the whole Catella Group, including Catella Bank are recognised in the tables as of 31 December 2012 in this Note. However, previous years' Balance Sheets have not been restated in accordance with IFRS 5, which means that the Catella Group excluding Catella Bank are recognised in the tables as of 31 December 2011. For the corresponding information for Catella Bank as of 31 December 2011, see Note 44 Disposal group held for sale.

Liquidity risk

Liquidity risk is the risk that within a defined period of time the Group is unable to refinance its existing assets or is unable to meet more stringent liquidity requirements. Liquidity risk also includes the risk that the Group could be forced to borrow at unfavourable interest rates or sell assets at a loss to be able to fulfil its payment obligations.

As of 31 December 2012, the short-term liquidity reserve (cash and cash equivalents, short-term investments and committed but unutilised credit facilities) amounted to 180% of consolidated annual sales (2011: 180% incl. Catella Bank) and 80% of consolidated borrowing and loan liabilities (2011: 75% incl. Catella Bank). As of 31 December 2012, the average time to maturity for short-term borrowing was about three months.

In the group's investments in loan portfolios, the primary financial obligations are payment of ongoing operating expenses. These obligations are met with cash flows from individual loans in the acquired loan portfolios, which are monitored by Catella's investment advisors. Accordingly, the loan portfolios have limited inherent financial commitments, although Catella is subject to the risk of encountering difficulty in realising assets, which accordingly, could affect the Group's prospects of obtaining funds to maintain its financial commitments. Since the market for subordinated securities with collateral in assets is currently illiquid, many of the investments in loan portfolios are illiquid, although not all. A few of the investments are over the counter (OTC) transactions, which are not registered according to the applicable securities laws, which restricts the transfer, sale, pledge or other disposal of these investments, except in the case of transactions that do not need to be registered according to, or otherwise comply with, these laws. The Group assesses that short and long-term liquidity are favourable and that there is flexibility in financing. If the Group's liquidity were to change and if the Group needed to divest part or all of the loan portfolio, consisting of securitised European loan portfolios, mainly with exposure to housing, for liquidity reasons, the opportunities to alter this portfolio rapidly and obtain a reasonable price could be limited, due to changes in economic and other circumstances. If the Group acquires investments for which there is no market, the Group's opportunities to renegotiate such investments or obtain reliable information on the value of an investment or the risks to which it is exposed could be limited.

The following tables summarise the Catella Group's liquidity risk at the end of 2012 and 2011.

Liquidity report as of 31 December 2011-2012

31 December 2012	< 1 year	1 – 5 year	> 5 years	Total
Borrowings	–155	0		–155
Loan liabilities	–1,824	–197		–2,021
Derivative instruments	–2			–2
Accounts payable and other liabilities	–111			–111
Total outflows [1]	**–2,092**	**–197**	**0**	**–2,290**
Accounts receivable and other receivables	200			200
Loan receivables	489	304		793
Derivative instruments	2			2
Financial assets measured at fair value through profit or loss [2]	11	127	91	230
Financial assets held to maturity	6			6
Total inflows [1]	**708**	**432**	**91**	**1231**
Net cash flow, total	**–1,385**	**234**	**91**	**–1,059**

31 December 2011	< 1 year	1 – 5 year	> 5 years	Total
Borrowings	–240			–240
Accounts payable and other liabilities	–131			–131
Total outflows [1]	**–370**	**0**	**0**	**–370**
Accounts receivable and other receivables	172			172
Loan receivables		111		111
Financial assets measured at fair value through profit or loss [2]	33	160	91	283
Total inflows [1]	**205**	**271**	**91**	**567**
Net cash flow, total	**–165**	**271**	**91**	**197**

[1] Contracted cash flows. For outflows, estimated interest payments are approximately SEK 16 M in 2013. For inflows, estimated interest income including interest on loan portfolios is approximately SEK 53 M in 2013.
[2] The majority is EETI's loan portfolios, more information in Note 24.

The Group's borrowing and financing are managed by the Parent Company and holding companies in the Group. The Parent Company's management and accounting department carefully monitor rolling forecasts of the Group's and subsidiaries' liquidity reserves to ensure that the Group and subsidiaries have sufficient cash funds to meet needs in operating activities.

Catella Bank continuously monitors its liquidity in accordance with the rules governing the Bank's operations and continuously monitors compliance with internal and external regulatory or legal standards.

For a description of the Group's loan liabilities, see Note 32. For the unutilised portion of granted bank overdraft facilities, see Note 30.

Combined with Catella's cash flows, the above funding sources provide short and long-term liquidity and flexibility in funding the Group's activities.

Market risk

Market risk is the risk of loss or reducing future income due to fluctuations in interest rates, exchange rates and share prices, including price risk relating to the sale of assets or closure of positions. Except in Treasury Management, all trading in financial instruments in the Group is client based and not conducted for proprietary trading or speculative purposes.

Market price risk in Treasury Management

Investments in securities, etc. are described in Note 24. These investments are measured at the current market value or equivalent on the relevant reporting date, and thereby, are mainly exposed to market price risk.

The Group's investments in loan portfolios are primarily exposed to market price risk through changes in the value of these investments and through interest rate fluctuations that reduce potential interest income. The investments in loan portfolios are subject to variable interest rates or underlying assets with variable interest and are measured according to a market-based credit spread based on a reference rate such as EURIBOR. An increased credit spread could directly affect Catella through its impact on unrealised gains or losses on portfolio investments, and therefore also Catella's ability to make a profit on investments, or indirectly by affecting Catella's prospects of borrowing and accessing capital. In accordance with the accounting policies in Note 2, investments in the loan portfolios are measured at fair value through profit or loss. Note 24, Financial assets measured at fair value through profit or loss, presents each individual loan portfolio and the weighted average expected variable interest rate on each investment.

The risks described above could result in either higher or lower income for Catella. The way that changes in discount rates and changes in anticipated cash

Group's interest-bearing liabilities and assets by currency

31 December 2012	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest +1%	Net effect on profit or loss of 1% increase, SEK M	Interest –1%	Net effect on profit or loss of 1% decrease, SEK M
EUR liabilities	–697						
USD liabilities	–623						
SEK liabilities	–665						
GBP liabilities	–113						
CHF liabilities	–31						
NOK liabilities	–14						
DKK liabilities	–14						
Liabilities in other currencies	–23						
Total interest-bearing liabilities	**–2,178**	**35**	**1.0**	**2.0**	**–22**	**0.0**	**22**
EUR assets	1,322						
USD assets	594						
SEK assets	581						
GBP assets	119						
CHF assets	31						
NOK assets	21						
DKK assets	16						
Assets in other currencies	26						
Total interest-bearing assets	**2,711**	**19**	**2.5**	**3.5**	**27**	**1.5**	**–27**

31 December 2011	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest +1%	Net effect on profit or loss of 1% increase, SEK M	Interest –1%	Net effect on profit or loss of 1% decrease, SEK M
EUR liabilities	0						
SEK liabilities	–239						
Liabilities in other currencies	0						
Total interest-bearing liabilities	**–240**	**90**	**5.5**	**6.5**	**–2**	**4.5**	**2**
EUR assets	408						
SEK assets	132						
GBP assets	2						
NOK assets	2						
DKK assets	2						
Assets in other currencies	0						
Total interest-bearing assets	**546**	**65**	**9.6**	**10.6**	**5**	**8.6**	**–5**

flows would affect profit before tax, measured as the change in fair value of Catella's loan portfolios, is described in the sensitivity analyses in Note 24.

Market price risk in Asset Management

Consistent with the above, trading in financial instruments is exclusively client based, which is why the market price risk is regarded as limited. Catella Bank and Catella Asset Management are indirectly exposed to market price risk on the value of security submitted for client loans and other commitments.

Interest rate risk

Interest rate risk is the risk that the Group's net profit could be impacted by changes in general interest rate levels. The Group has mainly raised loan financing in SEK at variable interest for its own operational financing. Detailed information on these liabilities is provided in Note 32. The Parent Company analyses and continuously monitors its exposure to interest rate risk.

Interest rate risk is a particular focus within Catella Bank. However, the Bank's interest rate risk exposure is limited because there are usually matching fixed income investments subject to similar terms as interest commitments, alternatively with an interest margin favouring Catella Bank. Catella Bank continuously analyses and monitors its exposure to interest rate risk.

Information on the Group's net debt profile and a sensitivity analysis are presented below, with information on fixed interest periods. Cash flow in relation to net debt amounted to -0.04 (2011: -1.99 incl. Catella Bank) as of 31 December 2012. The Group's interest coverage ratio, a measure of the ability to pay interest expenses, was 3.4 as of 31 December 2012 (2011: 3.7 incl. Catella Bank).

Exchange rate risk

The Group is active internationally and is subject to exchange rate risks that arise from various currency exposures. Exchange rate risk arises through business transactions, recognised assets and liabilities and net investments in foreign operations.

Capital employed and financing by currency, 2011-2012

31 December 2012	EUR	USD	GBP	CHF	NOK	DKK	Other currencies	Total foreign currencies	SEK	Total Group	Total Group +10% [1]	Total Group –10% [1]
Capital employed	111	1	1	0	–7	4	1	111	282	393	404	382
Net liability	624	–28	6	1	7	3	3	616	–84	532	594	471
Non-controlling interests	–6			0	0	–2	0	–9	–13	–21	–22	–20
Group's net exposure	**730**	**–27**	**7**	**1**	**0**	**5**	**4**	**719**	**186**	**904**	**976**	**832**
Net debt/equity ratio	–0.8	0.0	–0.8	–1.0	23.9	–0.4	–0.8	–0.8	0.4	–0.6	–0.6	–0.6

31 December 2011	EUR	USD	GBP	CHF	NOK	DKK	Other currencies	Total foreign currencies	SEK	Total Group	Total Group +10% [1]	Total Group –10% [1]
Capital employed from continuing operations	80	0	7	0	–2	8	1	93	261	355	364	345
Net liability from continuing operations	408	0	2	0	2	2	0	414	–108	306	348	265
Non-controlling interests from continuing operations	–9				–1	–4	0	–14	–17	–31	–33	–30
Net exposure from continuing operations	**479**	**0**	**8**	**0**	**–2**	**6**	**1**	**493**	**137**	**630**	**679**	**580**
Net debt/equity ratio from continuing operations	–0.8	0.0	–0.2	0.0	3.5	–0.2	0.0	–0.8	0.7	–0.5	–0.5	–0.4
Net exposure in disposal group held for sale	364	–8	2	–4	1		2	357	–38	319	355	284
The Group's net exposure	**843**	**–8**	**10**	**–4**	**–1**	**6**	**3**	**850**	**99**	**949**	**1,034**	**864**

[1] Changes in capital employed due to exchange rate fluctuations are recognised in other comprehensive income and thus did not impact net profit/loss for the year.

Subsidiaries' operations are predominantly conducted in the country in which they are located, and accordingly, transactions are executed in the same currency as the subsidiary's reporting currency. Accordingly, transaction exposure is limited, as described further below.

Catella Bank conducts card operations, in which holders of debit and credit cards conduct transactions in different currencies that are settled in the Bank's clearing system. This settlement is daily in foreign currencies. To reduce currency risk in currencies other than Catella Bank's functional currency (EU) the accumulated positions are divested daily.

Financing of foreign assets—translation risk

Translation risk is the risk that the value in SEK relating to equity in foreign currencies could fluctuate due to exchange rate fluctuations. Catella's working capital in foreign currency amounted to SEK 111 M as of 31 December 2012 (2011: SEK 164 M incl. Catella Bank). Working capital is financed by loans in local currencies and equity. This means that, from a Group perspective, Catella has equity in foreign currencies that is exposed to exchange rate fluctuations. This exposure leads to a translation risk and thereby to a situation in which unfavourable exchange rate fluctuations could negatively impact the Group's foreign net assets upon translation to SEK. With the aim of minimising the impact of exchange rate fluctuations on the Group's equity, Catella endeavours, whenever possible, to maintain a long-term match between the Group's assets and debt in foreign exchange including the Group's funding in foreign currency.

The following tables show the breakdown of the Group's capital employed by currency and its funding. They also include a sensitivity analysis of net debt and capital employed resulting from exchange rate fluctuations for the SEK. The Consolidated Income Statement is affected by the translation of foreign subsidiaries' income statements to SEK.

Transaction risk

Transaction risk is the risk of an impact on the consolidated net profit due to the value of the commercial flows in foreign currencies changing because of exchange rate fluctuations. Since of the Group's operating activities are largely conducted in foreign subsidiaries whose functional currency is EUR or another foreign currency, exchange rate fluctuations between these currencies and SEK affect consolidated profit or loss.

On the reporting date, subsidiaries of Catella had no substantial liabilities or assets in foreign currencies that resulted in net exposure in a currency other than the companies' presentation currency except relating to certain intragroup transactions.

Credit risk

Credit risk is the risk of losses due to a borrower not being able to fulfil its obligations to Catella. Credit risk relates to all receivables and potential receivables from companies, financial companies, public administration and private individuals.

Credit risk—accounts receivable and loan receivables

The risk of bad debt is generally low in the Group, due to several different factors. Counterparties are predominantly well-known mid-size and large clients, where there is an established, long-term relationship. This results in stable incoming payment flows. Credit checks are conducted on new clients. The sale and the transactions generated by the client portfolio are also diversified in several ways, the most important being that no or few clients constitute a significant part of total sales or lending. Accordingly, a default by an individual client would have a minor effect overall. Counterparties and loan receivables are approved in accordance with the authorisation order in place in the Group, specified further for Asset Management below. Furthermore, Catella renders services for geographically diversified clients in a large number of sectors including the public sector, financial sector and real estate companies. Accordingly, exposure to an economic downturn in a single sector or region is relatively limited. Overall, this implies stable payment flows from sales and lending generated, as confirmed by the low level of client losses and bad debt, which were 0.9% of Group net sales in 2012.

Credit risk—Asset Management

Credit risk is Catella Bank's greatest risk exposure and relates to investments, lending to clients, credit card receivables and other commitments to counterparties.
The credit policy that regulates these operations states the following:

Investments with credit institutions and banks are only with 'first class' banks with nominal amount limits set by the Bank's Board of Directors.
Loans to clients are issued against collateral in cash and cash equivalents, listed securities and/or guarantees. The market value of collateral for loans should always be a minimum of 140% of the loan. As of 31 December 2012, the market value of collateral was 244% (213%).

All loans are subject to approval by Catella Bank's Credit Committee, which consists of members of the Bank's management. Larger loans or loans subject to special terms should be approved by Catella Bank's Board of Directors. Group Management is represented on Catella Bank's Board of Directors, which accordingly, actively participates in making these decisions.

Card operations include credit risk in the form of credit issued on debit and credit cards, counterparty risks in the card system and credit risk for card acquisition customers.

Bad debt may arise for acquisition customers, if in a bankruptcy, the acquisition customer has not fulfilled its commitments, by delivering a good or service, for example. To reduce credit risk for acquisition customers, the Bank retains a portion of the turnover within the card system as security. For more information on frozen funds, see Note 36.

The subsidiary Catella Förmögenhetsförvaltning (Asset Management) issues credit partly against collateral in premium bonds and partly in connection with its clients' purchases of equities and fund units. Lending against collateral in premium bonds is not considered to entail credit risk. The credit risk associated with lending against collateral in equities and fund units is regarded as very limited because the company applies prudent leveraging rules. The maximum loan to value ratio for equities is 70% and one-sided collateral is not accepted. Credit risk arises in Nordic Fixed Income on secondary market transactions, in the form of counterparty risk. This credit risk is managed through predetermined limits. The Board of Directors has overall responsibility for the company's exposure to credit risk. The Board, in special instructions, has delegated this responsibility, within certain parameters, to a credit committee. The credit committee reports regularly to the Board. Catella Asset Management's credit issuance is subject to extremely stringent business ethics, quality and control standards. One universal principle is that all credit decisions in the company are normally taken by at least two people. Credit risk is Catella Asset Management's greatest exposure to risk. Despite this, no credit losses have been reported by the company.

Credit risk—Treasury Management

The Group's investments in loan portfolios primarily consist of holdings in, and/or financial exposure to, securities that are subordinated from a payment perspective and are ranked below securities that are backed by, or represent ownership of, the same asset class. In the event of default by an issuer of such investments, holders of more senior securities from the issuer are entitled to payment before Catella. Some of the investments also have structural elements, which means that payment of interest and/or principal goes to more senior securities that are backed by, or represent ownership of, the same class of asset in the event of default or when the loss exceeds predetermined levels. This could lead to interruptions in Catella's expected flow of income from its investment portfolio. Although holders of asset-backed securities normally have the advantage of high collateral levels, control over the timing and method of the sale of such collateral in the event of default is normally transferred to holders of the most senior securities. There are no guarantees that the income from the sale of collateral will be sufficient to fully repay Catella's investments.

Catella endeavours to reduce credit risk by actively monitoring its investment portfolio and the underlying credit quality of its holdings. Catella strives to further minimise credit risk by creating a diversified portfolio in terms of geographical allocation, issuers and administrators. Catella does not intend to undertake any credit hedging other than hedging of credit exposure in specific investments in individual cases. In 2012, no credit hedging was conducted.

Advance payment risk is the risk that individual debtors will pay off mortgages used as collateral for loan portfolios before their scheduled maturities. In its valuations, Catella takes into account an expected advance payment rate on the loans used as collateral for its investments, but it is possible that Catella's investments and the assets used as collateral for them will be repaid earlier than expected, and thereby affect the value of Catella's portfolio. Catella's investment advisors review advance payment assumptions quarterly and update them as required. The assumptions are reviewed by examining the information about the performance of

Credit rating of financial assets

31 December 2012	Accounts receivable	Loan receivables	Derivative instruments	Assets available for sale	Assets measured at fair value through profit or loss	Assets held to maturity	Bank funds and short-term bank deposits	Total
Counterparties with external credit ratings [1]:								
AAA			0		1	6	308	315
AA							6	6
AA-	0						104	104
A+	18				2		505	524
A	0				87		320	407
A-	41						312	353
BBB							17	17
BBB-								0
BB+					20			20
B								0
	59	**0**	**0**	**0**	**110**	**6**	**1,572**	**1,747**
Counterparties without external credit ratings:								
Companies	110	337	2	0	143			592
Funds					46			46
Financial companies	7						108	116
Public administration	4							4
Private individuals	1	456	0					457
	122	**793**	**2**	**0**	**189**	**0**	**108**	**1,214**
Total	**181**	**793**	**2**	**0**	**299**	**6**	**1,680**	**2,962**

31 December 2011	Accounts receivable	Loan receivables	Assets measured at fair value through profit or loss	Bank funds and short-term bank deposits	Total
Counterparties with external credit ratings [1]:					
AAA			1	12	13
AA	11				11
AA-	0			76	76
A+	1		36	6	42
A	1		70	53	124
A-	1			3	4
BBB	10				10
BBB-	1			1	3
BB+			19		19
B			40		40
	25	**0**	**165**	**152**	**342**
Counterparties without external credit ratings:					
Companies	107	2	165		274
Funds			47		47
Financial companies	3				3
Public administration	7				7
Private individuals	19	109			128
	136	**111**	**212**	**0**	**460**
Total	**161**	**111**	**377**	**152**	**802**

[1] Standard & Poor's long-term credit rating has been used.

Geographical concentration of credit risks in financial assets

	Financial assets		Memorandum items		
	2012	2011	2012	2011	
SEK M		Continuing operations		Continuing operations	Operations held for sale
Luxembourg	1,312	–	1,080	–	1,547
Sweden	688	291	404	607	35
Germany	293	148	49	127	1
France	102	125	44	64	19
Other countries	566	238	1,171	220	824
Total	**2,962**	**802**	**2,748**	**1,019**	**2,425**

underlying loans. The advance payment rate is affected by changes in interest rates and a number of financial, geographical and other factors that lie outside Catella's control, and consequently, cannot be predicted with certainty. The level and timing of the debtors' advance payment of mortgages used as collateral for certain investments could adversely affect the income earned by Catella on these investments.

Default risk is the risk that individual debtors will be unable to pay the required interest and principal at maturity. In its valuations, Catella takes into account an expected rate of default and an expected level of loss, but Catella's investments could incur larger losses if the payments in default are higher. The risk of default is handled by Catella's investment advisor, who regularly analyses holdings. Every quarter, the investment advisor reviews the various assumptions and updates them as required. The assumptions are reviewed by examining the information about the performance of the underlying loans. The degree of default risk is affected by changes in interest rates and a number of financial, geographical and other factors that lie outside Catella's control, and consequently, cannot be predicted with certainty. The level and timing of a debtor's default of mortgages used as collateral for certain investments could adversely affect the income earned by Catella on these investments.

Credit rating of financial assets

The following table presents the credit rating of financial assets for the Catella Group.

Geographical concentration of credit risks

The following table presents the geographical concentration of credit risks.

Capital risk and capital management

The objective of the Group's capital structure is to provide a healthy return to shareholders by maintaining an optimal capital structure aiming to achieve the lowest possible cost of capital, and in subsidiaries, achieving the requirement requirements of financial stability placed on subsidiaries is also appropriate. The Group's capitalisation must be risk based and proceed from a judgement of the collective risk level in operations. It should also be forward looking and consistent with long and short-term business plans and expected macroeconomic growth. The capital is assessed with relevant key ratios, such as the ratio between net debt and equity. As of 31 December, net debt in relation to equity was minus 0.6 (2011: -0.6 incl. Catella Bank).

Some of the subsidiaries in the Group, mainly in Asset Management, are subject to capital adequacy requirements. Given amendments to regulations and changes in each subsidiary's asset mass and related risks, additional capital may be required to satisfy capital adequacy requirements going forward. The subsidiaries and the Group continuously monitor these capital adequacy and related requirements to ensure compliance. For subsidiaries under supervision that are subject to capital adequacy requirements, these requirements were satisfied both during the year and as of 31 December 2012.

Fair value hierarchy for the measurement of financial assets and liabilities

The following table presents financial instruments measured at fair value based on how the classification in the fair value hierarchy has been conducted. The various levels are defined as follows:

Listed (unadjusted) market prices

The fair value of financial instruments traded on an active market is based on listed market prices on the reporting date. A market is considered to be active if listed prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are readily and regularly available and these prices represent actual and regularly occurring market transactions at arm's length. The listed market price used for the Group's financial assets is the actual bid rate. The investments found in the following table in the column for listed market prices primarily comprise shareholdings classified on AIM LSE as securities held for sale and operational holdings, such as Sicav funds and premium bonds.

Valuation techniques that use observable market data

The fair value of financial instruments not traded on an active market (such as OTC derivatives or certain funds) is measured using valuation techniques. Here, market information is used as much as possible when available, while company-specific information is used as little as possible. If all significant input data required for the fair value measurement of an instrument is observable, the instrument is listed in the column of Valuation techniques that use observable market data in the following table. The investments presented in the following table in the column for valuation techniques that use observable market data are mainly derivative instruments.

Valuation techniques that use non-observable market data

If one or more significant input data is not based on observable market information, the instrument concerned is classified in this category. Specific valuation techniques used to measure financial instruments are the calculation of discounted cash flows to measure fair value of the remaining financial instruments. The financial instruments classified in this category are the value of Catella's investments in securitised loan portfolios. They are measured at fair value, which was measured based on forecast discounted cash flows, see also Note 24. Units in the Nordic Light Fund and the unlisted shareholding in IPM (Informed Portfolio Management BV) are also included in this category, and 2011 also included the now-divested holding in Castello SGR.

A sensitivity analysis of changes to significant parameters for measuring loan portfolios (Financial assets measured at fair value in profit or loss) is provided above in the section regarding Market price risk in Treasury Management.

Financial instruments by category

The Consolidated Statement of Financial Position presents how financial instruments are allocated by category, with no further disclosure on categories in the Notes.

The Group's assets and liabilities measured at fair value as of 31 December 2012

SEK M	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non-observable market data	Total
Assets				
Derivative instruments		2		2
Financial assets available for sale		0		0
Financial assets measured at fair value through profit or loss	7	3	289	299
Total assets	**7**	**5**	**289**	**301**
Derivative instruments		2		2
Total liabilities	**0**	**2**	**0**	**2**

The Group's assets and liabilities measured at fair value as of 31 December 2011, continuing operations

	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non-observable market data	Total
Assets				
Financial assets measured at fair value through profit or loss	16	1	360	377
Total assets	**16**	**1**	**360**	**377**
Total liabilities	**0**	**0**	**0**	**0**

Changes in instruments in the category of valuation techniques using non-observable market data in 2011 and 2012

	2012	2011
SEK M	Assets measured at fair value through profit or loss	Assets measured at fair value through profit or loss
As of 1 January	360	431
Transfers from other categories	–	–
Increase through business combinations	–	–
Purchases	0	26
Sales	–62	–72
Amortisation	–11	–12
Gains and losses recognised through profit or loss	1	–33
Capitalised interest income	10	22
Reclassification to disposal group held for sale	1	–1
Exchange rate differences	–10	–2
As of 31 December	**289**	**360**

NOTE 4 CRITICAL ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and based on historical experience and other factors, including expectations of future events that are considered reasonable in prevailing circumstance.

Critical estimates and assumptions for accounting purposes

The Group makes estimates and assumptions of the future. By definition, the resulting estimates for accounting purposes them will rarely match real outcomes. Estimates and assumptions that entail a significant risk of restatement of carrying amounts of assets and liabilities during the next financial year are generally dealt with as follows.

Impairment tests of intangible assets with indefinite useful lives

The Group has goodwill of SEK 240 M (241) and trademarks and brands of SEK 50 M (50) which, in accordance with the accounting policy described in Note 2, are subject to impairment tests annually, in the third quarter. A judgement of recoverable amount is conducted based on calculations and estimates. The test conducted in 2012 showed no evidence of impairment of book values. See also Note 19.

Measurement of accounts receivable, loan receivables, reserves for losses on bad debt and loan receivable losses and other commitments to counterparties

Accounts receivable and loan receivables total SEK 974 M (272) and thus jointly constitute a significant item in the Statement of Financial Position. Accounts receivable and loan receivables are recognised at net amortised cost after provisions for losses on accounts receivable. Provisions for accounts receivable losses of SEK -30 M (-30) and loan receivable losses of SEK -42 M (0) are subject to critical estimates and judgements. There is information on credit risk in accounts receivable and loan receivables in Notes 3, 26 and 27. In addition, there are undertakings for unutilised, granted loan credits of SEK 1,641 M (1,883) that are described in Note 38 and credit risk for card acquisition customers and counterparty risk in card and payment systems. If the assumptions, which are based on historical statistics and individual judgements, were to differ from final outcomes, the provisions for these risks could prove insufficient and additional costs could thus arise in upcoming periods.

Measurement of securitised loan portfolios

At 31 December 2012, the value of Catella's loan portfolios was SEK 229 M (282). The measurement of the loan portfolios is based on a large number of parameters, including estimated future cash flows, as described in Note 3, Financial risk management. Since the market for these loan portfolios, subordinated securities with collateral in assets, is currently illiquid, many, although not all, of Catella's investments are illiquid. As a result, the valuation model includes a number of parameters that are non-observable market data, which leads to significant uncertainty. Changes in assumptions underlying the chosen parameters could result in a change in the fair value of Catella's loan portfolio in the Consolidated Statement of Financial Position and such a change could be substantial. It is not possible to quantify the likelihood of whether the assumptions could be erroneous and thereby lead to erroneous valuation of the portfolio. For further information and a sensitivity analysis, refer to Notes 3 and 24.

Measurement of identifiable assets and liabilities coincident with acquisition of subsidiaries/operations

The measurement of identifiable assets and liabilities coincident with the acquisition of subsidiaries or operations includes a part of the allocation of the purchase consideration so that both items in the acquired company's balance sheet and items not subject to recognition in the acquired company's balance sheet such as customer relations will be measured at fair value. Normally, no listed prices exist for the assets and liabilities to be valued, whereby various valuation techniques must be applied. These valuation techniques are based on several different assumptions. Other items that could be difficult to identify and measure are contingent liabilities that may have arisen in the acquired company, such as disputes. All balance sheet items are thereby subject to estimates and judgements. For further information regarding acquisitions, refer to Note 40.

Recognition of income tax, value added tax and other tax rules

The recognition of income tax, value added tax and other taxes is based on current rules in the countries in which the Group conducts operations. Due to the combined complexity of all rules governing taxes and the reporting of taxes, application and recognition are based on interpretation, as well as estimates and judgements of potential outcomes. Deferred tax is calculated on temporary differences between recognised and tax values of assets and liabilities. Two types of assumptions and estimates mainly affect the reported deferred tax. Firstly, there are assumptions and estimates to establish the carrying amount of various assets and liabilities, and secondly judgements as to whether there will be a future taxable profit so that the temporary differences will be realisable. At year-end, SEK 52 M (51) was recognised as deferred tax assets based on a judgement of the Group's future utilisation of loss carry-forwards. The Group's overall loss carry-forwards amount to approximately SEK 837 M, which essentially, are attributable to operations in Sweden and have unlimited life. Critical estimates and assumptions were also made in terms of the recognition of provisions and contingent liabilities related to tax risks. For more information on taxes, see Note 16.

Effects on the Group's financial position in terms of ongoing disputes and the measurement of contingent liabilities

Reporting of disputes and measurement of contingent liabilities are based on judgements. If these judgements were to differ from actual outcomes, this could have a material impact on Catella's accounts. For more information, see Note 37

NOTE 5 INFORMATION PER SEGMENT

Disclosures by operating segments

The Group's reporting by operating segment was reviewed in 2012. The operating segments recognised in this report, Corporate Finance and Asset Management, are consistent with the internal reporting presented to management and the Board, and accordingly comprise the Group's operating segments in accordance with IFRS 8. The Parent Company, other holding companies and Treasury Management are recognised in the 'Other' category. Acquisition and financing costs and Catella's brand are also recognised in this category.

Transactions between the operating segments are limited and relate mainly to financial transactions and certain reinvoicing of expenses. Limited transactions for rendering services to external customers occur. Any transactions are conducted on an arm's length basis

Income statement by operating segment

	Corporate Finance		Asset Management		Other		Eliminations		Group	
SEK M	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net sales	412	488	565	561	4	9	–10	–14	971	1,045
Other operating income	7	6	3	8	6	6			17	20
	419	**493**	**568**	**569**	**10**	**15**	–10	–14	987	1,064
Assignment expenses	–30	–52	–193	–190	0	0	2	3	–221	–239
Other external costs	–101	–108	–136	–137	–26	–31	5	5	–258	–271
Personnel costs	–243	–282	–219	–217	–19	–22	3	6	–478	–516
Depreciation/amortisation	–5	–5	–13	–15	0	0	0	0	–18	–21
Other operating expenses	–1	–1	–5	–15	0	0	0	0	–7	–16
Operating profit/loss before acquisition-related items and items affecting comparability	**39**	**44**	**2**	**–5**	**–35**	**–38**	0	0	6	1
Amortisation of acquisition-related intangible assets	0	0	–5	–4	0	0	0	0	–5	–4
Items affecting comparability	0	0	–31	0	–3	0	0	0	–34	0
Operating profit/loss	**39**	**44**	**–34**	**–9**	**–38**	**–38**	0	0	–33	–3
Interest income	1	2	2	2	28	48	–2	–4	28	47
Interest expenses	–1	–4	0	0	–15	–12	2	4	–14	–11
Other financial income	3	4	22	2	15	8	0	0	39	14
Other financial expenses	–4	–4	0	–2	–20	–56	0	0	–24	–62
Net financial items	–2	–2	23	2	8	–12	0	0	29	–12
Profit/loss before tax	**37**	**42**	**–11**	**–7**	**–30**	**–50**	0	0	–4	–15
Tax	–15	–15	4	12	2	39	0	0	–9	35
Net profit/loss for the year	**22**	**27**	**–7**	**5**	**–28**	**–11**	0	0	–13	21

Financial position by operating segment

SEK M	Corporate Finance 31 Dec 2012	Corporate Finance 31 Dec 2011	Asset Management 31 Dec 2012	Asset Management 31 Dec 2011	Other 31 Dec 2012	Other 31 Dec 2011	Eliminations 31 Dec 2012	Eliminations 31 Dec 2011	Group 31 Dec 2012	Group 31 Dec 2011
ASSETS										
Non-current assets										
Intangible assets	60	61	201	201	50	50			311	311
Property, plant and equipment	10	10	7	4	0	0			17	15
Holdings in Group companies		49			555	306	–555	–354	0	0
Holdings in associated companies	0	0	2	1					2	1
Financial assets available for sale			0						0	0
Financial assets measured at fair value through profit or loss	0	0	18	18	258	304			276	322
Non-current loan receivable			304	111					304	111
Deferred tax assets	0	1	12	10	40	41			52	51
Other non-current receivables	7	6	2	1		0			8	8
	78	**127**	**545**	**347**	**903**	**701**	**–555**	**–354**	**971**	**820**
Current assets										
Accounts receivable	85	142	93	17	3	2			181	161
Receivables from Group companies	12	1	7	8	25	234	–43	–243	0	0
Current loan receivables			489						489	0
Tax receivables	13	3	25	9	1	1			39	13
Other receivables	5	6	10	4	3	3			19	13
Prepaid expenses and accrued income	11	20	33	23	9	11			53	55
Derivative instruments			2						2	0
Financial assets measured at fair value through profit or loss	3	0	8	16	11	40			22	56
Investments held to maturity			6						6	0
Cash and cash equivalents	102	80	1,568	104	11	–32			1,680	152
	231	**253**	**2,242**	**181**	**62**	**258**	**–43**	**–243**	**2,491**	**450**
Assets in disposal group held for sale				2,637					0	2,637
Total assets	**309**	**380**	**2,787**	**3,165**	**965**	**959**	**–599**	**–597**	**3,462**	**3,907**
EQUITY AND LIABILITIES										
Equity attributable to shareholders of the Parent Company	142	132	611	493	706	679	–555	–354	904	949
Non-controlling interests	19	28	2	3	0	0			21	31
Total equity	**161**	**160**	**614**	**496**	**706**	**679**	**–555**	**–354**	**925**	**980**
Liabilities										
Non-current liabilities										
Borrowings	0								0	0
Non-current loan liabilities					197				197	0
Other non-current liabilities	5	9							5	9
Deferred tax liabilities			4	5	19	23			23	28
Other provisions	1	2	8	3		0			9	5
	6	**11**	**12**	**8**	**216**	**23**	**0**	**0**	**234**	**42**
Current liabilities										
Borrowings	0	0	155	86		154			155	240
Current loan liabilities	0		1,824						1,824	0
Derivative instrument			2						2	0
Accounts payable	19	27	54	6	10	3			83	36
Liabilities to Group companies	37	67	–2	169	9	7	–44	–243	0	0
Liabilities to associated companies	0								0	0
Current tax liabilities	2	9	14	8	2	4			19	21
Other liabilities	16	24	8	9	4	64	0	0	29	97
Accrued expenses and deferred income	67	83	106	65	18	25			191	173
	142	**210**	**2,161**	**343**	**43**	**257**	**–43**	**–243**	**2,302**	**567**
Liabilities in disposal group held for sale				**2,318**					**0**	**2,318**
Total liabilities	**148**	**221**	**2,173**	**2,669**	**259**	**281**	**–43**	**–243**	**2,537**	**2,927**
Total equity and liabilities	**309**	**380**	**2,787**	**3,165**	**965**	**959**	**–599**	**–597**	**3,462**	**3,907**

Cash flow per operating segment

	Corporate Finance		Asset Management		Other		Eliminations		Group	
SEK M	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Profit/loss before tax	37	42	–11	–7	–30	–50			–4	–15
Other financial items	1	0	–21	0	5	48			–15	48
Depreciation/amortisation	5	5	18	20	0	0			22	25
Other non-cash items	5	26	6	8	–25	–45			–13	–11
Paid income tax	–28	–33	–13	–14	–6	–4			–46	–51
Changes in operating capital employed	8	–2	–125	–1,105	72	21			–45	–1,086
Cash flow from operating activities	**29**	**39**	**–147**	**–1,099**	**17**	**–30**	**0**	**0**	**–101**	**–1,090**
Cash flow from tangible and intangible assets	–5	–3	–4	–4	0	0			–9	–6
Acquisition of subsidiaries, net after cash and cash equivalents		–1		1	–51	–60			–51	–60
Cash flow from other financial assets	0	–2	61	14	66	129			127	141
Cash flow from investing activities	**–5**	**–5**	**57**	**11**	**15**	**69**	**0**	**0**	**67**	**75**
Net borrowings, amortisation of loans	0	–1	0		44	–93			45	–94
Re-purchase of share warrants, contributions from, and payments to, non-controlling interests		–8	–2	13	–31	0			–33	4
Cash flow from financing activities	**0**	**–9**	**–2**	**13**	**14**	**–93**	**0**	**0**	**12**	**–90**
Cash flow for the year	**24**	**24**	**–92**	**–1,075**	**45**	**–54**	**0**	**0**	**–22**	**–1,105**

Disclosures by geographical market

	Total sales to external customers [1]		Total assets		Non-current assets [3]	
SEK M	2012	2011	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Luxembourg	49	7	1,346	–	48	– [3]
Sweden	407	380	928	527	419	368
France	135	209	122	125	55	17
Germany	164	120	255	100	59	45
Other countries	215	330	453	88	62	17
Non-current assets not specified by country [2]	–	–	359	428	328	373
Disposal group held for sale	–	–	–	2,637	–	–
Total	**971**	**1,045**	**3,462**	**3,907**	**971**	**820**

[1] Based on the location of sales outlets and essentially corresponding to customers' geographical location.

[2] Financial instruments and deferred tax assets are not specified by country. Instead, these items are recognised on the line 'Non-current assets not specified by country.

[3] In 2011, non-current assets were recognised as disposal group held for sale.

NOTE 6 NET SALES

SEK M	2012	2011
Corporate Finance income	404	483
Asset Management income	526	520
Asset Management net financial income/expense (see table to right)	37	42
Other income	4	0
	971	**1,045**

Specification of net financial income/expense in Asset Management

SEK M	2012	2011
Interest income		
Interest income on bank balances	10	15
Interest income on loan receivables	41	46
Other interest income	–	–
	51	**61**
Interest expenses		
Interest expenses on deposits from credit institutions	–2	–2
Interest expenses on other deposits	–10	–15
Other interest expenses	–2	–2
	–14	**–19**
Total net financial income/expense	**37**	**42**

NOTE 7 OTHER OPERATING INCOME

SEK M	2012	2011
Rental income	6	7
Share of profit from associated companies	0	7
Income relating to contract personnel	5	3
Other	5	3
	17	**20**

NOTE 8 OTHER EXTERNAL COSTS

Remuneration of auditors

SEK M	2012	2011
PwC		
Audit assignment [1]	6	4
Audit activities other than audit assignment	0	1
Tax consultancy	0	0
Other services	1	1
	8	**6**
KPMG		
Audit assignment	1	3
Audit activities other than audit assignment	–	1
Tax consultancy	–	–
Other services	–	0
	1	**3**
Other accounting firms		
Audit assignment	0	1
Audit activities other than audit assignment	0	–
Tax consultancy	–	–
Other services	1	1
	2	**2**
Total remuneration of auditors	**10**	**11**

[1] Audit assignment means fees for the statutory audit, i.e. work necessary to present the Audit Report, and audit-related advisory services rendered coincident with the audit assignment.

Expenses for lease arrangements are reported in Note 38.

NOTE 9 DEPRECIATION/AMORTISATION

SEK M	2012	2011
Amortisation of intangible assets, Note 19	12	14
Depreciation of tangible assets, Note 20	10	11
	22	**25**

NOTE 10 PERSONNEL

Employee benefits

SEK M	2012	2011
Salary and other benefits including restructuring expenses [1]	373	376
Social security contributions	68	70
Pension costs, defined contribution pension plans	31	34
Pension costs, defined benefit pension plans	2	1
	474	**481**
[1] of which restructuring expenses	10	0

Salaries and other benefits including restructuring expenses

	2012	2011
Boards of Directors and Presidents [1]	78	96
Other employees	294	280
	373	**376**
[1] of which bonus	18	34

In addition to the above-mentioned compensation, which was an expense for Catella in 2012, earnings attributable to partners in subsidiaries in which they work are recognised as a personnel cost in accordance with applicable accounting policies. This cost amounts to SEK 6 M (24).

Average number of employees (full-time equivalents)

	2012		2011	
	Total	Of whom, women	Total	Of whom, women
Sweden—Parent Company	12	4	13	5
Sweden—subsidiaries	125	41	127	46
Norway	9	2	7	1
Denmark	12	1	9	1
Finland	44	12	45	12
Baltics	9	4	9	3
France	42	21	45	23
Germany	73	29	61	26
Luxembourg	110	45	112	47
Spain	8	1	7	1
Other countries	–	–	2	2
Total	**444**	**160**	**437**	**167**

As of 31 December 2012, the number of Board members and Presidents totalled 153 (188), of whom fourteen (18) were women.

NOTE 11 COMPENSATION OF SENIOR MANAGERS

Principles

Directors' fees are paid to the Chairman of the Board and Board members in accordance with the resolution of the Annual General Meeting.

Guidelines for compensation of senior managers, adopted by the 2012 Annual General Meeting: Compensation of senior managers is to comprise fixed, market-based compensation. The Board may depart from these principles in individual cases if they have specific reasons for doing so. The compensation structure is described below.

During the year, the composition of senior managers did not change. During the year, the composition of the Board changed as follows:

Stefan Carlsson was elected as a new ordinary Board member and Peter Gyllenhammar left the Board.

For presentation of the Board of Directors and Group Management, see page 44 and 45.

Variable compensation, 2012

The Chief Executive Officer and other senior managers are entitled to receive performance- based bonuses. The bonus entitlement and calculation basis for the bonus are determined and reviewed every year by the Board. Bonuses are paid at an amount of a maximum of 12 months' salary. No bonuses were paid in 2012.

Share-based incentive programme, 2012

See Note 12, Share-based payment.

Other employment terms for senior managers, 2012

In addition to statutory pension and insurance benefits, the company shall annually reserve an amount corresponding to up to 30% of the basic salary of senior managers for the occupational pension solution designated by the employee.

Senior managers are entitled to 30 days of holiday per year.

Termination of employment and severance pay, 2012

A mutual period of notice of 12 months with no severance pay applies between the company and the Chief Executive Officer. If the company terminates the employment of the CEO for any reason other than the gross negligence of his duties to the company or if he is in substantial breach of his employment contract in any other way, severance pay corresponding to 12 months' salary will be paid. The employment contract for the Chief Executive Officer will expire at age 65, with no prior notice of termination, dismissal pay or severance pay.

A period of notice of six months applies between the company and other senior managers if employment is terminated by executives and a period of notice of 12 months if the company terminates employment. If the company terminates the employment of other senior managers for a reason other than the gross negligence of their duties to the company or if they are in substantial breach of their employment contract in any other way, severance pay of up to six months' salary will be paid.

Compensation and other benefits in 2012

SEK '000	Basic salary/ Directors' fees	Variable compensation	Other benefits	Pension costs	Financial instruments	Other compensation	Total
Chairman of the Board							
Johan Claesson	500						500
Other Board members							
Björn Edgren	300						300
Niklas Johansson [1]	300					11	311
Jan Roxendal	300						300
Stefan Carlsson	448						488
Peter Gyllenhammar	200						200
Total Directors' fees	**2,048**	**0**	**0**	**0**	**0**	**11**	**2,059**
Chief Executive Officer							
Johan Ericsson	2,139		180	630			2,949
Other senior managers [2]	6,556		524	1,447			8,527
Total	**10,743**	**0**	**704**	**2,077**	**0**	**11**	**13,535**

[1] Other compensation is consulting fees from Catella Fondförvaltning AB.

[2] Other senior managers are Ando Wikström, Johan Nordenfalk, Anders Palmgren and Fredrik Sauter.

Compensation and other benefits in 2011

SEK '000	Basic salary/ Directors' fees	Variable compensation	Other benefits	Pension costs	Financial instruments	Other compensation	Total
Chairman of the Board							
Johan Claesson	375						375
Other Board members							
Björn Edgren	300						300
Niklas Johansson [1]	175					111	286
Jan Roxendal	175						175
Lorenzo Garcia	83						83
Peter Gyllenhammar	258						258
Total Directors' fees	**1 366**	**0**	**0**	**0**	**0**	**111**	**1 477**
Chief Executive Officer							
Johan Ericsson	2 283		265	651			3 199
Former Deputy Chief Executive Officer							
Lennart Schuss [2]	1 064		137	362			1 563
Other senior managers (4 people)	6 162	85	346	1 237			7 830
Total	**10 875**	**85**	**748**	**2 250**	**0**	**111**	**14 069**

[1] Other compensation is consulting fees from Catella Fondförvaltning AB.

[2] Information for the previous Deputy CEO is for the period 1 January-30 June 2011.

Basic salary, 2011

The basic salary for the former Chief Executive Officer Lennart Schuss comprises fixed months' salary for the period 1 January – 30 September 2011. The company has no Deputy CEO from 1 July 2011.

Variable compensation, 2011

The Chief Executive Officer, Deputy Chief Executive Officer and other senior managers are entitled to receive a profit-based bonus. Entitlement to bonus and basis of computation of the bonus is approved and re-evaluated by the Board of Directors annually. The maximum bonus payable is an amount corresponding to 12 months' salary. No bonus was paid for 2011.

Share-based incentive programme, 2011

See Note 12 Share-based payment.

Other employment terms of senior managers, 2011

In addition to statutory pension and insurance benefits, each year, the company should provision amounts corresponding to up to 30% of senior managers' basic salary to the occupational pension solution the employee designates.

Senior managers are entitled to 30 days' holiday per year.

Termination of employment and severance pay, 2011

A mutual period of notice of 12 months with no severance pay applies between the company and the Chief Executive Officer and Deputy Chief Executive Officer. If the company terminates the employment of the CEO or Deputy CEO for any reason other than gross negligence of their duties to the company or if they are in substantial breach of their employment contract in any other way, severance pay corresponding to 12 months' salary will be paid. The employment contracts of the CEO and Deputy CEO will expire when they reach the age of 65, with no prior notice of termination, dismissal pay or severance pay.

A period of notice of six months applies between the company and other senior managers if employment is terminated by managers and a period of notice of 12 months if the company terminates employment. If the company terminates the employment of other senior managers for a reason other than the gross negligence of their duties to the company or if they are in substantial breach of their employment contract in any other way, severance pay corresponding to six months' salary will be paid.

Other information

During 2011, 2,625,000 warrants were re-purchased at market price from former Deputy CEO Lennart Schuss due to changed employment terms in accordance with the terms and conditions of the warrants. The total purchase consideration for the share warrants amounted to SEK 10.3 M.

During 2011, the remaining 9% of subsidiary CFA Partners AB was acquired for SEK 24 M from senior managers of the Catella Group: Johan Ericsson, Ando Wikström and Lennart Schuss. The acquisition was financed through vendor notes with an interest rate based on the government borrowing rate on the date of the loan plus a supplement of 1%. The vendor note including accrued interest was paid in full in 2012.

Shareholdings and other holdings

The Board of Directors' and Group Management's shareholdings in Catella AB, and other shareholdings, are as follows: [1]

	Class A shares		Class B shares		Warrants	
	2012	2011	2012	2011	2012	2011
Johan Claesson, Chairman of the Board (direct and direct shareholdings)	1,087,437	1,087,437	38,480,821	37,781,987	–	–
Björn Edgren, Board member	–	–	100,000	100,000	–	–
Peter Gyllenhammar, Board member	–	–	–	–	–	–
Niklas Johansson, Board member	–	–	28,300	12,000	–	–
Johan Ericsson, CEO	–	–	25,000	–	5,250,000	5,250,000
Fredrik Sauter, former President of Catella Wealth Management	–	–	–	–	1,200,000	1,200,000
Anders Palmgren, Head of Corporate Finance	–	–	30,000	30,000	600,000	600,000
Johan Nordenfalk, General Counsel	–	–	–	–	300,000	300,000
Ando Wikström, CFO	–	–	30,000	30,000	5,250,000	5,250,000
Total holdings	**1,087,437**	**1,087,437**	**38,694,121**	**37,953,987**	**12,600,000**	**12,600,000**

[1] Information for senior managers only at the end of each financial year.

NOTE 12 SHARE-BASED INCENTIVES

The Annual General Meeting of 20 May 2010 resolved to authorise the Board to make decisions to issue 30,000,000 share warrants for Class B shares. The issue was completed later that year. The Annual General Meeting on 25 May 2011 resolved to issue a further 6,100,000 warrants for Class B shares. The 30,000,000 warrants were used as part-payment in the acquisition of the former Catella Group whereby senior managers and key employees within the former Catella Group received warrants at market terms. Of the 6,100,000 warrants, 5,500,000 were used as cash payment in the acquisition of the remaining 30% of the subsidiary Catella Capital Intressenter AB, which is the Parent Company of Catella Fondförvaltning AB, where senior managers and key employees of the company received warrants on market terms. The warrants confer entitlement to subscribe for a maximum of 36,100,000 new Class B shares in Catella AB (publ). The warrant premium was SEK 42 M.

The exercise price for subscription for shares from the warrants was determined coincident with granting the warrants at SEK 11 for warrants issued in 2010 and SEK 16.70 for warrants issued in 2011. The exercise price corresponded to the equity of Catella AB (publ) on the grant date and the value of the warrants was determined by applying accepted valuation models (Black & Scholes). The issue price will be adjusted in the event of a decision on potential future dividends to shareholders, together with other dividends paid during the same financial year exceeding eight (8) % of the average price of the share over a period of 25 trading days immediately prior to the day on which the Board of Catella AB (publ) announces its intension to present such a dividend proposal to the Annual General Meeting. The maturity dates for outstanding warrants are stated in the following table. The Group has no legal or informal obligation to re-purchase or settle the warrants in cash. However, according to the terms and conditions of the share warrants, Catella is entitled to re-purchase the warrants from holders if the individual is no longer employed by the Group. In 2012, 2,625,000 warrants were re-purchased at market price from senior managers due to changes in employment conditions in accordance with the terms and conditions of the warrants. As of 31 December 2012, Catella held 5,460,000 share warrants. When re-purchasing warrants, other contributed capital is debited.

An EGM of Catella AB (publ) held on Friday 18 January 2013 decided to divide warrants of series A 2010 into two (2) series—series A and series A1, and to amend the terms and conditions of the series A1 share warrants so that the period for subscribing for shares was extended by two years. The new subscription period runs from 25 March 2015 to 25 May 2015, both dates inclusive. Holders of share warrants of series A are entitled to exchange to share warrants of series A1 for the payment of a market premium.

Change in the number of outstanding warrants:

Number	2012	2011
Opening balance, 1 January	33,265,000	30,000,000
New issue	–	6,100,000
Re-purchase	–2,625,000	–2,835,000
Sold	–	–
Expiry of unutilised warrants	–	–
As of 31 December	**30,640,000**	**33,265,000**

Outstanding warrants at year-end have the following maturity dates and exercise prices:

Issue in 2010 (exercise price SEK 11.00 per share)

	Share warrants held by Catella	Outstanding share warrants	Total number of share warrants	Proportion, %
Year				
2013	260,000	9,640,000	9,900,000	27
2014	1,040,000	2,980,000	4,020,000	11
2015	2,080,000	5,960,000	8,040,000	22
2016	2,080,000	5,960,000	8,040,000	22
Total 2010	**5,460,000**	**24,540,000**	**30,000,000**	**83**

Issue in 2011 (exercise price SEK 16.70 per share)

	Share warrants held by Catella	Outstanding share warrants	Total number of share warrants	Proportion, %
Year				
2013	–	–	–	0
2014	–	2,033,000	2,033,000	6
2015	–	2,033,000	2,033,000	6
2016	–	2,034,000	2,034,000	6
Total 2011	**–**	**6,100,000**	**6,100,000**	**17**
Total	**5,460,000**	**30,640,000**	**36,100,000**	**100**

NOTE 13 OTHER OPERATING EXPENSES

SEK M	2012	2011
Impairment of accounts receivable	0	–1
Impaired loan receivables	–6	–12
Expenses for fraud on credit cards issued	–3	–3
Recovered bad debt losses	0	1
Other operating expenses	2	–1
Total	**–7**	**–16**

NOTE 14 ITEMS AFFECTING COMPARABILITY

Items affecting comparability are non-recurring expenses for the integration of Catella Bank with Catella's other asset management operations. For 2012, items affecting comparability were SEK 34 M, of which SEK 22 M are expenses for vacated office premises in Luxembourg, SEK 10 M are staff termination expenses and SEK 2 M are other non-recurring expenses. In the Consolidated Income Statement, these expenses are recognised on a line called 'items affecting comparability.' In the following table, these items are recognised on individual lines of the Income Statement instead.

In addition, the amortisation of acquisition-related intangible assets also have their own line in the Consolidated Income Statement. In the following table, this item, as well as other depreciation and amortisation of tangible and intangible assets, is recognised in depreciation and amortisation instead.

SEK M	2012	2011
Net sales	971	1,045
Other operating income	17	20
	987	**1,064**
Assignment expenses and commissions	–221	–239
Other external expenses	–282	–271
Personnel costs	–488	–516
Depreciation/amortisation	–22	–25
Other operating expenses	–7	–16
Operating profit/loss	**–33**	**–3**
Interest income	28	47
Interest expenses	–14	–11
Other financial income	39	14
Other financial expenses	–24	–62
Financial income and expense	29	–12
Profit/loss before tax	**–4**	**–15**
Tax	–9	35
Net profit/loss for the year	**–13**	**21**

NOTE 15 FINANCIAL ITEMS

SEK M	2012	2011
Interest income		
Interest income on bank balances	2	2
Interest income on financial assets measured at fair value through profit or loss	25	43
Interest income on loan receivables	0	–
Other interest income	0	1
	28	**47**
Interest expense		
Interest expense to credit institutions	–8	–10
Interest expense on bond issue	–4	–
Other interest expense	–2	–1
	–14	**–11**
Other financial income		
Dividend income on financial assets measured at fair value through profit or loss	1	1
Fair value gains on financial assets measured at fair value through profit or loss	10	3
Capital gains on financial assets measured at fair value through profit or loss	2	0
Capital gains on financial assets available for sale	17	–
Exchange rate gains	10	10
	39	**14**
Other financial expenses		
Fair value losses on financial assets measured at fair value through profit or loss	–13	–47
Capital losses on financial assets measured at fair value through profit or loss	0	–2
Issue and loan guarantee expenses	–2	–4
Exchange rate losses	–10	–9
	–24	**–62**

NOTE 16 TAXES

SEK M	2012	2011
Current tax:		
Current tax on profit/loss for the year	–19	–22
Adjustments relating to previous years	–	8
Total current tax	**–19**	**–14**
Deferred tax:		
Origination and reversal of temporary differences	13	50
Effect from change in the Swedish tax rate	–3	–
Total deferred tax	**10**	**50**
Income tax	**–9**	**35**

Income tax on the Group's profit differs from the theoretical amount that would have resulted from the use of a weighted average tax rate in the consolidated companies, as follows:

SEK M	2012	2011
Profit/loss before tax	–4	–15
Income tax calculated according to national tax rates applicable to profit in each country	–1	1
Tax effects of:		
Measurement of taxable deficit	8	47
Utilisation of loss carry-forwards not previously recognised	5	3
Tax deficit for which no deferred tax asset was recognised	–15	–8
Effect of change in the Swedish tax rate	–3	–
Non-taxable income for fair value measurement	2	–
Non-taxable income	4	1
Non-deductible acquisition expenses	0	0
Non-deductible expenses for fair value measurement	–2	–10
Non-deductible capital losses	–2	–2
Other non-deductible expenses	–2	–2
Wealth tax, Catella Bank	–2	–2
Adjustments relating to previous years	–	8
Tax expense	**–9**	**35**

Deferred tax assets and tax liabilities specified as follows:

SEK M	2012	2011
Deferred tax assets		
estimated to be utilised after more than 12 months	45	38
estimated to be utilised within 12 months	8	15
net recognised against deferred tax liabilities	–1	–2
	52	**51**
Deferred tax liabilities		
to be paid after more than 12 months	–24	–30
to be paid within 12 months	–	–
net recognised against deferred tax assets	1	2
	–23	**–28**
Deferred tax assets/liabilities (net)	**29**	**23**

Change in deferred tax assets and liabilities during the year:

SEK M	Defined benefit pension plans	Future deductible expenses	Tax depreciation	Tax deficit	Other	Net recognised	Total
Deferred tax assets							
As of 1 January 2011	0	2	5	1	0	–2	5
Increase through business combination							0
Recognised in profit or loss		–1	0	49			48
Recognised in other comprehensive income							0
Exchange rate differences		0	0	0	0		0
Reclassification to disposal group held for sale		0	–3		0		–3
Net recognised against deferred tax liabilities						0	0
As of 31 December 2011	**0**	**2**	**2**	**50**	**0**	**–2**	**51**
Increase through business combinations							0
Recognised in profit or loss	0	0	–1	0	0		0
Recognised in other comprehensive income	0						0
Exchange rate differences	0	0	0	0	0		0
Reclassification to disposal group held for sale					0		0
Net recognised against deferred tax liabilities						1	1
As of 31 December 2012	**0**	**2**	**1**	**49**	**0**	**–1**	**52**

SEK M	Reserve for impairment of loans receivable	Capital gains	Fair value gains	Intangible assets	Other	Net recognised	Total
Deferred tax liabilities							
As of 1 January 2011	4	14	1	19	2	–2	38
Increase through business combinations				1			1
Recognised in profit or loss		–3		–1	–1		–5
Recognised in other comprehensive income							0
Exchange rate differences		0			0		0
Reclassification to disposal group held for sale	–4		–1		–1		–6
Net recognised against deferred tax assets						0	0
As of 31 December 2011	**0**	**11**	**0**	**18**	**0**	**–2**	**28**
Increase through business combination							0
Recognised through profit or loss	–4	–3	1	–4	1		–10
Recognised in other comprehensive income							0
Changed estimate			–5		–1		–6
Exchange rate differences	0	0	0		0		0
Reclassification to disposal group held for sale	4		5		1		10
Net recognised against deferred tax assets						1	1
As of 31 December 2012	**0**	**9**	**1**	**14**	**0**	**–1**	**23**

According to IAS 12, Income taxes, deferred tax assets relating to tax loss carry-forwards are recognised to the extent it is probable that future tax deficits will be available. According to this standard, Catella recognises a deferred tax asset of SEK 52 M (51), which is based on a judgement of the Group's future utilisation of tax loss carry-forwards in the legal entities holding the loss carry-forwards. The tax income has no impact on the Group's liquidity. The Group has total loss carry-forwards amounting to SEK 837 M. The loss carry-forwards mainly relate to operations in Sweden and have an indefinite useful life.

The tax relating to components in other comprehensive income amounts to the following:

	2012			2011		
SEK M	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
As of 1 January	0	0	0	3	–1	2
Fair value changes in:						
financial assets available for sale			0	–3	1	–2
defined benefit pension plans	1	0	1			
exchange rate differences	0	0	0	0	0	0
As of 31 December	**1**	**0**	**1**	**0**	**0**	**0**
Of which deferred tax		0			0	
		0			**0**	

NOTE 17 EARNINGS PER SHARE

(a) Before dilution

Earnings per share before dilution are calculated by dividing the profit attributable to the Parent Company's shareholders by a weighted average number of outstanding ordinary shares in the period.

SEK M	2012	2011
Profit	–13	21
Profit attributable to shareholders of the Parent Company	–14	20
Profit for calculation of earnings per share before dilution	**–14**	**20**
Weighted average number of outstanding ordinary shares	**81,698,572**	**81,698,572**
Earnings per share, SEK	**–0.17**	**0.25**

(b) After dilution

For the computation of earnings per share after dilution, the weighted average number of ordinary shares outstanding is adjusted for the dilution effect of all potential ordinary shares. The Parent Company has issued share warrants that could result in ordinary shares. For warrants, a calculation is performed of the number of shares that could have been purchased at fair value (calculated as the average market price of the Parent Company's shares for the year) for an amount corresponding to the exercise price of the subscription rights linked to the outstanding share warrants. The total number of shares calculated as described below is compared with the number of shares that would have been issued under the assumption that the warrants were exercised

SEK M	2012	2011
Profit	–13	21
Profit attributable to shareholders of the Parent Company	–14	20
Profit for calculation of earnings per share after dilution	**–14**	**20**
Weighted average number of outstanding ordinary shares	81,698,572	81,698,572
Adjustments for:		
- assumed conversion of share warrants	–	13,764,706
Weighted average number of ordinary shares for computation of earnings per share after dilution	**81,698,572**	**95,463,278**
Earnings per share, SEK	**–0.17**	**0.21**

NOTE 18 DIVIDENDS

No dividends were proposed for 2012 or 2011.

NOTE 19 INTANGIBLE ASSETS

SEK M	Goodwill	Trademarks and brands	Contractual customer relations	Software licenses	Total
As of 1 January 2011					
Cost	222	50	19	86	378
Accumulated amortisation			–1	–63	–64
Book value	**222**	**50**	**18**	**23**	**314**
Financial year 2011					
Opening balance	222	50	18	23	314
Purchases				1	1
Cost in acquired companies	20		3		23
Accumulated amortisation in acquired companies					0
Disposals and retirements					0
Reclassification to disposal group held for sale				–19	–19
Reclassifications				0	0
Amortisation			–4	–1	–6
Exchange rate differences	–1			0	–1
Closing balance	**241**	**50**	**18**	**2**	**311**
As of 31 December 2011					
Cost	241	50	23	15	330
Accumulated amortisation			–5	–13	–18
Book value	**241**	**50**	**18**	**2**	**311**
Financial year 2012					
Opening balance	241	50	18	2	311
Purchases				1	1
Cost in acquired companies	0				0
Reclassification to disposal group held for sale				13	13
Amortisation			–5	–8	–12
Exchange rate differences	–2			–1	–3
Closing balance	**240**	**50**	**13**	**8**	**311**
As of 31 December 2012					
Cost	240	50	23	85	397
Accumulated amortisation			–10	–76	–86
Book value	**240**	**50**	**13**	**8**	**311**

Coincident with the acquisition of the Catella Brand AB Group in September 2010, goodwill arose relating to operational expansion, human capital and the synergy effects expected to materialise from coordination of the Group's operations. Catella's brand and customer portfolios, estimated at SEK 50 M and SEK 19 M respectively, were also acquired on the same date. In April 2011, the Group acquired all shares in Catella Förmögenhetsförvaltning AB. Coincident with this, goodwill totalling SEK 20 M arose relating primarily to the synergy effects expected to arise through the coordination with the Group's existing asset management operation. In addition, customer portfolios estimated to amount to SEK 3 M were acquired; for more information, see Note 40. All intangible assets were externally acquired.

Impairment tests of goodwill and other assets with indefinite lives

Coincident with the acquisition of operations, goodwill and other surplus values are allocated to the cash-generating units that are expected to receive future economic benefits in the form of, for example, synergies as a result of the acquired operations. In cases where separate cash-generating units cannot be identified, goodwill and other surplus values are allocated to the lowest level at which the operation is controlled and monitored internally.

Assets with indefinite useful lives are tested annually for impairment. Catella's principle is to conduct impairment tests on assets with indefinite lives in the third quarter each year, based on their carrying amounts on 30 June. Catella's assets with indefinite useful lives comprise goodwill and brands. For the purpose of assessing impairment, assets were allocated at the lowest level for which there are identifiable cash flows (cash-generating units), meaning per country within an operating segment. For assets measured at fair value, no impairment test is conducted because these items are measured separately on each reporting date at market prices according to established principles.

Catella's operational Group holding company (Catella AB) focuses on Group-wide issues and functions as a support to cash-generating units. Since the cash-generating units are largely autonomous, expenses for the head office are not allocated to the various units, instead the holding company/head office is tested separately and its (negative) value will be carried by the surplus values generated jointly by the two separate units.

Impairment is at the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net realisable value and value in use.

The value in use is the present value of estimated future cash flows. Cash flows were measured based on the financial plans prepared in each country of operation, in each business segment and based on the business plan for the coming financial year that was adopted by Group Management and approved by the Board of Directors. As a rule, these financial plans cover a projection period of five years for advisory operations and either five or ten years for the asset management operation, and include the organic sales growth, operating margin trend, as well as the change in operating capital employed. Cash flow, with the exception of the stated projection period, was extrapolated using an assessed growth rate of 2% in all countries of operation and operating segments, which corresponds to the ECB's long-term inflation target within the eurozone.

The calculation of value in use is based on several assumptions and judgements in addition to the growth rate beyond the projection period. The most significant of these relates to organic sales growth, operating margin trend, change in operating capital employed, and the relevant discount rate (WACC, Weighted Average Cost of Capital), which is used to discount future cash flows. The testing described above indicates that there was no impairment of book values.

The discount rates applied by geographical market follow:

Discount rates by geographical market, WACC

	WACC, %
Sweden	12,0
Norway	12,4
Denmark	11,8
Eurozone	12,0
Baltics	14,4

A summary of the allocation of goodwill and trademarks & brands by operating segment and geographical market follows:

	2012			
Geographical market (SEK M)	Corporate Finance	Asset Management	Other [1]	Total
Sweden	44	138	50	232
Germany		35		35
Finland	1	8		9
France	13			13
Denmark	2			2
	59	**180**	**50**	**290**

[1] The Catella brand

	2011			
Geographical market (SEK M)	Corporate Finance	Asset Management	Other [1]	Total
Sweden	44	138	50	231
Germany		36		36
Finland	1	8		9
France	13			13
Denmark	2			2
	60	**182**	**50**	**291**

[1] The Catella brand

The sensitivity analysis of the computation of value in use coincident with impairment testing has been conducted in the form of a general reduction of 0.5 percentage points in the projection period of organic growth and operating margin, and a general increase in the weighted average cost of capital (WACC) of 0.5 percentage points. The sensitivity analysis generated no impairment.

NOTE 20 PROPERTY, PLANT AND EQUIPMENT

SEK M	Plant, fixtures and fittings & equipment	Total
As of 1 January 2011		
Cost	116	116
Accumulated depreciation	–90	–90
Book value	**26**	**26**
Financial year 2011		
Opening balance	26	26
Purchases	3	3
Cost in acquired companies	1	1
Accumulated depreciation in acquired companies	0	0
Disposals and retirements	0	0
Reclassification to disposal group held for sale	–8	–8
Reclassifications	0	0
Depreciation	–7	–7
Exchange rate differences	0	0
Closing balance	**15**	**15**
As of 31 December 2011		
Cost	65	65
Accumulated depreciation	–50	–50
Book value	**15**	**15**
Financial year 2012		
Opening balance	15	15
Purchases	8	8
Disposals and retirements	0	0
Reclassification to disposal group held for sale	4	4
Depreciation	–10	–10
Exchange rate differences	0	0
Closing balance	**17**	**17**
As of 31 December 2012		
Cost	105	105
Accumulated depreciation	–88	–88
Book value	**17**	**17**

NOTE 21 HOLDINGS IN ASSOCIATED COMPANIES

SEK M	2012	2011
As of 1 January	1	6
Purchases	0	0
Sales	–	0
Share in profits	0	7
Dividend income	–	–
Dividends paid	0	–11
Exchange rate differences	0	0
Closing book value	**2**	**1**

No dividends were paid in 2012 from associated companies to the Catella Group (2011: SEK 11 M). No other transactions took place between Catella and associated companies.

The assets (including goodwill), liabilities, income and profit/loss of associated companies, all of which are unlisted, are stated below, as well as the Group's participating interest in associated companies' equity:

		Associated companies Group				Group	
SEK M	Country of registration	Assets	Liabilities	Income	Profit	Participating interest, %	Participating interest, SEK M
ANL Kiinteistöt OY	Finland	0	0	0	0	50	1
ARIF I GP Py	Finland	2	0	3	0	50	1
SIA AREAL Baltic	Latvia	0	0	1	0	49	0
Total							**2**

NOTE 22 DERIVATIVE INSTRUMENTS

	2012		2011	
SEK M	Assets	Liabilities	Assets	Liabilities
Currency forward contracts	2	2	–	–
	2	**2**	**0**	**0**
Less: long-term portion	–	–	–	–
Short-term portion	**2**	**2**	**0**	**0**

Derivative instruments as of 31 December 2012 relate to the whole Catella Group and relate solely to the subsidiary Catella Bank, which was reclassified in 2012 from disposal group held for sale, see Note 44, Operations held for sale.

Catella Bank regularly enters currency forward contracts and currency swaps for hedging purposes. Normally, these derivative instruments have a term of less than three months. Hedging transactions are of a financial nature, and not recognised as hedges according to IAS 39, Financial Instruments.

NOTE 23 FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale include the following;

SEK M	2012	2011
Unlisted securities:		
shares in the USA	–	–
shares in Europe	0	–
	0	**0**

Financial assets available for sale as of 31 December 2012 relate to the whole Catella Group and relate solely to the subsidiary Catella Bank, which was reclassified in 2012 from disposal group held for sale, see Note 44 Operations held for sale. Financial assets held for sale are shares in Visa and Swift, which are held within the auspices of the credit card and acquisition operation of Catella Bank. These shares in Visa were sold on 2 February 2012 for a total purchase consideration of USD 3.9 M (SEK 26 M).

SEK M	2012	2011
As of 1 January	0	12
Purchases	–	–
Sales	–25	–
Gains and losses net, entered in other comprehensive income	–	–
Reclassification to disposal group held for sale	26	–12
Exchange rate differences	–1	–
As of 31 December	**0**	**0**
Less: long-term portion	–	–
Short-term portion	**0**	**0**

Financial assets available for sale are expressed in the following currencies:

SEK M	2012	2011
USD	–	–
EUR	0	–
	0	**0**

NOTE 24 FINANCIAL ASSETS MEASURED AT FAIR VALUE IN PROFIT OR LOSS

Financial assets measured at fair value through profit or loss include the following:

SEK M	2012	2011
Loan portfolios	229	282
Fund investments	48	47
Listed shares, warrants and bonds	1	7
Unlisted shareholdings	19	34
Other	2	7
	299	**377**

SEK M	2012	2011
As of 1 January	377	467
Increase through business combinations	–	28
Acquisitions [1]	19	46
Disposals [2]	–85	–125
Amortisation	–11	–12
Fair value gains/losses on financial assets measured at fair value through profit or loss [3]	–3	–46
Capitalised interest income	10	22
Reclassification from/to disposal group held for sale	2	–1
Exchange rate differences	–11	–2
As of 31 December	**299**	**377**
Less: long-term portion	–276	–322
Short-term portion	**22**	**56**

[1] Primarily relates to the purchase of business-related shareholdings, which were also divested in 2012.

[2] Includes divestment of the Memphis loan portfolio, which is primarily exposed to the Netherlands, and the shareholding in Castello SGR.

[3] Changes in fair value of financial assets measured at fair value in profit or loss are recognised in Other financial items in the Income Statement (Note 15).

See also Note 3 for valuation and position in the fair value hierarchy.

Loan portfolios

The loan portfolios comprise securitised European loans with primary exposure in housing. The performance of the loan portfolios is closely monitored and remeasurements are continuously performed. Forecasts are conducted by French investment advisor Cartesia S.A.S. The carrying amount in Catella's consolidated financial statements is determined based on the projected discounted cash flows. The portfolios were discounted at discount rates varying between 8.5% and 15.0% in 2012, giving a weighted average discount rate of 10.8% (10.2) for the total loan portfolios. The weighted average duration for the portfolio amounted to 6.5 years (6.5).

Cash flows mainly comprise interest payments, but also repayments with a projected period up to and including the first quarter of 2028. The expected cash flows for the period amounted to approximately SEK 468 M, which are discounted and recognised at SEK 229 M (282).

New assumptions for the loan portfolios were applied in 2012, for those credit variables used in the projection, which are based on rolling 12 and 24-month average values. The new assumptions had a negative impact of SEK -10 M on the whole loan portfolio, compared with earlier assumptions. The assumptions are estimates of advance and delayed payments, losses, loan to value ratios, region, etc.

Through subsidiaries, Catella divested the Memphis portfolio in May 2012, which was primarily exposed to the Netherlands. The sale generated proceeds of approximately SEK 36 M and resulted in a capital loss of SEK -1 M. With the divestments of Shield and Memphis and the cash flows received, Catella's original investment in the loan portfolios was repaid.

Summary of Catella's loan portfolios as of 31 December 2012 [1]

SEK M Loan portfolio	Country	Forecast undiscounted cash flow	Share of undiscounted cash flow	Forecast discounted cash flow	Share of discounted cash flow	Discount rate, %	Duration, years
Pastor 2	Spain	46.4	9.9	24.4	10.7	10.0	6.8
Pastor 3	Spain	15.2	3.3	4.3	1.9	15.0	9.0
Pastor 4	Spain	75.1	16.0	20.3	8.9	15.0	9.8
Pastor 5	Spain	40.8	8.7	7.4	3.2	15.0	12.2
Lusitano 3	Portugal	84.9	18.1	52.3	23.0	10.0	5.7
Lusitano 4 [2]	Portugal	–	–	–	–	–	–
Lusitano 5	Portugal	77.2	16.5	23.8	10.5	15.0	9.5
Semper	Germany	68.6	14.7	57.9	25.5	8.5	2.1
Gems	Germany	33.1	7.1	27.6	12.2	8.5	2.2
Minotaure	France	25.1	5.4	7.9	3.5	15.0	8.3
Ludgate	UK	–	–	–	–	–	–
Sestante 2 [2]	Italy	–	–	–	–	–	–
Sestante 3 [2]	Italy	–	–	–	–	–	–
Sestante 4 [2]	Italy	–	–	–	–	–	–
Sestante 4 A2 [3]	Italy	1.8	0.4	1.5	0.7	8.5	2.0
Total cash flow		**468.2**	**100.0**	**227.4**	**100.0**	**10.8** [4]	**6.5**
Accrued interest				1.8			
Carrying amount in consolidated balance sheet				**229.2**			

Summary of Catella's loan portfolios as of 31 December 2011 [1]

SEK M Loan portfolio	Country	Forecast undiscounted cash flow	Share of undiscounted cash flow	Forecast discounted cash flow	Share of discounted cash flow	Discount rate, %	Duration, years
Pastor 2	Spain	57.8	11.1	31.0	11.1	10.0	6.8
Pastor 3	Spain	31.4	6.0	8.0	2.9	15.0	9.8
Pastor 4	Spain	85.0	16.4	21.9	7.8	15.0	10.0
Pastor 5	Spain	35.9	6.9	6.5	2.3	15.0	12.3
Lusitano 3	Portugal	88.4	17.0	56.6	20.2	10.0	5.4
Lusitano 4 [2]	Portugal	–	–	–	–	–	–
Lusitano 5	Portugal	47.0	9.0	16.6	5.9	15.0	8.2
Memphis	Netherlands	41.5	8.0	36.9	13.2	8.5	1.4
Semper	Germany	78.6	15.1	62.1	22.1	8.5	2.9
Gems	Germany	22.1	4.3	17.0	6.0	8.5	3.3
Minotaure	France	29.7	5.7	21.9	7.8	8.5	4.1
Ludgate	UK	–	–	–	–	–	–
Sestante 2 [2]	Italy	–	–	–	–	–	–
Sestante 3 [2]	Italy	–	–	–	–	–	–
Sestante 4 [2]	Italy	–	–	–	–	–	–
Sestante 4 A1 [3]	Italy	2.3	0.4	2.0	0.7	8.5	1.4
Total cash flow		**519.9**	**100.0**	**280.6**	**100.0**	**10.2** [4]	**6.5**
Accrued interest				1.8			
Book value in Consolidated Balance Sheet				**282.4**			

[1] Forecast produced by investment advisor Cartesia S.A.S.
[2] These investments were ascribed a value of SEK 0.
[3] The investment was made in the first quarter of 2011 to safeguarding the Italian securitisations Sestante 2-4.
[4] The discount rate reported in the 'total cash flow' line is the weighted average interest rate of total discounted cash flow.

Outcome and forecast cash flow from loan portfolios per quarter[1]

SEK M		Spain				Portugal		Italy	Netherlands[2]		Germany		France	UK			
Loan portfolio		Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis	Shield	Gems	Semper	Minoture	Ludgate	Outcome	Forecast	Delta
History																	
Q4	2009	4.6	–	–	–	0.4	0.8	–	0.9	1.7	0.2	1.6	2.2	0.0	**12.4**	**7.7**	**4.7**
Q1	2010	3.4	–	–	–	–	–	–	0.8	1.6	0.2	1.5	1.9	0.3	**9.5**	**6.3**	**3.3**
Q2	2010	2.3	–	–	–	0.7	–	–	0.8	1.5	0.2	1.4	2.3	0.1	**9.3**	**15.5**	**–6.2**
Q3	2010	0.6	–	–	–	2.0	–	–	0.8	1.5	0.2	1.4	2.5	0.1	**9.1**	**8.0**	**1.1**
Q4	2010	1.5	–	–	–	–	–	–	0.8	1.5	0.2	1.4	2.1	0.1	**7.7**	**5.9**	**1.7**
Q1	2011	2.8	–	–	–	0.8	–	–	0.8	1.5	0.2	1.3	1.2	0.1	**8.6**	**6.5**	**2.1**
Q2	2011	3.4	–	–	–	4.7	–	0.2	0.8	1.4	0.2	1.4	1.9	0.1	**14.3**	**7.1**	**7.1**
Q3	2011	2.0	–	–	–	3.2	–	0.2	0.8	1.5	0.2	1.5	2.2	0.1	**11.8**	**6.9**	**4.9**
Q4	2011	1.5	–	–	–	2.5	–	0.2	0.9	–	0.3	1.5	1.6	0.1	**8.5**	**7.8**	**0.6**
Q1	2012	2.1	–	–	–	4.3	–	0.2	0.8	–	0.2	1.4	1.7	0.0	**10.8**	**6.9**	**3.9**
Q2	2012	1.5	–	–	–	3.4	–	0.1	–	–	0.2	1.3	1.2	0.0	**7.8**	**8.7**	**–0.9**
Q3	2012	0.8	–	–	–	2.5	–	0.1	–	–	0.1	1.3	0.9	0.0	**5.7**	**7.7**	**–2.0**
Q4	2012	0.1	–	–	–	–	–	0.1	–	–	0.1	1.2	–	0.0	**1.5**	**6.8**	**–5.3**
Total		**26.5**	**0.0**	**0.0**	**0.0**	**24.4**	**0.8**	**1.2**	**8.4**	**12.2**	**2.5**	**18.3**	**21.7**	**1.0**	**116.9**	**101.8**	**15.0**

		Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis	Shield	Gems	Semper	Minoture	Ludgate	Forecast		
Forecast															Year	Quarter	Acc.
Q1	2013	0.1	–	–	–	0.1	–	0.1			0.1	1.2	–			**1.5**	**1.5**
Q2	2013	0.1	–	–	–	2.1	–	0.1			0.1	1.2	–			**3.6**	**5.2**
Q3	2013	0.1	–	–	–	1.0	–	0.1			0.1	1.2	–			**2.6**	**7.7**
Q4	2013	0.1	–	–	–	0.8	–	0.1			0.1	1.2	–		**10.1**	**2.3**	**10.1**
Q1	2014	0.1	–	–	–	0.9	–	0.1			0.1	1.2	–			**2.5**	**12.5**
Q2	2014	0.1	–	–	–	0.8	0.0	0.1			0.1	1.2	–			**2.3**	**14.8**
Q3	2014	0.1	–	–	–	3.0	0.0	0.1			0.1	1.2	–			**4.5**	**19.4**
Q4	2014	0.1	–	–	–	2.6	0.0	0.1			0.1	1.2	–		**13.4**	**4.1**	**23.5**
Q1	2015	0.1	–	–	–	3.1	0.0	0.1			32.2	59.0	–			**94.4**	**117.9**
Q2	2015	0.1	–	–	–	3.1	0.0	0.1					–			**3.3**	**121.2**
Q3	2015	0.1	–	–	–	5.1	0.0	0.1					–			**5.3**	**126.5**
Q4	2015	0.1	–	–	–	4.9	0.0	0.1					–		**108.1**	**5.1**	**131.6**
Q1	2016	0.1	–	–	–	3.9	0.0	0.1					–			**4.1**	**135.6**
Q2	2016	0.1	–	–	–	3.8	0.0	0.1					–			**4.0**	**139.7**
Q3	2016	0.1	–	–	–	3.8	0.0	0.1					–			**4.1**	**143.7**
Q4	2016	0.1	–	–	–	3.7	4.1	0.1					–		**20.2**	**8.1**	**151.8**
Q1	2017	0.1	–	–	–	1.5	6.9						–			**8.5**	**160.4**
Q2	2017	0.1	–	–	–	1.5	1.7						–			**3.4**	**163.7**
Q3	2017	0.1	–	0.5	–	1.5	1.7						–			**3.8**	**167.6**
Q4	2017	0.1	–	2.7	–	1.4	1.7						–		**21.7**	**5.9**	**173.5**
Q1	2018	0.1	–	2.3	–	1.5	1.7						–			**5.6**	**179.1**
Q2	2018	0.1	–	2.7	–	1.3	1.7						–			**5.8**	**184.9**
Q3	2018	0.2	–	3.0	–	1.1	1.6						–			**5.9**	**190.8**
Q4	2018	0.2	–	2.6	–	1.0	1.6						–		**22.7**	**5.4**	**196.2**
Q1	2019	0.2	–	2.3	–	1.0	1.6						–			**5.2**	**201.4**
Q2	2019	0.2	–	1.4	–	1.0	1.6						–			**4.2**	**205.6**
Q3	2019	0.2	–	0.5	–	1.0	1.6						–			**3.3**	**208.9**
Q4	2019	43.3	–	0.5	–	0.9	1.6						–		**58.9**	**46.2**	**255.1**
Q1	2020		–	0.5	–	1.0	1.6						–			**3.0**	**258.2**
Q2	2020		–	0.5	–	0.9	1.6						–			**3.0**	**261.2**
Q3	2020		–	0.5	–	1.0	1.6						–			**3.0**	**264.2**
Q4	2020		–	0.5	–	0.9	1.4						–		**11.8**	**2.8**	**267.0**
Q1	2021		–	0.5	–	0.9	1.0						25.1			**27.5**	**294.5**
Q2	2021		–	0.5	–	0.9	1.0									**2.4**	**296.9**
Q3	2021		–	0.5	–	0.9	1.0									**2.4**	**299.2**
Q4	2021		15.2	0.5	–	0.8	1.0								**49.7**	**17.5**	**316.7**
Q1	2022			0.5	–	0.8	1.0									**2.3**	**319.1**
Q2	2022			0.5	–	0.8	1.0									**2.3**	**321.4**
Q3	2022			0.5	–	0.8	1.0									**2.3**	**323.7**
Q4	2022			0.5	–	0.7	1.0								**9.1**	**2.2**	**325.9**
Q1	2023			0.5	–	0.8	1.0									**2.3**	**328.1**
Q2	2023			0.5	–	0.7	1.0									**2.2**	**330.4**
Q3	2023			0.5	–	0.8	1.0									**2.2**	**332.6**
Q4	2023			0.5	–	0.6	1.0								**8.9**	**2.1**	**334.7**
Q1	2024			0.5	–	0.7	1.0									**2.2**	**336.9**
Q2	2024			48.1	0.1	0.7	1.0									**49.8**	**386.8**
Q3	2024				0.8	0.7	1.0									**2.4**	**389.2**
Q4	2024				0.7	12.0	0.9								**68.1**	**13.7**	**402.9**
Q1	2025				39.2		1.0									**40.2**	**443.0**
Q2	2025						1.0									**1.0**	**444.0**
Q3	2025						0.9									**0.9**	**444.9**
Q4	2025						0.9								**43.0**	**0.9**	**445.8**
Q1	2026						0.9									**0.9**	**446.7**
Q2	2026						0.9									**0.9**	**447.7**
Q3	2026						0.9									**0.9**	**448.5**
Q4	2026						0.9								**3.6**	**0.9**	**449.4**
Q1	2027						0.9									**0.9**	**450.3**
Q2	2027						0.9									**0.9**	**451.2**
Q3	2027						0.9									**0.9**	**452.1**
Q4	2027						0.9								**3.5**	**0.9**	**452.9**
Q1	2028						15.3								**15.3**	**15.3**	**468.2**
Total		**46.4**	**15.2**	**75.1**	**40.8**	**84.9**	**77.2**	**1.8**	**0.0**	**0.0**	**33.1**	**68.6**	**25.1**				

[1] Forecast produced by investment advisor Cartesia S.A.S. Final outcomes may differ from above forecast.
[2] Shield was divested during the fourth quarter 2011 and Memphis was divested in May 2012.

Method and assumptions for cash flow projections and discount rates

The cash flow for each loan portfolio is presented in the table on page 85 and the discount rates are presented above by portfolio.

Cash flow projections

The portfolio is measured according to the fair-value method, according to the definition in IFRS. In the absence of a functioning and sufficiently liquid market for essentially all investments, as well as for comparable subordinated investments, the measurement is performed by using the 'mark-to-model' approach. This approach is based on projecting the cash flow including maturity for each investment with market-based credit assumptions. The credit assumption used by the investment advisor Cartesia is based on historical performance of the individual investments and a broad selection of comparable transactions. In the projected cash flows, an assumption is made of the potential weakening of the credit variables. These do not fully cover the effect of a scenario, with low probability and high potential negative impact, such as the dissolution of the Eurozone, where one of the countries in which EETI has its underlying investments, leaves the European monetary union or similar scenarios. Cartesia believes that this credit assumption is reasonable and equivalent to that applied by other market players. The projected cash flows were prepared by Cartesia using proprietarily developed models. These models have been tested and improved over the years and have not shown any significant discrepancy from models used by other market players. Adjustments of cash flows impact the value and are presented in a sensitivity analysis on page 87.

Method for discount rates, 2012

The discount rates applied are set internally, and based on a rolling 24-month index of non-investment grade European corporate bonds as underlying assets (iTraxx). The discount rates per portfolio were also determined relative to other assets in the absence of market prices for the assets held by EETI. Each quarter, the Board of EETI evaluates the projected cash flows and its assumptions combined with market pricing of other assets to adjust discount rates over and above variation of the index where necessary. Adjustments of the discount rates impact the value and are recognised in the sensitivity analysis on page 86.

Methods for discount rates, 2011

The discount rates utilised in 2011 to compute the present value of each investment were solely determined by the Board of EETI. The discount rates per portfolio were determined relative to other assets in the absence of market prices for the assets that the subsidiary EETI held in 2011. For each quarter of 2011, the Board of EETI evaluated forecast cash flows, and the combination of these assumptions with market pricing of other assets for potential adjustments to discount rates.

Sensitivity analysis for Catella's loan portfolios

The recognised effects below should be viewed as an indication of an isolated change in the stated variable. If more factors differ simultaneously, the impact on earnings may change.

Time call and clean-up call

The description below relates to the large payments at the end of each portfolio's projected cash flow, which is presented in the table on page 85.

Time call

Time call is an option held by the issuer entitling the issuer to re-purchase the sub-portfolio at a specific time and at each particular time thereafter. Time call only affects the Lusitano 3 and 5 sub-portfolios. In the projected cash flows for the sub-portfolios Lusitano 3 and 5, it is assumed that the issuer will not exercise its time call, which could occur during the fourth quarter of 2013 and 2015.

Clean-up call

Clean-up call is an option held by the issuer entitling the issuer to re-purchase the sub-portfolio when the outstanding loans have been repaid and are less than 10% of the issued amount. Since administration of the portfolio is usually not profitable when it is less than 10% of the issued amount, such a design enables the issuer to avoid these extra costs. The design also means that the investor avoids ending up with small, long-term cash flows until the portfolio has been repaid. The clean-up call affects the sub-portfolios Pastor 2, 3, 4 and 5, Minotaure 2004-1 and Gems.

Other information

The valuation of the loan portfolios is available on Catella's website: www.catella.com.

Sensitivity analysis—value adjustments per portfolio on adjustment of discount rate (SEK M)

	Spain				Portugal		Italy	Germany		France	
Discount rate per portfolio	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Gems	Semper	Minotaure	Total
8,5 %	26.7	7.3	34.4	15.0	55.7	37.5	**1.5**	**27.6**	**57.9**	**12.8**	**276.5**
10,0 %	**24.4**	6.5	30.3	12.7	**52.3**	33.5	1.5	26.8	56.3	11.4	**255.6**
15,0 %	18.1	**4.3**	**20.3**	**7.4**	43.2	**23.8**	1.3	24.3	51.3	7.9	**202.0**
20,0 %	13.7	2.9	14.0	4.4	36.5	17.6	1.2	22.1	47.0	5.6	**165.1**
25,0 %	10.5	2.0	10.0	2.7	31.4	13.4	1.2	20.2	43.3	4.0	**138.6**
Discounted cash flow [1]	**24.4**	**4.3**	**20.3**	**7.4**	**52.3**	**23.8**	**1.5**	**27.6**	**57.9**	**7.9**	227.4

[1] Forecast discounted cash flows and book value as of 31 December 2012.

Cash flow per portfolio in relation to discounted value (SEK M)

	Spain				Portugal		Italy	Germany		France	
Discount rate per portfolio	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Gems	Semper	Minotaure	Total
8,5 %	1.7x	2.1x	2.2x	2.7x	1.5x	2.1x	**1.2x**	**1.2x**	**1.2x**	**2.0x**	**1.7x**
10,0 %	**1.9x**	2.4x	2.5x	3.2x	**1.6x**	2.3x	1.2x	1.2x	1.2x	2.2x	**1.8x**
15,0 %	2.6x	**3.5x**	**3.7x**	**5.5x**	2.0x	**3.2x**	1.3x	1.4x	1.3x	3.2x	**2.3x**
20,0 %	3.4x	5.2x	5.3x	9.3x	2.3x	4.4x	1.4x	1.5x	1.5x	4.5x	**2.7x**
25,0 %	4.4x	7.5x	7.5x	15.3x	2.7x	5.8x	1.5x	1.6x	1.6x	6.3x	**3.2x**
Multiple	**1.9x**	**3.5x**	**3.7x**	**5.5x**	**1.6x**	**3.2x**	**1.2x**	**1.2x**	**1.2x**	**3.2x**	2.1x
Undiscounted cash flows	**46.4**	**15.2**	**75.1**	**40.8**	**84.9**	**77.2**	**1.8**	**33.1**	**68.6**	**25.1**	468.2

Cash flow per portfolio in relation to discounted value (SEK M)

	Spain				Portugal		Italy	Germany		France		
Percentage change of cash flow	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Gems	Semper	Minotaure	Total	Delta, %
170.0%	41.4	7.3	34.5	12.5	88.9	40.5	2.5	47.0	98.4	13.5	**386.7**	**70.0**
165.0%	40.2	7.1	33.5	12.2	86.3	39.3	2.5	45.6	95.5	13.1	**375.3**	**65.0**
160.0%	39.0	6.9	32.5	11.8	83.7	38.1	2.4	44.2	92.6	12.7	**363.9**	**60.0**
155.0%	37.7	6.7	31.5	11.4	81.1	36.9	2.3	42.8	89.7	12.3	**352.5**	**55.0**
150.0%	36.5	6.5	30.5	11.1	78.5	35.7	2.2	41.5	86.9	11.9	**341.2**	**50.0**
145.0%	35.3	6.3	29.5	10.7	75.9	34.5	2.2	40.1	84.0	11.5	**329.8**	**45.0**
140.0%	34.1	6.1	28.4	10.3	73.2	33.3	2.1	38.7	81.1	11.1	**318.4**	**40.0**
135.0%	32.9	5.8	27.4	10.0	70.6	32.1	2.0	37.3	78.2	10.7	**307.1**	**35.0**
130.0%	31.7	5.6	26.4	9.6	68.0	31.0	1.9	35.9	75.3	10.3	**295.7**	**30.0**
125.0%	30.4	5.4	25.4	9.2	65.4	29.8	1.9	34.6	72.4	9.9	**284.3**	**25.0**
120.0%	29.2	5.2	24.4	8.8	62.8	28.6	1.8	33.2	69.5	9.5	**272.9**	**20.0**
115.0%	28.0	5.0	23.4	8.5	60.2	27.4	1.7	31.8	66.6	9.1	**261.6**	**15.0**
110.0%	26.8	4.8	22.3	8.1	57.5	26.2	1.6	30.4	63.7	8.7	**250.2**	**10.0**
105.0%	25.6	4.5	21.3	7.7	54.9	25.0	1.6	29.0	60.8	8.3	**238.8**	**5.0**
100.0%	**24.4**	**4.3**	**20.3**	**7.4**	**52.3**	**23.8**	**1.5**	**27.6**	**57.9**	**7.9**	227.4	0.0
95.0%	23.1	4.1	19.3	7.0	49.7	22.6	1.4	26.3	55.0	7.5	**216.1**	**–5.0**
90.0%	21.9	3.9	18.3	6.6	47.1	21.4	1.3	24.9	52.1	7.1	**204.7**	**–10.0**
85.0%	20.7	3.7	17.3	6.3	44.5	20.2	1.3	23.5	49.2	6.7	**193.3**	**–15.0**
80.0%	19.5	3.5	16.2	5.9	41.8	19.0	1.2	22.1	46.3	6.3	**182.0**	**–20.0**
75.0%	18.3	3.2	15.2	5.5	39.2	17.9	1.1	20.7	43.4	5.9	**170.6**	**–25.0**
70.0%	17.0	3.0	14.2	5.2	36.6	16.7	1.0	19.4	40.5	5.5	**159.2**	**–30.0**
65.0%	15.8	2.8	13.2	4.8	34.0	15.5	1.0	18.0	37.6	5.2	**147.8**	**–35.0**
60.0%	14.6	2.6	12.2	4.4	31.4	14.3	0.9	16.6	34.7	4.8	**136.5**	**–40.0**
55.0%	13.4	2.4	11.2	4.1	28.8	13.1	0.8	15.2	31.8	4.4	**125.1**	**–45.0**
50.0%	12.2	2.2	10.2	3.7	26.2	11.9	0.7	13.8	29.0	4.0	**113.7**	**–50.0**
45.0%	11.0	1.9	9.1	3.3	23.5	10.7	0.7	12.4	26.1	3.6	**102.4**	**–55.0**
40.0%	9.7	1.7	8.1	2.9	20.9	9.5	0.6	11.1	23.2	3.2	**91.0**	**–60.0**
35.0%	8.5	1.5	7.1	2.6	18.3	8.3	0.5	9.7	20.3	2.8	**79.6**	**–65.0**
30.0%	7.3	1.3	6.1	2.2	15.7	7.1	0.4	8.3	17.4	2.4	**68.2**	**–70.0**

Nordic Light Fund

Catella holds units in a fund product managed by Catella Bank, Nordic Light Fund, containing loan portfolios. The loan portfolio comprises loans to SMEs, primarily located in Germany. The portfolio also includes Spanish securities in a diversified pool of loans to SMEs in Spain as underlying collateral and a smaller portion in Portugal, which has mortgage loans as the underlying collateral. The estimated return on the portfolio is expected to be high. The value of the participations increased in 2012 by just over SEK 9 M. The carrying amount of the holding, and market value as of 31 December 2012, was SEK 42 M.

Business-related investments

The business-related investments include the minority share in IPM (Informed Portfolio Management). In addition, Catella also invested in Sicav funds, managed by Catella Fondförvaltning. Catella Asset Management's trading days for products including premium bonds are also included as business-related investments. The book value of the holding, also market value, was SEK 27 M as of 31 December 2012.

Other securities

Most of the earlier portfolio of shares has been divested and the intention is to also divest the remaining holdings when the right market conditions prevail. No divestments were made in 2012. The value adjustment to fair value amounted to a loss of SEK -5 M. The book value of the holding, also market value, was SEK 1 M as of 31 December 2012.

NOTE 25 FINANCIAL ASSETS HELD TO MATURITY

SEK M	2012	2011
Treasury bills including accrued interest	6	–
	6	**0**

The fair value of financial assets held to maturity is as follows:

SEK M	2012	2011
Treasury bills including accrued interest	6	–
	6	**0**

SEK M	2012	2011
As of 1 January	0	13
Increase through business combination	–	–
Purchases	55	–
Sales	–63	–
Reclassification from/to disposal group held for sale	15	–13
Exchange rate differences	0	–
As of 31 December	**6**	**0**
Less: Long-term portion	–	–
Short-term portion	**6**	**0**

Financial assets held to maturity as of 31 December 2012 relate to the whole Catella Group and relate solely to the subsidiary Catella Bank, which was reclassified in 2012 from disposal group held for sale; see Note 44, Operations held for sale.

NOTE 26 ACCOUNTS RECEIVABLE

SEK M	2012	2011
Accounts receivable	211	191
Less: provision for doubtful debt	–30	–30
	181	**161**

The fair value of accounts receivable is as follows:

SEK M	2012	2011
Accounts receivable	181	161
	181	**161**

The age analysis of past due accounts receivable follows:

SEK M	2012	2011
Less than 2 months	22	59
2 to 6 months	3	3
More than 6 months	33	30
	58	**91**

Changes in reserve for doubtful debt are as follows:

SEK M	2012	2011
As of 1 January	–30	–34
Increase through business combinations	–	–
Provision for doubtful receivables	0	–1
Recovered bad debt losses	0	1
Receivables written off during the year that are not recoverable	0	3
Reversed unutilised amount	0	0
Reclassification from/to disposal group held for sale	0	0
Exchange rate differences	0	–
As of 31 December	**–30**	**–30**

Provisions for each reversal of reserves for doubtful debt are included in the item 'Other external expenses' in the Income Statement. The amounts recognised in the provision for depreciation are usually derecognised when the Group is not expected to be able to recover any further cash and cash equivalents.

The maximum exposure for credit risk on the reporting date is the carrying amount of each category of receivables stated above.

For information on credit quality of accounts receivable, see 'Credit rating of financial assets' in Note 3.

NOTE 27 LOAN RECEIVABLES

SEK M	2012	2011
Loan receivables	835	111
Less: provision for doubtful loan receivables	–42	–
	793	**111**
Less: long-term portion	–304	–111
Short-term portion	**489**	**0**

Loan receivables as of 31 December 2012 relate to the whole Catella Group and relate to subsidiaries Catella Bank and Catella Förmögenhetsförvaltning AB In 2012 Catella Bank was reclassified from disposal group held for sale, see Note 44, Operations held for sale. Loan receivables as of 31 December 2011 relate to the subsidiary Catella Förmögenhetsförvaltning AB, which was acquired in 2011.

The maturity periods for the Group's long-term loan receivables are as follows:

SEK M	2012	2011
Between 1 – 5 years	304	111
More than 5 years	–	–
	304	**111**

Loan receivables in Catella Förmögenhetsförvaltning AB are lending for purchases, primarily of premium Bonds. Interest accrues on shorter fixed-interest periods, and these loans are expected to be repaid within 1-5 years of the reporting date.

The fair value of loan receivables is as follows:

SEK M	2012	2011
Loan receivables	793	111
	793	**111**

No loan receivables are past due.

The subsidiary Catella Bank also has granted but un-utilised credit facilities to clients of SEK 1,641 M (1,883), see Note 38.

Changes in the reserve for doubtful loan receivables are as follows:

SEK M	2012	2011
As of 1 January	0	34
Provision for doubtful debt	6	–
Receivables written off during the year that are not recoverable	–2	–
Reversed unutilised amount	–	–
Reclassification from/to disposal group held for sale	39	–34
Exchange rate differences	–1	–
As of 31 December	**42**	**0**

The carrying amounts by currency of the Group's loan receivables are as follows:

SEK M	2012	2011
EUR	266	–
USD	47	–
SEK	431	111
GBP	37	–
CHF	10	–
NOK	3	–
DKK	0	–
Other currencies	0	–
	793	**111**

For information regarding the credit quality of accounts receivables, see Credit rating of financial assets in Note 3.

NOTE 28 OTHER NON-CURRENT RECEIVABLES

SEK M	2012	2011
As of 1 January	8	5
Additional endowment policies	1	0
Endowment policies utilised during the year	0	0
Additional receivables	0	3
Translation differences	0	0
As of 31 December	**8**	**8**

SEK M	2012	2011
Endowment policies for senior managers	2	2
Rent guarantees	5	5
Lease receivable	1	1
Other	0	0
	8	**8**

The endowment policies relate to the payments Catella has made at fair value. The pension obligations are recognised as a non-current liability at the same amount as in Note 34, Other provisions.

NOTE 29 PREPAID EXPENSES AND ACCRUED INCOME

SEK M	2012	2011
Accrued interest income	5	1
Accrued management fees and card income	20	15
Other accrued income	4	12
Prepaid rental charges	9	13
Other prepaid expenses	14	15
	53	**55**

NOTE 30 CASH AND CASH EQUIVALENTS AND OVERDRAFT FACILITIES

SEK M	2012	2011
The Catella Group excluding Catella Bank	261	152
Catella Bank	1,419	–
Total cash and cash equivalents	**1,680**	**152**

Cash and cash equivalents comprise bank balances.

Cash and cash equivalents in Catella Bank are not available for withdrawal by the Catella Group. In 2012, Catella Bank was reclassified from disposal group held for sale, see Note 44, Operations held for sale.

Cash and cash equivalents include funds deposited in frozen accounts totalling SEK 146 M (2011: SEK 12 M excl. Catella Bank, SEK 54 M incl. Catella Bank). These funds are pledged as collateral in the Asset Management operating segment for ongoing transactions. The funds are frozen with a maturity of one day.

The Group has unutilised overdraft facilities of SEK 31 M (36.5).

See liquidity risk in Note 3.

NOTE 31 EQUITY

Catella AB has chosen to specify equity in accordance with the following components:

Share capital
Other contributed capital
Reserves
Profit brought forward, including net profit for the year

The item share capital includes the registered share capital of the Parent Company. No changes in share capital took place during 2012.

Other contributed capital includes the total of the transactions that Catella AB conducted with its shareholders. Transactions with shareholders are primarily issues at a premium corresponding to the capital received (reduced by transaction costs) in excess of the nominal amount of the issue. Other contributed capital also includes premiums paid for issued warrants. In 2012, there were no deposits (2011: SEK 3 M) for issued warrants. In addition, other contributed capital was reduced by the re-purchase of issued warrants. In 2012, issued warrants were re-purchased totalling SEK 2 M (11).

Reserves comprise the income and expenses that, according to certain standards, are to be recognised in other comprehensive income. In Catella's case, reserves comprise translation differences relating to the translation of foreign subsidiaries in accordance with IAS 21 and the fair-value reserve relating to assets available for sale.

The item 'profit brought forward including net profit for the year' corresponds to the total accumulated gains and losses generated in the Group. Profit brought forward may also be impacted by the value change of defined benefit pension plans and by transactions with non-controlling interests. There were no transactions with non-controlling interests that affected profit brought forward in 2012 (2011: SEK -31 M) due to the acquisition of outstanding shares in the subsidiaries Catella Capital Intressenter AB and CFA Partners AB. In addition, profit brought forward is also reduced by dividends paid to shareholders of the Parent Company, although no dividends were paid in the period 2002- 2012. Nor are any proposed for payment for 2013.

See also Note 55 Equity of Parent Company.

NOTE 32 BORROWINGS AND LOAN LIABILITIES

SEK M	2012	2011
Bank loans for financing acquired operations	–	154
Deposits from credit institutions for operating activities	155	86
Bond issues	234	–
Deposits from companies	1,301	–
Deposits from private customers	487	–
	2,176	**240**
Less: long-term portion	–197	–
Short-term portion	**1,979**	**240**

Borrowings and loan liabilities as of 31 December 2012 relate to the whole Catella Group and essentially relate to the subsidiary Catella Bank, which was reclassified in 2012 from disposal group held for sale, see also Note 44 Operations held for sale.

Maturity dates for the Group's borrowings and loan liabilities are as follows:

SEK M	2012	2011
Less than 6 months	1,973	134
Between 6 – 12 months	6	106
Between 1–5 years	197	–
More than 5 years	–	–
	2,176	**240**

The fair value of borrowings and loan liabilities is as follows:

SEK M	2012	2011
Bank loans	155	240
Bond loans	234	–
Deposits from companies	1,301	–
Deposits from private clients	487	–
	2,176	**240**

For information about average loan interest, see the table Interest-bearing liabilities and assets for the Group by currency under the heading Interest rate risk in Note 3.

NOTE 33 EMPLOYEE BENEFITS AFTER TERMINATED EMPLOYMENT

The Group has defined benefit pension plans for managers of Catella Bank in Luxembourg, and Catella Corporate Finance Norway. These pension plans are based on the employees' pensionable benefits and length of service.

SEK M	2012	2011 [1]
Obligations and liabilities in the Balance Sheet for defined benefit pension benefits	1	–
Recognition in the Income Statement of defined benefit pension benefits	–2	–
Actuarial losses for the year recognised in the Consolidated Statement of Comprehensive Income	1	–
Accumulated actuarial losses for the year recognised in the Consolidated Statement of Comprehensive Income	1	–

[1] Balances in 2011 are included in the item 'liabilities in disposal group held for sale.

Those amounts recognised in the Balance Sheet have been measured as follows:

SEK M	2012	2011 [1]
Present value of funded obligations	7	–
Fair value of plan assets	–5	–
Deficit in funded plans	**1**	**0**
Present value of unfunded obligations	0	–
Net debt in Balance Sheet	**1**	**0**

The change in defined benefit obligations in the year is as follows:

	2012	2011 [1]
At beginning of year	0	–
Reclassification from disposal group held for sale	4	–
Expense for service rendered in current year	2	–
Payroll tax	0	–
Interest expenses/costs	0	–
Actuarial gains (–)/losses (+)	1	–
Purchase	–	–
Disbursed benefits	–	–
Exchange rate differences	0	–
At end of year	**7**	**0**

Change in fair value of plan assets in the year are as follows:

	2012	2011 [1]
At beginning of year	0	–
Reclassification from disposal group held for sale	3	–
Expected return on plan assets	0	–
Fees from employers	2	–
Purchase	–	–
Benefits disbursed	–	–
Exchange rate differences	0	–
At end of year	**5**	**0**

	2012		2011
The most important actuarial assumptions were as follows:	Luxembourg	Norway	
Discount rate, %	3.00	3.90	–
Expected return on plan assets, %	3.00	3.90	–
Future salary increase, %	2.75	3.25	–
Future pension increase, %	2.50	0.20	–

NOTE 34 OTHER PROVISIONS

SEK M	Endowment policies	Defined benefit pension plans	Credit card-related provisions [1]	Legal disputes in acquired companies	Other	Total
As of 1 January 2011	2		7	0	4	13
Increase through business combinations				2		2
Additional provisions	0				1	1
Utilised during the year	0					0
Reversed unutilised amount						0
Reclassified to disposal group held for sale			–7		–3	–10
Exchange rate differences					0	0
As of 31 December 2011	**2**	**0**	**0**	**1**	**2**	**5**
Increase through business combinations						0
Additional provisions	1				4	4
Value changes recognised in other comprehensive income		1				1
Utilised in the year	0				–6	–6
Reversed unutilised amount		–2			0	–2
Reclassified from disposal group held for sale		2			5	8
Exchange rate differences		0			0	0
As of 31 December 2012	**2**	**1**	**0**	**1**	**5**	**9**

[1] The item includes provisions for estimated expenses that the subsidiary Catella Bank has incurred for fraud on credit cards issued.

Defined benefit pension plans are estimated to mature after more than 5 years and other provisions are estimated to mature in 1-3 years.

NOTE 35 ACCRUED EXPENSES AND DEFERRED INCOME

SEK M	2012	2011
Holiday pay liability	17	14
Accrued personnel costs	20	25
Accrued audit expenses	3	2
Accrued insurance expenses	0	0
Accrued legal expenses	1	1
Accrued bonus	60	53
Accrued interest expense	0	–
Accrued rental charges	28	20
Accrued commission expenses	37	31
Accrued costs relating to issue and loan guarantees	–	4
Other accrued expenses	25	23
	191	**173**

NOTE 36 PLEDGED ASSETS

	2012	2011	
SEK M		Continuing operations	Operations held for sale
Shares in subsidiaries	–	473	–
Securities	124	140	–
Cash and cash equivalents	299	12	166
Other pledged assets	1	1	38
	424	**626**	**204**

Catella Wealth Management's borrowing is arranged using standard collateral in securities in customary pledge values, which in turn, are received as collateral for credit issued to customers.

Cash and cash equivalents include pledged cash funds in frozen accounts totalling SEK 146 M (54). These funds are used as collateral in the Asset Management operating segment for ongoing transactions. These funds are frozen for one day. See also Note 30. Cash and cash equivalents also include cash funds in accordance with minimum retention requirements of Catella Bank's card operations.

NOTE 37 CONTINGENT LIABILITIES

	2012	2011	
SEK M		Continuing operations	Operations held for sale
Client funds managed on behalf of clients	166	239	–
Guarantees	12	1	14
	178	**239**	**14**

Client funds relate to assets belonging to customers and managed by the subsidiary Catella Wealth Management. These assets were acquired and are deposited in separate bank accounts by the subsidiary under a third-party name.

Guarantees were primarily provided for lease contracts with landlords.

Other legal proceedings

Companies in the Group are involved in a small number of disputes or legal proceedings and tax cases that have arisen in daily operations. Risks associated with such events are covered by contractual guarantees, insurance or the requisite reserves. Any liability for damages or other costs associated with such legal proceedings is not deemed to materially affect the Group's business activities or financial position.

NOTE 38 COMMITMENTS

	2012	2011	
SEK M		Continuing operations	Operations held for sale
Unutilised credit facilities, granted by Catella Bank	1,641	–	1,883
Currency forwards	210	–	222
	1,851	**0**	**2,105**

Unutilised credit facilities relate to the credit commitments issued by Catella Bank to its clients. Customers can utilise these facilities under certain circumstances, depending on what collateral they can provide, for example.

The Group leases a number of office premises on the basis of non-cancellable operating leases. The lease terms vary between three and ten years and most lease arrangements can be extended on market terms on expiry. The Group also leases certain office equipment, such as photocopiers, through cancellable operating leases. The Group's notice of termination for these agreements is six months.

Total future minimum lease payments for non-cancellable operating leases are as follows:

	2012	2011	
SEK M		Continuing operations	Operations held for sale
Within 1 year	70	39	17
Between 1 and 5 years	201	115	68
More than 5 years	24	0	17
	295	**153**	**103**

Leasing costs recognised in profit and loss during the year amounted to SEK 59 M (60).

NOTE 39 INTEREST PAID AND RECEIVED

Interest paid and received for the Catella Group, including Catella Bank, in the year amounted to the following:

SEK M	2012	2011
Interest received	70	98
Interest paid	–25	–30
Net interest paid	**45**	**68**

NOTE 40 ACQUISITIONS OF OPERATIONS

No acquisitions were conducted in 2012. However, a minor adjustment of the acquisition analysis of Catella Förmögenhetsförvaltning AB of SEK 284,000 was made, resulting in goodwill increasing by the corresponding amount.

In 2011, the Group acquired 100% of the shares in EKF Enskild Kapitalförvaltning AB, whose corporate name was changed to Catella Förmögenhetsförvaltning AB. The outstanding shares of subsidiaries Catella Capital Intressenter AB, CFA Partners AB and European Equity Tranche Income Ltd. were also acquired. Since the latter three of these companies were already consolidated in the Group, the acquired balance sheet is not presented below.

Acquisitions in 2011

Catella Förmögenhetsförvaltning AB (Catella Wealth Management)

On 29 April 2011, following approval from the Swedish Financial Supervisory Authority, the Group acquired 100% of the shares in EKF Enskild Kapitalförvaltning AB, whose corporate name was changed to Catella Förmögenhetsförvaltning AB. EKF Enskild Kapitalförvaltning AB was an independent asset manager active on the Swedish market, which had approximately SEK 4 Bn under management and 29 employees at the acquisition date. The company is an account-operating institution, clearing member and manager in Euroclear. Customers include private clients, corporations, foundations and trade associations.

The acquisition was the first step in the creation of a comprehensive wealth management offering in Sweden and the Nordics, operated in parallel with existing funds. Catella's aim with this acquisition is to continue its expansion in wealth management and become a leading independent asset manager in Sweden.

The acquired operation, which is included in the Asset Management operating segment, was consolidated into the Group from 1 May 2011 and contributed income and loss after tax of SEK 23 M and SEK 13 M, respectively, in 2011. If the acquisition had occurred as of 1 January 2011, the Group's income would have amounted to SEK 1,081 M, profit after tax for the year to SEK 22 M and comprehensive income would have amounted to SEK 14 M for the year. These amounts were calculated by applying the Group's accounting policies and by correcting the subsidiary's earnings to include additional amortisation that would have taken place if the fair-value adjustments of intangible assets had taken place as of 1 January 2011, combined with the subsequent tax consequences.

The purchase consideration for EKF Enskild Kapitalförvaltning AB amounted to SEK 47 M, of which SEK 45 M was paid in cash and the remaining SEK 2 M was withheld until further notice, in accordance with the purchase agreement. In addition, acquisition-related expenses of slightly more than SEK 1 M were paid coincident with the acquisition, which were charged against operating profit for 2011. The following acquisition analysis resulted in goodwill of SEK 20 M.

Goodwill relates to operational expansion, human capital and the synergy effects expected to arise through coordination with the Group's existing asset management operation. The fair value of acquired identifiable intangible assets amounted to SEK 3 M and relates to customer relations.

Transactions with non-controlling interests

The following acquisition of Catella Capital Intressenter AB and CFA Partners AB is recognised as a transaction with non-controlling interests, meaning within equity.

Catella Capital Intressenter AB

Catella's holding in subsidiary Catella Capital Intressenter AB, which is an owner of Catella Fondförvaltning AB, increased from 70% to 100% in the fourth quarter of 2011 by taking possession of shares acquired from the subsidiary's senior managers. The transaction was executed to streamline the structure and facilitate Group contribution. Participations at local level in the Swedish fund operation was exchanged for participations at Parent Company level.

The total purchase consideration amounted to SEK 44 M. As part-payment, Catella paid SEK 5.5 M in share warrants. The remaining portion was paid in cash, most of which, the sellers were obliged to use to acquire Catella shares in the market. A lock-up period of up to four years applies for the acquired Catella shares.

CFA Partners AB

During 2010, 91% of the holding in the former Catella Group was acquired. The total purchase consideration, including loan repayment, was SEK 427 M. As part of the acquisition, the Board of Catella decided to acquire the remaining 9% for SEK 24 M from senior managers of the Catella Group.

The acquisition was financed with a vendor note with interest corresponding to the government borrowing rate on the loan date, plus 1%. The vendor note including accrued interest was paid in full in 2012.

	2012	2011	
SEK M	Other	Catella Wealth Management	Other
Trademarks & brands	–	–	–
Intangible assets	–	3	–
Property, plant and equipment	–	1	–
Holdings in associated companies	–	–	–
Financial assets measured at fair value through profit or loss	–	28	–
Loan receivables	–	142	–
Deferred tax assets	–	–	–
Other non-current receivable	–	–	–
Other receivables	–	12	0
Cash and cash equivalents	–	1	1
Borrowings	–	–89	–
Loan liabilities	–	–18	–
Deferred tax liabilities	–	–1	–
Provisions	–	–2	–
Other liabilities	0	–52	–1
Fair value net assets	**0**	**28**	**0**
Non-controlling interests	–	–	62
Goodwill	0	20	–
Total purchase consideration	**0**	**47**	**63**
Assumed loans	–	–	–
Unsettled purchase consideration	–	–2	–43
Purchase consideration settled from previous year	51		
Purchase consideration paid via new share issue	–	–	–3
Cash-settled purchase consideration	**51**	**45**	**17**
Cash and cash equivalents in acquired subsidiaries	–	–1	–1
Acquisition expenses	–	1	–1
Change in the Group's cash and cash equivalents on acquisition	**51**	**45**	**15**

NOTE 41 GROUP COMPANIES

			31 December 2012		31 December 2011	
Company	Corporate ID. No.	Registered office	Participating interest, %	Total no. of shares	Participating interest, %	Total no. of shares
Scribona AS	979460198	Oslo	100	1	100	1
Catella Holding AB	556079-1419	Stockholm	100	1,000	100	1,000
Catella Bank SA	B 29962	Luxembourg	100	8,780,000	100	8,780,000
Modern Processing SA	B 98796	Luxembourg	100	1,000	100	1,000
Modern Treuhand BV	33291018	Barendrecht	100	400	100	400
Modern Treuhand SA	B 86166	Luxembourg	100	31,000	100	31,000
Modern Treuhand Management Ltd	C-4214	Malta	100	10,000	100	10,000
Modern Treuhand Corporate Services Ltd	HE 265321	Cyprus	–	–	100	10,000
Tea Call AB	556787-1909	Stockholm	100	15,000	100	15,000
European Equity Trance Income Ltd	44552	Guernsey	100	64	100	64
European Equity Trance Income Finance Ltd	442120	Dublin	100	1,000	100	1,000
Catella Corporate Finance Stockholm HB	969751-9628	Stockholm	65	–	65	–
Catella Corporate Finance Göteborg HB	969751-9602	Gothenburg	65	–	65	–
Catella Förmögenhetsförvaltning AB	556545-0383	Stockholm	100	15,878	100	15,878
CFA Partners AB	556748-6286	Stockholm	100	2,000	100	2,000
Catella Brand AB	556090-0188	Stockholm	100	1,000	100	1,000
Catella Financial Advisory AB	556715-3944	Stockholm	100	1,000	100	1,000
Catella Property Fund Management AB	556660-8369	Stockholm	100	10,000	100	10,000
Catella Real Estate AG Kapitalanlagegesellschaft	HRB 169051	Munich	94.5	2,500	94.5	2,500
Catella Real Estate S.r.l	BZ 0190483	Bozen	–	–	94.5	10,000
Catella Trust GmbH	HRB 193208	Munich	100	1	100	1
Amplion Asset Management Holding AB	556715-3472	Stockholm	100	1,000	100	1,000
Amplion Asset Management SAS	B 412670375	Paris	65	4,000	65	4,000
Catella Real Estate Investment Management AB	556638-5356	Stockholm	–	–	100	1,000
Amplion Asset Management AB	556813-5262	Stockholm	–	–	100	100,000
Catella Advisory AB	556724-4917	Stockholm	100	1,000	100	1,000
Catella Property Oy	669987	Helsinki	100	10,000	100	10,000
Catella Corporate Finance Oy	726244	Helsinki	–	–	100	100
Amplion Asset Management Oy	2214836-4	Helsinki	100	10,000	100	10,000
Catella Property Norway AS	986032851	Oslo	100	2,976,862	100	2,976,862
Catella Corporate Finance AS	886623372	Oslo	95.4	41,000	80	10,000
Catella Property GmbH	HRB 106179	Düsseldorf	100	–	100	–
Catella Property Valuation GmbH	HRB 106180	Düsseldorf	100	–	100	–
Catella Property Advisors GmbH	HRB 106183	Düsseldorf	100	–	100	–
Catella Property Residential GmbH	HRB 142101	Düsseldorf	100	–	–	–
Catella Corporate Finance SIA	40003814194	Riga	60	2,000	60	2,000
Catella Corporate Finance Vilnius	300609933	Vilnius	60	100	60	100
OÜ Catella Corporate Finance Tallin	11503508	Tallin	60	1	60	1
Catella Property Benelux SA	BE 0467094788	Bryssel	100	300,000	100	300,000
Catella Property Belgium SA	BE 0479980150	Bryssel	100	533,023	100	533,023
Catella Property Denmark A/S	17981595	Copenhagen	60	555,556	60	555,556
Catella Investment Management A/S	34226628	Copenhagen	100	500,000	–	–
Catella Mezzanine AG	234205	Switzerland	75	100,000	75	100,000
Catella France SARL	B 412670374	Paris	100	2,500	100	2,500
Catella Valuation Advisors SAS	B 435339098	Paris	66	4,127	66	4,127
Catella Property Consultants SAS	B 435339114	Paris	100	4,000	100	4,000
Catella Residential Partners SAS	B 442133922	Paris	65	4,000	65	4,000
Catella Property Spain S.A.	A 85333342	Madrid	70	60	70	60
Catella Advisory Sweden AB	556724-4925	Stockholm	–	–	100	1,000
CC Intressenter AB	556740-5609	Stockholm	60	1,000	60	1,000
Catella Consumer AB	556654-2261	Stockholm	60	10,000	60	10,000
CCF Stockholm Intressenter AB	556724-4941	Stockholm	–	–	100	1,000
Catella Corporate Finance Sweden AB	556740-5971	Stockholm	100	1,000	100	1,000
CCF Holding AB	556700-8577	Stockholm	–	–	100	1,000
Catella Markets AB	556708-3976	Stockholm	–	–	100	2,000,000
CCF Malmö Intressenter AB	556740-5963	Malmö	60	1,000	60	1,000
Catella Corporate Finance Malmö AB	556740-5666	Malmö	60	1,000	60	1,000
Aveca AB	556646-6313	Stockholm	100	5,000	100	5,000
Aveca Geshäftsführungs GmbH	HRB 106722	Düsseldorf	100	–	100	–
Catella Capital Intressenter AB	556736-7072	Stockholm	100	1,000,000	100	1,000,000
Catella Capital AB	556243-6989	Stockholm	100	221,600	100	221,600
Catella Fondförvaltning AB	556533-6210	Stockholm	100	50,000	100	50,000
Alletac Shared Services AB	556543-2118	Stockholm	100	12,000	100	12,000

NOTE 42 SUBSEQUENT EVENTS

Extraordinary General Meeting

An EGM of Catella AB held on Friday 18 January 2013 decided to divide share warrants of series A 2010 into two series—series A and series A1. The period for subscribing for shares was extended by two years for series A1 and the new subscription period runs from 25 March 2015 to 25 May 2015, both dates inclusive. Holders of share warrants of series A are entitled to exchange to share warrants of series A1 for the payment of a market premium.

Changes to Group Management

Timo Nurminen became Interim President of Catella Bank on 28 January 2013. He succeeds Fredrik Sauter, who is also leaving Catella's Group Management to take up a new position outside Catella.

NOTE 43 RELATED PARTY TRANSACTIONS

Related party transactions

There were no related party transactions with controlling interests in the Catella Group. Related party transactions with significant influences encompass the Catella Board members and Group Management, including family members, and companies in which these individuals have Board assignments or hold positions as senior managers and/or have significant shareholdings.

Related party transactions

2012

In 2012, 2,625,000 share warrants were re-purchased at market price from the former Deputy Chief Executive Officer Lennart Schuss due to changed employment conditions, in accordance with the terms of the warrants. The total purchase consideration for the warrants amounted to SEK 1.8 M.

In addition, remuneration of SEK 1 M was paid in 2012 to Claesson & Anderzén AB, which indirectly holds 48.4% of the shares in Catella AB (publ) as of 31 December 2012, for the issue and loan guarantee provided in the event Catella was unable to meet the covenants in a now terminated loan agreement with the external lender.

See also Note 11 Compensation of senior managers and Note 12 Share-based incentives.

2011

In 2011, 2,625,000 share warrants were re-purchased at market price from former Deputy CEO Lennart Schuss due to his changed employment terms, in accordance with the terms and conditions of the warrants. The total purchase consideration for the share warrants was SEK 10.3 M.

As of 30 December 2011, the outstanding shares (9%) of subsidiary CFA Partners AB were acquired from the CEO, former Deputy CEO and Chief Financial Officer for a total purchase consideration of SEK 24 M.

In addition, remuneration of SEK 4 M was paid to Claesson & Andersén AB in 2011, which indirectly held 47.6% of the shares in Catella AB (publ) as of 31 December 2011, for the issue and loan guarantee issued to cover Catella if it were to fail to meet the covenants agreed in the loan contract with the external lender.

NOTE 44 DISPOSAL GROUP HELD FOR SALE

During 2011, a decision was made that the Catella Group's operations would be streamlined and that a sales process for the subsidiary Banque Invik would be initiated.

On 28 June 2012, Catella decided to discontinue the previous sales process of the subsidiary Banque Invik, whose corporate name has been changed to Catella Bank. This operation has been recognised as disposal group held for sale. This meant that Catella Bank's net profit/loss (after tax) is recognised on a separate line of the Consolidated Income Statement called 'net profit/loss for the year from disposal group held for sale.' Assets of this operation have been recognised on a separate line of the Balance Sheet called 'assets in disposal group held for sale,' and liabilities on a separate line in the Balance Sheet called 'liabilities in disposal group held for sale.' Discontinuation of the sales process means that the conditions for recognizing the operations of Catella Bank as an operation held for sale according to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are no longer satisfied. For this reason, Catella Bank's profit or loss is no longer recognised on a line in the Income Statement, but instead, accounted gross on the relevant lines of the Consolidated Income Statement and previous years' comparative figures have been restated correspondingly. Accordingly, in accordance with IFRS 5, previous years' Balance Sheets are no longer restated. For this reason, selected financial information regarding Catella Bank's financial position as of 31 December 2011 and associated notes are stated below.

Assets and liabilities

SEK M	Note	2011 31 Dec
ASSETS		
Non-current assets		
Intangible assets	B	13
Property, plant and equipment	B	4
Financial assets available for sale	D	26
Financial assets measured at fair value through profit or loss		–
Non-current loans receivable	F	2
Deferred tax assets		0
		46
Current assets		
Accounts receivable		68
Current loans receivable	F	866
Prepaid tax		15
Other receivables		0
Prepaid expenses and accrued income		8
Derivative instruments	C	2
Financial assets measured at fair value through profit or loss		2
Financial assets held to maturity	E	15
Cash and cash equivalents	G	1,616
		2,591
Assets in disposal group held for sale		**2,637**
LIABILITIES		
Non-current liabilities		
Non-current loan liabilities	H	–
Deferred tax liabilities		10
Other provisions		8
		18
Current liabilities		
Borrowings	H	61
Current loan liabilities	H	2,189
Derivative instruments	C	2
Accounts payable		32
Tax liabilities		0
Other liabilities		13
Accrued expenses and deferred income		3
		2,300
Liabilities in disposal group held for sale		**2,318**

A) FINANCIAL RISK MANAGEMENT

Catella Bank conducts wealth management, as well as credit card and acquiring operations and is regulated by the financial supervisory authority in Luxembourg. The Bank does not trade in financial instruments except in hedging positions related to client transactions. The Bank does not conduct proprietary trading or take proprietary positions. Due to the Bank's prudent policy on issuing credit and trading in financial derivative instruments, its risk exposure is limited.

Liquidity risk

Liquidity risk is the risk that the Bank, within a defined period of time, will not be able to refinance its existing assets or not be able to meet more stringent liquidity requirements. Liquidity risk also includes the risk that the Bank could be forced to borrow at unfavourable interest rates or sell assets at a loss to be able to fulfil its payment obligations.

The following tables summarise Catella Bank's liquidity risks at the end of 2011.

Liquidity report as of 31 December 2011

SEK M	< 1 year	Between 1 - 5 years	> 5 years	Total
31 December 2011				
Borrowings	–61			–61
Loan liabilities	–2,189			–2,189
Derivative instruments	–2			–2
Accounts payable and other liabilities	–45			–45
Total outflow [1]	**–2,298**	**0**	**0**	**–2,298**
Accounts receivable and other receivables	68			68
Loan receivables	866	2		868
Derivative instruments	2			2
Financial assets held to maturity	15			15
Total inflow [1]	**951**	**2**	**0**	**953**
Net cash flow, total	**–1,347**	**2**	**0**	**–1,344**

[1] Discounted contractual cash flows.

Catella Bank has continuous follow-up of its liquidity in accordance with the rules applicable to the Bank's operations and a continuous follow-up of the fulfilment of both internal and external supervisory and legal requirements.

For description of the Bank's loan liabilities, see Note H below and for the Bank's commitment relating to granted but unutilised credit facilities, see Note 38.

Market risk

Market risk is the risk of loss or decreasing future income due to changes in interest rates, exchange rates and share prices, including price risk coincident with the disposal of assets or closure of positions. All trading in financial instruments in Catella Bank is client based and not conducted for trading or speculative purposes.

Market price risk

Catella Bank is indirectly exposed to market price risk regarding the value of collateral provided for the customer's loans and other undertakings.

Interest rate risk

Interest rate risk is especially in focus in Catella Bank. Catella Bank's interest rate risk exposure is limited, however, because it is usually matched by interest-bearing investments with similar terms as interest commitments or with an interest margin in Catella Bank's favour. Catella Bank analyses and continuously monitors its exposure to interest rate risk.

Information on Catella Bank's net debt profile and a sensitivity analysis are presented below with information on fixed-interest periods.

Interest-bearing liabilities and assets by currency

31 December 2011	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest +1 %	Net effect on profit or loss of 1 % increase, SEK M	Interest –1 %	Net effect on profit or loss of 1 % decrease, SEK M
EUR liabilities	–767						
USD liabilities	–810						
SEK liabilities	–487						
GBP liabilities	–115						
CHF liabilities	–27						
NOK liabilities	–21						
DKK liabilities	–4						
Liabilities in other currencies	–22						
Total interest-bearing liabilities	**–2,252**	**30**	**0.6**	**1.6**	**–23**	**–0.4**	**23**
EUR assets	1,086						
USD assets	776						
SEK assets	450						
GBP assets	116						
CHF assets	23						
NOK assets	22						
DKK assets	4						
Assets in other currencies	24						
Total interest-bearing assets	**2,501**	**12**	**1.6**	**2.6**	**25**	**0.6**	**–25**

Currency risk

In Catella Bank, card operations are conducted in which the holders of payment and credit cards execute transactions in different currencies that are settled in the Bank's clearing system. This settlement takes place in foreign currencies on a daily basis. To reduce the currency risk in currencies other than Catella Bank's functional currency (EUR), the accumulated positions are divested daily.

Credit risk

Credit risk is the risk of losses due to a borrower not being able to fulfil its obligations to Catella Bank. Credit risk relates to all receivables and potential receivables, meaning receivables that can arise through the Bank's card operations, in companies, financial companies, public administration and private clients. Credit risk represents the Bank's largest risk exposure and is related to its investments, loans to clients, credit card receivables and other undertakings to counterparties.

The following table shows the credit rating of financial assets for Catella Bank.

Credit rating of financial assets

31 December 2011	Accounts receivable	Loan receivables	Derivative instruments	Assets available for sale	Assets measured at fair value through profit or loss	Assets held to maturity	Bank funds and short-term bank deposits	Total
Counterparties with external credit rating: [1]								
AAA						15	44	59
AA+			0				247	247
AA							283	283
AA–							456	456
A+				26			354	380
A							79	79
BBB+	38							38
B							8	8
	38	**0**	**0**	**26**	**0**	**15**	**1,470**	**1,550**
Counterparties without external credit ratings:								
Companies	30	440	2		1			472
Financial companies				0			145	145
Funds					1			1
Private individuals		429	0					429
	30	**868**	**2**	**0**	**2**	**0**	**145**	**1,047**
Total	**68**	**868**	**2**	**26**	**2**	**15**	**1,616**	**2,597**

[1] Standard & Poor's long-term credit rating was used.

The credit policy that regulates this operation states the following:

Investments with credit institutions and banks are exclusivity with 'first class' banks and within the amount limits established by the Bank's Board of Directors.

Loans to customers are granted only against collateral in cash and cash equivalents, listed securities and/or guarantees. The market value of collateral for loans must always be equal to at least 140 % of the loan. At 31 December 2011, the market value of collateral on loans amounted to 213 %.

All loans are subject to approval by Catella Bank's Credit Committee, which consists of members of the Bank's management. Larger loans or loans subject to special terms should be approved by Catella Bank's Board of Directors. Group Management is represented on Catella Bank's Board of Directors, which accordingly, actively participates in making these decisions.

Card operations are exposed to credit risk in the form of credit that is granted on payment and credit cards, counterparty risks in the card system and credit risk for card acquiring customers. Credit losses for card acquiring customers can arise if an acquiring customer in default has not fulfilled its commitments, such as delivering the product or rendering the service. To minimise credit risk for acquiring customers, Catella Bank locks a share of sales that take place in the card system as collateral. See also Note G below for information on frozen funds.

B) INTANGIBLE AND TANGIBLE ASSETS

SEK M	2011 Intangible assets [1]	Property, plant and equipment
As of 1 January		
Cost	69	37
Accumulated depreciation/amortisation	–50	–29
Book value	**19**	**8**
Financial year		
Opening balance	19	8
Purchases	1	2
Reclassifications	2	–2
Depreciation/amortisation	–9	–4
Exchange rate differences	0	0
Closing balance	**13**	**4**
As of 31 December		
Cost	71	38
Accumulated depreciation/amortisation	–58	–33
Book value	**13**	**4**

[1] Mainly software licenses.

C) DERIVATIVE INSTRUMENTS

SEK M	2011 Assets	Liabilities
Currency forward contracts	2	2
	2	**2**
Less: long-term portion	–	–
Short-term portion	**2**	**2**

The subsidiary Catella Bank regularly enters currency forward contracts and currency swaps for hedging purposes. These derivative instruments normally have a duration of less than three months.

The above-described hedging transactions are financial in character and are not recognised as hedges according to the accounting standard IAS 39 Financial Instruments.

D) FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale are shares in Visa and Swift and also for MasterCard in 2010, which fall within the auspices of the credit card and acquiring operations of Catella Bank. Financial assets available for sale include the following:

SEK M	2011
Unlisted securities	
shares in the USA [1]	26
shares in Europe	0
	26

[1] The shares in Visa were sold on 2 February 2012 at a market price of USD 3.9 M (SEK 26 M).

SEK M	2011
As of 1 January	12
Purchases	–
Sales	–
Net profit and losses recognised in other comprehensive income	15
Exchange rate differences	0
As of 31 December	**26**
Less: long-term portion	–26
Short-term portion	**0**

Financial assets available for sale expressed in the following currencies:

USD	26
EUR	0
	26

E) FINANCIAL ASSETS HELD TO MATURITY

SEK M	2011
Treasury bills including accrued interest	15
	15

The fair value of financial assets held to maturity is as follows:

SEK M	2011
Treasury bills including accrued interest	15
	15

Investments held to maturity are Swedish government treasury bills denominated in SEK that matured on 23 March 2012.

F) LOAN RECEIVABLES

SEK M	2011
Loan receivables	908
Less: provisions for doubtful loan receivables	–39
	868
Less: long-term portion	–2
Short-term portion	**866**

Maturity dates for Catella Bank's non-current loan receivables are as follows:

SEK M	2011
Between 1 and 5 years	2
More than 5 years	–
	2

The fair value of loan receivables is as follows:

SEK M	2011
Loan receivables	868
	868

There are no mature loan receivables.

The subsidiary Catella Bank also has granted but unutilised credit facilities for clients amounting to SEK 1,641 M (1,883), see Note 38.

The carrying amounts by currency for Catella Bank's loan receivables are as follows:

SEK M	2011
EUR	353
USD	60
SEK	415
GBP	30
CHF	9
NOK	1
DKK	0
HKD	0
Other currencies	0
	868

For information on credit quality of loan receivables, see Financial assets' credit rating in Note A.

G) CASH AND CASH EQUIVALENTS AND OVERDRAFT FACILITIES

SEK M	2011
Operations held for sale	1,616
Total cash and cash equivalents	**1,616**

Cash and cash equivalents comprise bank balances. Cash and cash equivalents in Catella Bank are not available for use by the Catella Group.

Cash and cash equivalents include funds placed in frozen accounts totalling SEK 42 M. These funds are pledged as collateral in the Asset Management operating segment for ongoing transactions. The funds are frozen for one day.

See also Liquidity risk in Note A.

H) BORROWINGS AND LOAN LIABILITIES

SEK M	2011
Bank loans for operating activities	61
Bond issues	24
Deposits from companies	1,651
Deposits from private clients	514
	2,250
Less: long-term portion	–
Short-term portion	**2,250**

The market value of collateral for loans must always amount to at least 140% of the loan. As of 31 December 2011, the market value of loan collateral amounted to 213%.

The maturity dates for Catella Bank's borrowings and loan liabilities are as follows:

SEK M	2011
Less than 6 months	2,193
Between 6 and 12 months	57
Between 1 and 5 years	–
More than 5 years	–
	2,250

The fair value of borrowings and loan liabilities is as follows:

SEK M	2011
Bank loans	61
Bond issues	24
Deposits from companies	1,651
Deposits from private customers	514
	2,250

For information on average loan interest, see the table on Interest-bearing liabilities and assets by currency under the heading Interest rate risk in Note A.

NOTE 45 DEFINITIONS AND EXCHANGE RATES

Terms and key ratios

Number of employees
Number of employees at the end of the period expressed as full-time equivalents.

Average number of employees
Average number of employees at the end of the four quarters of the financial year.

Equity per share
Equity at the end of the period divided by the number of shares at the end of the period.

Cash flow per share
Cash flow for the year divided by the average number of shares.

Earnings per share before dilution
Profit for the year divided by the average number of shares during the year.

Earnings per share after dilution
Profit for the year divided by the average number of shares, taking into account the effect of any dilutive potential ordinary shares during the year.

Return on equity
Net profit for the year as a percentage of average equity.

Interest coverage ratio
Profit after financial items plus interest expenses, plus or minus fair-value adjustments on financial assets divided by interest expenses.

Equity/assets ratio
Equity as a percentage of total assets.

Capital employed
Non-interest-bearing non-current and current assets less noninterest- bearing non-current and current liabilities.

Net debt
The net of interest-bearing provisions and liabilities less financial assets including cash and cash equivalents. Catella's investments in loan portfolios are also recognised in net debt.

Borrowing
Loans from credit institutions.

Loan liabilities
Loans from non-credit institutions.

EV
Enterprise Value.

EBITDA
Earnings before interest, taxes, depreciation and amortisation.

Exchange rates
Rates of exchange of the currencies in the Group against the SEK, on average and on the reporting date, were as follows:

Exchange rates 2012

Currency	Average rate	Closing day rate
DKK	1.16962	1.15516
EUR	8.7053	8.6166
GBP	10.734	10.4914
LTL	2.5214	2.4959
LVL	12.4589	12.3547
NOK	1.164067	1.1672
PLN	2.082	2.1178
USD	6.7754	6.5156

Exchange rates 2011

Currency	Average rate	Closing day rate
DKK	1.21255	1.20333
EUR	9.0335	8.9447
GBP	10.4115	10.6768
LTL	2.6163	2.5908
LVL	12.7912	12.7894
NOK	1.158657	1.15049
PLN	2.1969	2.0309
USD	6.4969	6.9234

Parent Company Income Statement

SEK M	Note	2012 Jan–Dec	2011 Jan–Dec
Net sales		6.3	0.0
Other operating income		0.0	0.0
		6.3	**0.0**
Other external costs	47	–14.0	–1.0
Personnel costs	48	–20.5	–1.7
Depreciation/amortisation		0.0	0.0
Other operating expenses		0.0	0.0
Operating loss/loss		**–28.3**	**–2.7**
Profit from participations in Group companies	49	1.1	1.2
Interest income and similar profit/loss items	50	3.3	0.1
Interest expense and similar profit/loss items	51	–4.1	0.0
Financial items		0.4	1.3
Profit/loss before tax		–27.9	**–1.4**
Tax on net profit for the year	52	–	–
Net profit/loss for the year		**–27.9**	**–1.4**

Parent Company Statement of Comprehensive Income

SEK M	Note	2012 Jan–Dec	2011 Jan–Dec
Net profit/loss for the year		–27.9	–1.4
Other comprehensive income		–	–
Other comprehensive income for the year, net after tax		0.0	0.0
Total comprehensive income for the year		**–27.9**	**–1.4**

Parent Company Balance Sheet

SEK M	Note	2012 31 Dec	2011 31 Dec
ASSETS			
Non-current assets			
Property, plant and equipment		0.1	–
Participations in Group companies	53	519.9	104.0
Non-current receivables	54	–	0.4
		520.0	**104.4**
Current assets			
Receivables from Group companies		174.4	468.3
Tax receivables		0.1	–
Other current receivables		1.5	0.1
Prepaid expenses and accrued income		2.8	–
Cash and cash equivalents		50.6	0.2
		229.4	**468.6**
Total assets		**749.4**	**573.0**
EQUITY AND LIABILITIES			
Equity	55		
Restricted equity			
Share capital		163.4	163.4
Statutory reserve		249.9	249.9
		413.3	**413.3**
Non-restricted equity			
Share premium reserve		49.6	49.6
Profit brought forward		108.6	110.0
Net profit/loss for the year		–27.9	–1.4
		130.2	**158.1**
Total equity		**543.5**	**571.4**
Liabilities			
Non-current liabilities			
Long-term loan liabilities	56	197.2	–
Provisions for pensions	54	–	0.4
		197.2	**0.4**
Current liabilities			
Accounts payable		1.9	0.0
Liabilities to group companies		1.5	–
Tax liabilities		0.1	0.4
Other current liabilities		0.4	–
Accrued expenses and deferred income	57	4.7	0.8
		8.7	**1.2**
Total liabilities		**205.9**	**1.6**
Total equity and liabilities		**749.4**	**573.0**
MEMORANDUM ITEMS	58		
Pledged assets		–	–
Contingent liabilities		–	–

Parent Company Cash Flow Statement

SEK M	2012	2011
Cash flow from operating activities		
Profit/loss before tax	–27.9	–1.4
Adjustments for non-cash items:		
Depreciation/amortisation	0.0	–
Dividend from subsidiaries	–33.6	–9.2
Impairment of shares in subsidiaries	32.5	8.0
Financial income and expense	–2.5	–
Cash flow from operating activities before changes in working capital	**–31.5**	**–2.6**
Cash flow from changes in working capital		
Increase (–) / decrease (+) of operating receivables	–122.1	3.1
Increase (+) /decrease (–) of operating liabilities	4.1	–0.8
Cash flow from operating activities	**–149.6**	**–0.3**
Cash flow from investing activities		
Purchase of property, plant and equipment	–0.1	–
Cash flow from investing activities	**–0.1**	**0.0**
Cash flow from financing activities		
Borrowings	200.0	–
Cash flow from financing activities	**200.0**	**0.0**
Cash flow for the year	50.4	–0.3
Cash and cash equivalents at beginning of year	0.2	0.5
Exchange rate differences in cash and cash equivalents	–	–
Cash and cash equivalents at end of the year	**50.6**	**0.2**

Parent Company Statement of Changes in Equity

		Restricted equity		Non-restricted equity			
SEK M	Note 55	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Net profit for the year	Total equity
Equity, 1 January 2011		**163.4**	**249.9**	**46.3**	**72.5**	**37.4**	**569.6**
Appropriation of profits					37.4	–37.4	0.0
Warrants issued				3.2			3.2
Comprehensive income for the year, January – December 2011:							
Net profit/loss for the year						–1.4	–1.4
Other comprehensive income, net after tax						0.0	0.0
Comprehensive income for the year					**0.0**	**–1.4**	**–1.4**
Equity, 31 December 2011		**163.4**	**249.9**	**49.6**	**110.0**	**–1.4**	**571.4**
Appropriation of profits					–1.4	1.4	0.0
Comprehensive income for the year, January – December 2012:							
Net profit/loss for the year						–27.9	–27.9
Other comprehensive income, net after tax						0.0	0.0
Comprehensive income for the year					**0.0**	**–27.9**	**–27.9**
Equity, 31 December 2012		**163.4**	**249.9**	**49.6**	**108.6**	**–27.9**	**543.5**

Notes for the Parent Company

NOTE 46 PARENT COMPANY ACCOUNTING POLICIES

The Parent Company's financial statements were prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities. Accordingly, the Parent Company applies the same accounting policies as the Group wherever applicable, except for the cases stated below.

The Parent Company utilises the terms Balance Sheet and Cash Flow Statement for the statements that the Group names Statement of Financial Position and Statement of Cash Flow respectively. The Parent Company's Income Statement and Balance Sheet have been prepared in accordance with the presentation format stipulated in the Swedish Annual Accounts Act, while the statement of comprehensive income, statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Participations in Group companies

The Parent Company recognises all of its holdings in Group companies at cost less deductions for any accumulated impairment.

Group contributions

Group contributions paid from the Parent Company to subsidiaries are recognised as an increase in participations in subsidiaries, and coincident with this, a judgement of whether there is impairment of these participations is made. Group contributions received by the Parent Company from subsidiaries are recognised according to the same policies as customary dividends from subsidiaries, meaning as profit/loss from Group companies in Profit/loss from participations in Group companies.

Shareholders' contributions

Shareholders' contributions paid are recognised as an increase of the item Participations in subsidiaries in the balance sheet. A judgement is then made as to whether there is impairment of participations in subsidiaries.

Lease arrangements

The Parent Company recognises all of its lease arrangements as operating leases.

Financial instruments

Due to the relationship between accounting and taxation, financial assets and liabilities are not recognised at fair value. Financial non-current assets are recognised at cost less any impairment and financial current assets are recognised in accordance with the lowest value principle. Financial liabilities are recognised at cost.

Furthermore, the Parent Company applies the exemption rule in RFR 2 and does not apply the IAS 39 regulations for financial guarantees relating to guarantee agreements for the benefit of subsidiaries and associated companies. In these cases, the IAS 37 rules are applied entailing that financial guarantee agreements are to be recognised as a provision in the balance sheet when Catella has a legal or informal obligation due to earlier events and it is probable that an outflow of resources will be required to settle the commitment. In addition, it must be possible to make a reliable estimate of the value of the commitment.

NOTE 47 OTHER EXTERNAL EXPENSES

Remuneration to auditors (SEK M)

	2012	2011
PwC		
Audit assignment	0.4	–
Audit activities other than audit assignment	–	–
Tax consultancy	0.1	–
Other services	0.2	–
Total	**0.7**	**0.0**

The Parent Company's audit fees for 2011 were paid by the subsidiary Catella Holding AB.

Operating leases including rent

	2012	2011
Expense for the year for operating lease arrangements including rent amount to	1.8	–
Future lease payments for non-cancellable operating leases with remaining durations exceeding one year are allocated as follows:		
Due for payment within one year	1.7	–
Due for payment after more than one year but less than five years	3.0	–
Due for payment after more than five years	0.0	–
Total	**4.6**	**0.0**

NOTE 48 PERSONNEL

Salaries, other compensation and social security expenses

	2012		2011	
SEK M	Salaries and other compensation (of which bonus)	Social security contributions (of which pension costs)	Salaries and other compensation (of which bonus)	Social security contributions (of which pension costs)
Board	1.7	0.5	1.4	0.4
	(0)	(0)	(0)	(0)
President	2.1	1.2	0.0	0.0
	(0)	(0.8)	(0)	(0)
Other employees. Sweden	8.6	5.0	0.0	0.0
	(0)	(1.9)	(0)	(0.0)
Total	**12.5**	**6.7**	**1.4**	**0.4**
	0.0	**(2.7)**	**0.0**	**(0.0)**

Salaries and other costs for the President for 2011 were paid by the subsidiary Catella Holding AB. There were no pension commitments for the President or other senior managers. For more information about compensation of the Board and President, see Note 11.

Average number of full-time employees

	2012		2011	
	Total	Of whom, women	Total	Of whom, women
Chief Executive Officer and senior managers	3	–	1	–
Other employees	9	4	–	–
Total	**12**	**4**	**1**	**–**

As of 1 January 2012, Group Management and other central group functions are gathered in the Parent Company Catella AB (publ).

NOTE 49 PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

SEK M	2012	2011
Dividends	33.6	9.2
Impairment of shares in subsidiaries	–32.5	–8.0
Total	**1.1**	**1.2**

NOTE 50 INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

SEK M	2012	2011
Interest	3.3	0.1
Exchange rate gains	0.0	–
Total	**3.3**	**0.1**

SEK 3.1 M (0) of interest income and similar profit/loss items are intragroup.

NOTE 51 INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

SEK M	2012	2011
Interest	–3.9	0.0
Loan arrangement expenses	–0.2	–
Exchange rate losses	–	–
Total	**–4.1**	**0.0**

SEK 0.1 M (0) of interest expenses and similar profit/loss are intragroup.

NOTE 52 TAX ON NET PROFIT/LOSS FOR THE YEAR

SEK M	2012	2011
Current tax	–	–
Deferred tax	–	–
Total	**0.0**	**0.0**

The Parent Company's effective tax amounted to 0 % (0). The difference compared with the tax rate in Sweden, 26.3 %, is primarily due to the impairment of shares in subsidiaries that are not tax deductible and to dividends from subsidiaries not constituting taxable income. Taxable earnings for the year amounted to a loss of SEK -28.7 M. The company has total loss carry-forwards of SEK 127.2 M. No deferred tax assets attributable to these loss carry-forwards were recognised in the company's balance sheet. The loss carry-forwards have an unlimited useful life.

NOTE 53 PARTICIPATIONS IN GROUP COMPANIES

Company	Share of equity, %	Share of vote, %	Number of partici-pations	Book value 2012	Book value 2011
Catella Holding AB	100	100	1 000	519.1	54.0
Scribona AS	100	100	1	0.8	50.0
Total				**519.9**	**104.0**

Subsidiary corporate identity numbers and registered offices:

Company	Corp. ID. no.	Registered office
Catella Holding AB	556064-2018	Stockholm
Scribona AS	979 460 198	Oslo

Participations in Group companies (SEK M)	2012	2011
Opening book value	104.0	97.0
Purchases	–	–
Sales	–	–
Shareholders' contribution paid	465.1	15.0
Reduction of share capital/premium reserve	–16.7	–
Impairment	–32.5	–8.0
Closing book value	**519.9**	**104.0**

Impairment is stated in Note 49 Profit/loss from participations in Group companies.

NOTE 54 NON-CURRENT RECEIVABLES /PENSION PROVISIONS

Non-current receivables related to an endowment policy for which the beneficiary was a former Vice President. The policy relates to a pension obligation to a former employee of the Group that has been covered by payments to an insurance company. The company has no further obligations in addition to the premiums paid. The corresponding pension liability was recognised under 'Provisions.' The pension was paid over a period of 36 months with the final payment in October 2012.

SEK M	2012	2011
Opening carrying amount	0.4	0.8
Deposits	–	–
Disbursements	–0.4	–0.5
Change in value	0.0	0.0
Closing carrying amount	**0.0**	**0.4**

NOTE 55 EQUITY

As of 31 December 2012, the share capital amounted to SEK 163.4 M divided between 81,698,572 shares. The quotient value per share is 2. The share capital is divided between two share classes with different numbers of votes per share: 2,530,555 Class A shares with five votes per share, and 79,168,017 Class B shares with one vote per share. There are no other differences between the share classes.

The Articles of Association include the right for holders of Class A shares to convert these shares to the same number of Class B shares. No Class A shares were converted to Class B shares in 2012.

As of 31 December 2012, there were no outstanding convertible promissory notes that could lead to dilution of the share capital.

36,100,000 warrants had been issued as of 31 December 2012, as described in more detail in Note 12. The Board is not authorised to re-purchase or issue shares, options or similar instruments. No treasury shares were held by the company itself or its subsidiaries.

Shareholders with more than 10% of the votes

The principal shareholder on 30 December 2012 was the Claesson & Anderzén Group (with related parties) with 48.4% (47.6) of the capital and 47.8% (47.1) of the votes.

Dividend

The Board proposes that no dividend is paid to shareholders for 2012.

Restricted reserves
Restricted reserves may not be reduced through profit distributions.

Statutory reserve
The purpose of the statutory reserve is to save a portion of net profit that is not utilised to cover losses brought forward. Amounts contributed to the share premium reserve prior to 1 January 2006 were transferred to, and are included in, the statutory reserve. Share premium reserves arising after 1 January 2006 are recognised as non-restricted equity in the Parent Company.

Non-restricted equity
The following reserves, combined with net profit for the year, comprise non-restricted equity, meaning the amount available for distribution to the shareholders.

Share premium reserve
When shares are issued at a premium, meaning that a price is to be paid for the shares that exceeds the quotient value of the share, an amount corresponding to the amount received in excess of the quotient value must be transferred to the share premium reserve. Amounts transferred to the share premium reserve from January 2006 are included in non-restricted equity.

Profit brought forward
Profit brought forward comprises profit carried forward from the preceding year and profit after dividends paid for the year.

NOTE 56 LOAN LIABILITIES

SEK M	2012	2011
Bond issues	197.2	–
	197.2	**0.0**
Less: Long-term portion	–197.2	–
Short-term	**0.0**	**0.0**

In September 2012, Catella AB (publ) issued a five-year unsecured bond of SEK 200 M. This bond has a nominal amount of SEK 300 M and accrues variable interest at 3-month Stibor plus 500 basis points. Funding is conditional on the satisfaction of covenants based on financial position and liquidity. The issue proceeds were partly utilised to repay subsidiary Catella Holding AB's acquisition finance loan of SEK 100 M from an external bank.

NOTE 57 ACCRUED EXPENSES AND DEFERRED INCOME

SEK M	2012	2011
Holiday pay liability	0.8	–
Accrued salaries	0.5	0.4
Social security expenses	0.4	0.3
Accrued interest expenses	0.4	–
Accrued audit fees	0.2	–
Accrued consulting fees	2.3	–
Other items	0.1	0.0
Total	**4.7**	**0.8**

NOTE 58 PLEDGED ASSETS AND CONTINGENT LIABILITIES

As of 31 December 2012, there were no pledged assets or contingent liabilities.

NOTE 59 RELATED PARTY TRANSACTIONS

The Parent Company has a close relationship with its subsidiaries. Transactions between the Parent Company and subsidiaries are priced on commercial terms. In 2011, several transactions took place between the Parent Company and subsidiaries. Catella AB (publ) has issued loans to its subsidiary Catella Holding AB on market terms and has rendered a number of intragroup services to most subsidiaries, at market price. In addition, the Parent Company received dividends from the Norwegian subsidiary Scribona AS.

For benefits for senior managers, see the information presented for the Group under Note 11 of the consolidated financial statements and to Note 48.

For pledged assets and contingent liabilities to the benefit of subsidiaries, see the information presented about pledged assets and contingent liabilities coincident with the balance sheet and in Note 58.

NOTE 60 FINANCIAL RISK MANAGEMENT

The Parent Company applies IAS 39 Financial Instruments: Recognition and Measurement, with the exceptions stated in Note 46. Catella AB (publ) is a holding company for the group, where Group Management and other central group functions are gathered. The Parent Company conducts only holding-company operations and has no borrowing. The Parent Company has no investments in derivative instruments or other financial instruments. The Parent Company has also arranged SEK-denominated loan finance at variable interest to finance its own business operations. In view of this, the legal entity Catella AB (publ) primarily has exposure to interest risk and liquidity risk, while its exposure to other financial risks, such as credit risk, currency risk and market risk, etc. is limited.

Interest risk
Interest risk is the risk that the Parent Company's net profit/loss is affected as a result of variations in general interest rate levels. The Parent Company continuously analyses and monitors its interest risk exposure.

Liquidity risk
Liquidity risk is the risk that within a defined period, Catella AB (publ) is unable to re-finance its existing assets, or is unable to satisfy increased needs for liquidity. Liquidity risk also includes the risk that the parent company is compelled to borrow at unfavourable interest, or must sell assets at a loss to be able to fulfil its payment obligations. The Parent Company continuously analyses and monitors its liquidity risk exposure. When required, the parent company may utilize subsidiaries' surplus liquidity via internal loans. Intragroup loans have no predetermined maturity date.

Currency risk
There were no receivables or liabilities in foreign currency as of 31 December 2012.

For more information on financial risks for the Catella Group also indirectly applicable to the Parent Company, see Note 3.

The Board of Directors and Chief Executive Officer assure that these Annual Accounts have been prepared in accordance with generally accepted accounting policies in Sweden and that the Consolidated Accounts has been prepared in accordance with the international accounting standards IFRS as adopted by the EU. The Annual Accounts and the Consolidated Accounts give a true and fair view of the Parent Company's and the Group's financial position and results of operations. The Administration Reports for the Parent Company and the Group provide a fair overview of the performance of the Parent Company's and the Group's operations, financial position and results of operations, and describe the material risks and uncertainties facing the Parent Company and the companies included in the Group.

The Parent Company's and the Group's income statements and balance sheets will be subject to adoption at the Annual General Meeting on 22 May 2013.

As stated above, The Annual Accounts and the Consolidated Accounts were approved for ISSUE by the Board and Chief Executive Officer on 24 April 2012.

Johan Claesson *Chairman of the Board*	Björn Edgren *Board member*	Stefan Carlsson *Board member*
Niklas Johansson *Board member*	Jan Roxendal *Board member*	Johan Ericsson *Chief Executive Officer*

Our Audit Report was presented on 24 April 2013.

PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant

Audit Report

To the Annual General Meeting of Catella AB (publ)

Corporate identity number 556079-1419

We have audited the Annual Accounts and the Consolidated Accounts of Catella AB for 2012. The company's Annual Accounts and Consolidated Accounts are included in the printed version of this document on pages 47-106.

Responsibilities of the Board of Directors and the Chief Executive Officer for the Annual Accounts and Consolidated Accounts

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of these Annual Accounts in accordance with the Annual Accounts Act and Consolidated Accounts in accordance with International Financial Reporting Standards IFRS, as adopted by the EU, and the Annual Accounts Act, and for the internal control deemed necessary by the Board of Directors and the Chief Executive Officer for the preparation of Annual Accounts and Consolidated Accounts that are free from material misstatement, whether such misstatement is due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the Annual Accounts and Consolidated Accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the Annual Accounts and Consolidated Accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Accounts and Consolidated Accounts. The auditor chooses such procedures based on such assessments as the risk of material misstatement in the Annual Accounts and Consolidated Accounts, whether such misstatement is due to fraud or error. In making these risk assessments, the auditor considers internal control measures relevant to the company's preparation and fair presentation of the Annual Accounts and Consolidated Accounts in order to design audit procedures that are appropriate taking the circumstances into account, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Chief Executive Officer, as well as evaluating the overall presentation of the Annual Accounts and Consolidated Accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the Annual Accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2012 and its financial performance and cash flows for the year in accordance with the Annual Accounts Act, and the Consolidated Accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2012 and its financial performance and cash flows for the year in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the Annual Accounts and Consolidated Accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Report on other legal and regulatory requirements

In addition to our audit of the Annual Accounts and Consolidated Accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Chief Executive Officer of Catella AB for the year 2012.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal concerning the appropriation of the company's profit or loss, and the Board of Directors and the Chief Executive Officer are responsible for administration in accordance with the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal complies with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the Annual Accounts and Consolidated Accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Chief Executive Officer is liable to the company. We also examined whether any member of the Board of Directors or the Chief Executive Officer has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Stockholm, 24 April 2013

PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant

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