CATELLA

Annual Report 2013

Specialised financial advice and asset management

Catella provides specialised financial advisory services and asset management. Catella has a strong local presence in Europe, with some 450 employees in 12 countries. Page 2

A trusted name in the financial sector

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 its way of dealing with clients. Page 10

A leading player on selected European markets

Catella is being managed by the objective of being a leading financial services provider on selected European markets. Page 8

Services built on the accumulated expertise of our professionals

Catella is knowledge based and specialist oriented. This means its services build on the accumulated know-how and expertise of its professionals. Page 12

This Annual Report has been produced by Catella in collaboration with Ashpool and HK Design. Photography by Mats Lundqvist. Translation by Turner & Turner. Printed by Strands Grafiska AB in May 2014.

Contents

Combining responsible business practice with clear commitment

Catella has a long-term commitment to tennis, and is now investing in the Swedish women's game. Catella also maintains a number of social commitments conducted locally or nationwide. Page 15

Delivering specialised advisory services

Catella provides specialised advisory services in Corporate Finance, where transaction advisory services for the professional property sector make up the majority of operations. Catella also enjoys European market leadership as a property advisor. Approximately 200 professionals work for Corporate Finance in 11 countries. Page 16

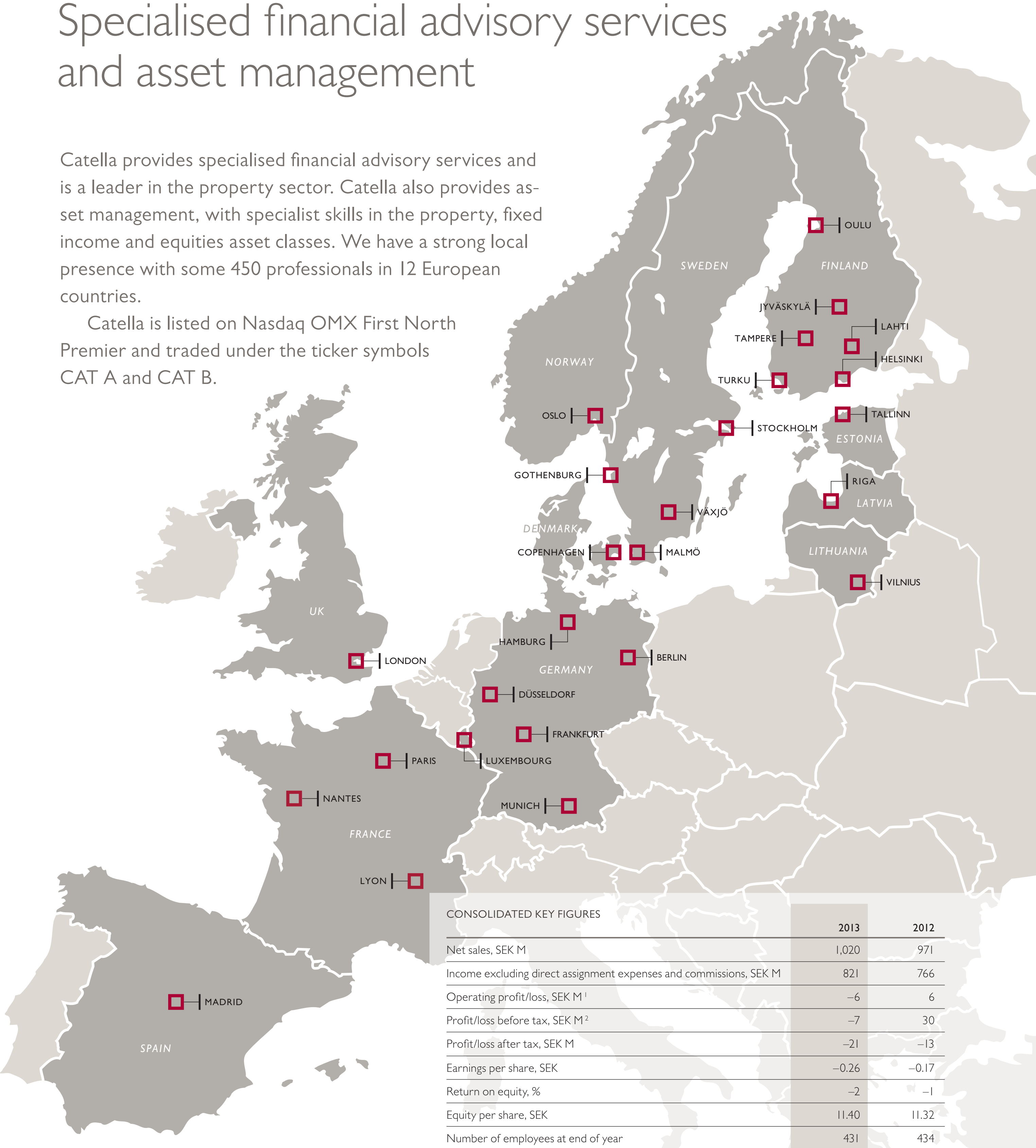
Cutting-edge expertise generates unique investment services

Catella provides institutions, corporations and private individuals with specialised financial services in fund and wealth management in the Asset Management segment. Catella also offers card and payment solutions. Just over 200 professionals work for Asset Management in four countries. Page 26

Specialised financial advisory services and asset management

Catella provides specialised financial advisory services and is a leader in the property sector. Catella also provides asset management, with specialist skills in the property, fixed income and equities asset classes. We have a strong local presence with some 450 professionals in 12 European countries.

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



CONSOLIDATED KEY FIGURES

	2013	2012
Net sales, SEK M	1,020	971
Income excluding direct assignment expenses and commissions, SEK M	821	766
Operating profit/loss, SEK M [1]	–6	6
Profit/loss before tax, SEK M [2]	–7	30
Profit/loss after tax, SEK M	–21	–13
Earnings per share, SEK	–0.26	–0.17
Return on equity, %	–2	–1
Equity per share, SEK	11.40	11.32
Number of employees at end of year	431	434
Transaction volumes in Corporate Finance, SEK Bn	53	54
Volumes under management in Asset Management, SEK Bn	52	41

[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.

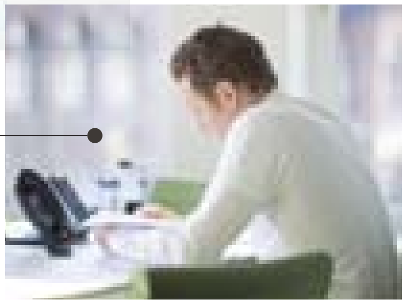
Corporate Finance

Sales and Acquisitions

Catella provides transaction advisory services for sales and acquisitions to national and multinational investors in Europe, focusing on complex transactions.

Research and Valuation

Catella provides market research and strategic advisory services to property owners. This offering also includes valuation services, mainly for properties.



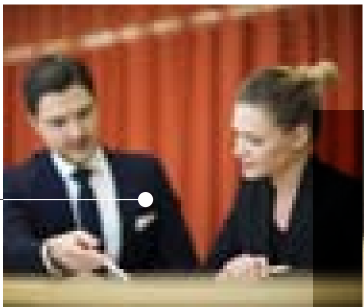
Debt and Equity

Catella Provides debt and equity advisory services to corporations in the property sector. Catella also provides funding solutions via the bond market.

Asset Management

Funds

Catella provides active management in properties, fixed income, equities and hedge funds through a broad portfolio of fund products.



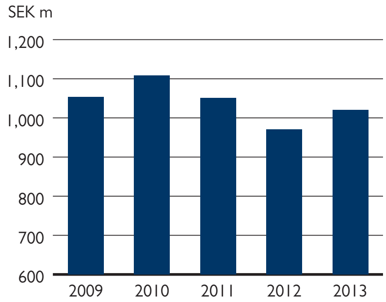
Wealth Management

Catella provides tailored wealth and asset management. It also offers specialised investments, mainly in property.

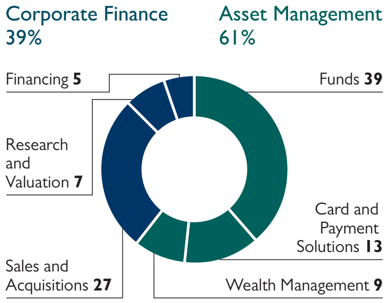
Cards and Payment Solutions

Catella offers cards and payment solutions to customers in Europe and operates as a card issuing and card acquiring bank.

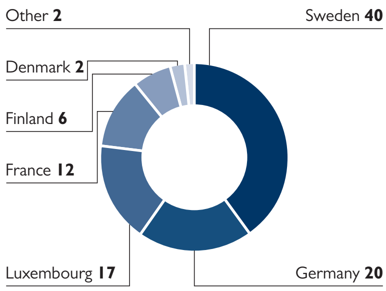
ANNUAL NET SALES 2009–2013



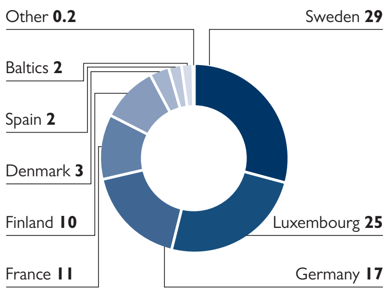
NET SALES BY OPERATING SEGMENT 2013, %



NET SALES BY COUNTRY 2013, %



NUMBER OF EMPLOYEES BY COUNTRY 2013, %



Volume growth will generate more shareholder value

> Our ambition is to increase our assets under management and create more stable income, which in time, will have a positive impact on the company's value. We will also be expanding our offering in advisory services, advancing our positioning by capitalising on our property expertise and long-term experience in asset management, thus creating growth.

Our earnings for 2013 did not match our expectations, or what shareholders can expect from us. The underlying causes are setbacks, as well as successes, that should not be underestimated in terms of our future progress.

Our long-term ambition is to grow assets under management. If we're successful here, this will generate more stable income, which eventually, will have a positive impact on the company's value. We will also expand our offering in advisory services and advance our positioning by capitalising on our property expertise and long-term experience of asset management, thus creating growth.

The investments we made in our Swedish fund operation have paid off. We're seeing good inflows of new capital, and the returns on these assets have also been positive. The positive progress of our fund operations continues. We have high hopes in terms of volumes and returns to our investors, which eventually, will be critical to our continued success.

We also still take a positive view of our property fund business. We'll be continuing to work here on developing our product offering and strengthening our organisation.

We increased our shareholding in asset manager IPM in the year, a business we really believe in. IPM manages approximately SEK 46 Bn and has generated healthy returns for its investors historically. Jointly with IPM, we manage a total of approximately SEK 100 Bn, and these are healthy levels to keep working on. If we are successful in asset management, then in time, we'll be generating stable income fully consistent with our long-term ambition.

The earnings of our banking operation in 2013 were a disappointment. This operation has been up for sale for an extended period, which meant that necessary organisational changes and investments in new products were significantly delayed. We've gained a grasp of this now, but it has involved extensive work.

In addition, the standards applying to our banking operation have become significantly more stringent, causing major investments in infrastructure and processes. The overall consequence of this is lower income and higher expenses. A raft of actions have been taken, and our view is that the banking operation has far better potential now than one year ago.

As for our Corporate Finance operation, we succeeded in going into the black in Germany, which I'm pleased about. Meanwhile, Sweden and France also produced healthy numbers. Unfortunately, Norway, Finland and Spain did reduce our earnings.

Catella's expertise in property advisory services is impressive, and my view is that the market has a very positive perception of Catella. However, we need to lift profitability across all segments, and thanks to our strong market positioning in Europe, this is clearly possible.

Building on the foundations of our expertise in the property segment, we also see potential to expand by offering various products using property as a savings product. Catella has the capacity to create various property-related products or property funds targeted at institutions, corporations and private individuals.

We are not satisfied with Catella's profitability in 2013, but we've now taken major initiatives. Several of our businesses are generating healthy earnings, while others need to list their profitability significantly. We'll be working hard on those businesses that are loss making, while working on improving those businesses that generate good earnings.

It's a privilege to serve as Chairman of a corporation with such highly qualified professionals, and I see examples of their excellence every day. But I also note potential in exploiting the fantastic market positioning Catella enjoys to increase its income in time.

For most of our businesses, fairly marginal volume expansion would create far greater earnings, because much of our cost base is fixed. Our target for 2014 is to improve profitability, primarily through higher volumes, but also through continued cost control. Catella has better potential to achieve this target than it did one year ago.

JOHAN CLAESSON
Chairman of the Board
and principal owner

Long-term success requires short-term profitability

To retain and attract key employees, we have to maintain the right balance between long-term value creation and short-term profitability. That's why it's important for every part of Catella to be profitable, and for us to have incentive programmes that match our structure and targets.

Award-winning fund operation

As Catella's new CEO, I've been impressed by the progress of our Swedish fund management business. Last year, volumes under management were up by nearly 50%, of which nearly SEK 5 Bn being inflows of new capital.

Our funds have also generated high returns, while our funds and fund managers received several high-profile awards. This confirms how our fund management business is competitive, and that our product offering is right.

Potential in asset management

Our shareholding in IPM provides us with a broader-based product portfolio and the potential of performance-related income that is non correlative to our other fund operations. We also see great potential for our new property asset management in France, which we started jointly with one of France's best teams in this segment. France is an important market, and we'll be putting time and resources into developing this business.

Better starting point in our bank

Our banking operation consists of our cards operation and wealth management business. Over the past year, we've done extensive work on building infrastructure and developing this business. Although we're not finished yet, our starting point is significantly better than it was one year ago. Going forward, the focus is on optimising our existing business and creating growth in our cards operation.

Strong positioning in property advisory services

In 2013, we acted as an advisor on property transactions worth approximately SEK 50 Bn, which means we have retained our strong positioning in Europe.

We were the largest advisor in the property sector in Sweden, and we have a market share of over 15% in France. But on a few of our markets, our positioning was weak, and accordingly, we returned unsatisfactory profitability. This resulted in decisions including closing down our business in Norway in the year, and we are currently evaluating how Catella can serve this market best going forward. Work on increasing profitability in all parts of our property advisory services business is continuing in 2014.

Building structural capital

Even if market positioning in our various business does differ, we're putting time and focus on creating real and obvious synergies. In advisory services, we intend to increase our coordination and

The year in brief

2013 JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST

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

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 on the Swedish market secured on real estate.

14 May
Advisor to Ivanhoé Cambridge on the sale of 42 Avenue de Friedland in central Paris to Crédit Mutuel, valued at EUR 161 M.

27 June
Advisor to Ivanhoé Cambridge on the sale of Areva's head quarters at Rue La Fayette in central Paris to DEKA, valued at EUR 280 M.

16 July
Catella's SEK 200 M bond, issued in 2012, was listed on NASDAQ OMX Stockholm.

the exchange of best practice between our countries. This builds structural capital, and we will be seeing more cross-border deals. Within Asset Management, we have access to capital that can be used in our advisory services business, and we will be seeing greater collaboration to exploit the opportunities here too.

Attracting key employees

Historically, Catella has been successful in attracting very many driven and skilled professionals. To be able to retain and attract key employees in the future, we need to maintain a good balance between long-term value creation and short-term profitability. That's why it's important that every part of Catella is profitable, and we have incentive programmes that match our structure and targets. If the collaboration between countries and units is to improve, we must be credible in terms of rewarding efforts to build structural capital. We should also work actively to attract new skilled and ambitious talented individuals. At Catella, they should be able to take a structured, high-quality developmental journey.

The right responsibility and incentive

Our business is highly localised and we offer stakeholding enabling participation in local earnings. This is a great, and important, tool to motivate our people. I also believe in giving mandates to the people that live off the consequences of them. We should exploit this, while simultaneously creating more integration and collaboration between our various units and countries. To succeed in this, we must create a clearer structure and reward the work done to achieve this.

I feel secure that this is the way forward towards a stronger and more profitable Catella. We will always understand that business is local, but will create a better and more relevant product offering through a more clearly defined and closely knit structure.

KNUT PEDERSEN
President and CEO

SEPTEMBER OCTOBER NOVEMBER DECEMBER 2014 JANUARY FEBRUARY MARCH

21 August
Advisor to Catena on the acquisition of a logistics property portfolio from Brinova valued at SEK 3.8 Bn.

1 October
Decision to close down property advisory services operation in Oslo against the backdrop on poor profit performance in recent years.

18 November
Advisor to JSM Financial Group on a SEK 350 M bond issue. The project was initiated in collaboration with Catella's Wealth Management.

10 December
Decision to start up asset management in the property sector in France.

23 December
Johan Ericsson appointed new Head of the Corporate Finance operating segment.

1 January
Knut Pedersen takes up his position as Catella's new President and CEO.

13 January
Advisor to Telekom on the sale of a major residential development project in Dusseldorf, valued at EUR 50 M.

27 January
Catella increases its participating interest in asset manager IPM from 25% to approximately 51%.

10 March
Advisor to the Carlyle Group on the largest property transaction year to date in Sweden on the sale of Globen City, valued at SEK 3.8 Bn.

20 March
Catella Nordic Corporate Bond Flex wins first prize at the UCITS Hedge Awards in London. The Fund was also nominated for the EuroHedge Awards and The Investors Choice Hedge Fund Awards.

We intend to be a leader on our markets in Europe

Our vision is to be a leading financial services provider on selected European markets. To get there, Catella must be at the leading edge in developing financial services for the property sector. Additionally, the collective asset management competence Catella possesses enables a strong product offering, and building on its expertise in the property segment, it has the potential to expand using new products.

Business concept

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

Vision

Catella will be a leading player in financial services on selected European markets. Catella will embody high business ethics and innovative working methods, and be a trustworthy member of the financial sector as a result of its competence and continuity.

Operational goals for 2014

The overall operational goal for 2014 is to build structural capital through means including securing a long-term commitment from key employees through co-ordinated targets and relevant incentive programmes.

In Corporate Finance, the overall operational goal for 2014 is to strengthen existing operations and clarify Catella's presence as a European advisor. Catella also has a focus on extending and developing its German property advisory services business.

In Asset Management, the goal for 2014 is to keep growing the existing business and ensuring Catella makes relevant product offerings that maintain the highest quality.

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 2013 was 3% for Corporate Finance and 4% for Asset Management. Going forward, the focus will be on those parts of our business that are loss making, while continuing our work on improving those segments that generate good earnings.

Strategies

Qualified, specialized advisory services

Catella's objective is to be a leading advisor on the European market, achieved by being at the leading edge in developing financial services for the property sector. Catella will identify market segments in financial advisory services where specialisation is critical for creating value for the client. Strong local links and the capacity to deal with complex

assignments that require creativity and a combination of expertise represent a competitive edge.

Specialist expertise across several asset classes provides unique investment services
Catella possesses specialist expertise in the property, fixed income and equity asset classes. Its collective management expertise enables a strong offering of fund products and direct equity and fixed income investments. Building on the foundation of its expertise in the property segment, Catella has the potential to expand by offering a range of products with properties as a savings product targeting institutions, corporations and private individuals.

Good business practice from collective core values
Operations are conducted with good business practice, focusing on client needs. Catella also stands on collective core values that shape its services and way of dealing with clients.

More integration builds structural capital
By increasing coordination and the exchange of best practice between countries and units, Catella will build structural capital. A clearer structure will be created and efforts to build structural capital should be rewarded with the appropriate incentive.

Attracting the best professionals
Catella's services build on the collective know-how and expertise of its professionals. Catella should attract and retain key professionals by maintaining the right balance between long-term value creation and short-term profitability. That's why it's important that every part of Catella is profitable, and that incentives are tailored to the company's structure and targets.

With high standards of business ethics and innovative working methods, we should be a trusted name in the financial sector

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.

Proactivity

We adopt a long-term client perspective so we can address the client's needs through our services and products proactively. Our experience, market knowledge and familiarity with each client enable us to create value-added and profitability that beats expectations.

Expertise

Catella's services build on our collective know-how. We combine our competence and market-leading expertise with a local presence and strong execution capacity, creating value-added for our clients.

Active on the financial markets for over 25 years

Catella was founded in 1987, offering property advisory services from an early stage, which were the foundation of Catella's first operating segment, Corporate Finance. During Sweden's property and banking crisis in the early 1990s, Catella built 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 service segments and markets. Catella is now one of the leading European advisors in the property sector, with operations in 11 countries and more than 200 professionals.

In the mid-1990s, Catella created an asset management business, and started up its Swedish funds business a few years later. This was the foundation

Entrepreneurship

Entrepreneurship is now, and has always been, important to Catella. Our culture features good business practice, a focus on results and freedom with responsibility for all our professionals. We utilise our people's potential and ability to perform through decentralised working methods.

Creativity

We encounter our clients with creativity and innovation. By creating a working environment that encourages this, we create drive and a positive sentiment. In turn, this helps Catella to offer leading-edge products and services.

Independence

We stand on our own two feet, consistently providing independent asset management and financial advisory services. Our independence has always been an key component of our core values.

Ethics

Our high ethical standards make us a reliable and loyal partner. We comply with established ethical guidelines, formulated to retain our independence and the trust of our clients. High moral standards and substantial individual responsibility are the foundation of our daily work, which creates good relations internally and externally.

of Catella's second operating 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 took a shareholding in asset manager IPM, which 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. The bank allows Catella to provide a wealth management business in Luxembourg and Sweden, as well as card and payment solutions across Europe. At the end of 2013, Catella decided to start a property asset management business in France. Catella's Asset Management business now has operations in four countries and more than 200 professionals.

CATELLA'S PROFESSIONALS

Our services build on our professionals' collective know-how

To achieve success for the long term, Catella has to attract and retain key employees. That's why it's important to promote a stimulating working environment where professionals can develop and contribute to Catella's success. The target is for Catella to be the most attractive employer in those segments where the company is active.

Catella is a knowledge-based and specialised company. This means that our services are based on our professionals' collective knowledge and expertise. Catella believes in giving each employee the scope to develop and achieve job satisfaction. Catella will always endeavour to maintain a good balance between senior professionals and young, talented individuals. Catella's corporate culture should promote the exchange of best practice, skills and ideas.

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.

Freedom with responsibility

Entrepreneurship is now, and has always been, important to Catella. That's why Catella creates a working environment featuring decentralised working methods with a focus on results and freedom with responsibility for all its professionals.

Its working methods also feature professionalism and enthusiasm, which are flexible and tailored to assignments. For our people, this means a varied environment that utilises individual competence effectively.

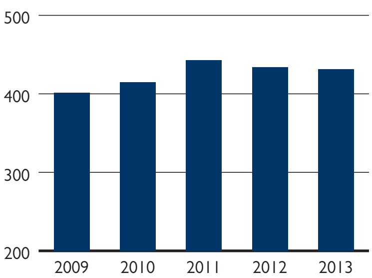
A genuine interest in attractive business opportunities

As an employee, Catella features stability. Catella has been active on the financial markets for over 25 years. Catella also features the continuous ability to change and a genuine interest in good business opportunities. Catella's professionals are flexible, results oriented and consistently quality conscious. They also enjoy the high pace that characterises our business.

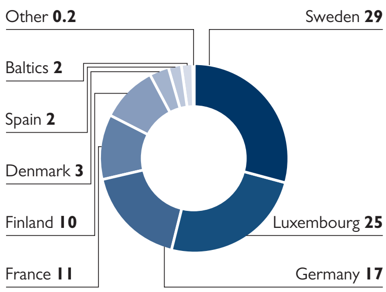
Number of employees

The number of employees, expressed as full-time equivalents, was 431 (434) at year-end, of which 207 (212) in the Cor-

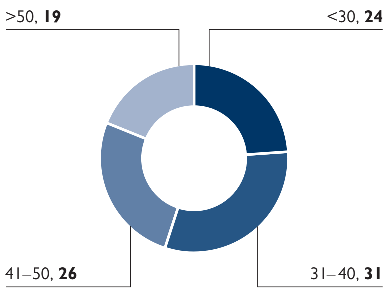
NUMBER OF EMPLOYEES 2009–2013



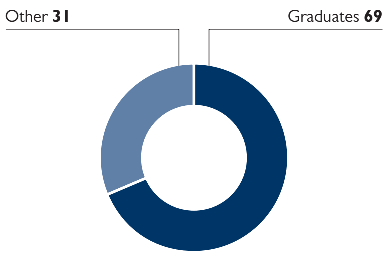
NUMBER OF EMPLOYEES BY COUNTRY 2013, %



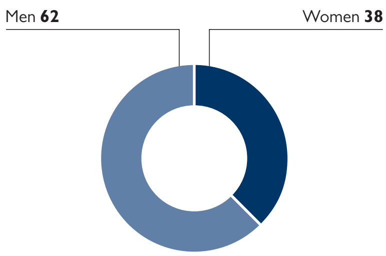
AGE PROFILE 2013, %



EDUCATIONAL STANDARD 2013, %



DIVISION BETWEEN SEXES 2013, %



EMPLOYEE KEY FIGURES

	2013	2012
Number of employees at end of year	431	434
Average number of employees	458	444
Staff turnover, %	20	16
Share of women, %	38	36
Share of graduates, %	69	70

porate Finance operating segment, 211 (210) in the Asset Management operating segment and 13 (12) in other functions.

Knowledge-based and specialised

Catella has been successfully hiring competent professionals for a long time, and has built a knowledge-intensive organisation. Its people possess a combination of specialist 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, 69% (70) 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. 55% (58) are aged between 20 and 40, and the largest age group is the 30-40s. 38% (36) of the group's employees are women and 62% (64) men.

We reward good performance

Catella believes in offering the right rewards to encourage high performance, good conduct and balanced risk-taking consistent with its clients' and shareholders' expectations. Variable compensation is based on profit-sharing within the operational segment where the professional works and has 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 profit share model at local level in the 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 this incentive creating natural cost control, because variable compensation is based on local earnings.

There is also a share option program linked to Catella's share price performance, which is reviewed in the section on the share and shareholders, and in Note 12 of the Annual Accounts for 2013.

COMMITMENTS

We combine responsible business with commitments where we belive we can make a difference

Catella's vision is to be a leader in financial services on selected markets in Europe. We stand for good business ethics and innovative working methods, and with our competence and continuity, want to be a trusted name in the financial sector. To achieve this, we need to work actively for responsible business.

Catella wants to combine responsible business with a commitment in segments where we think we can make a difference. Catella has a long-term commitment to Swedish tennis. Over the years, Team Catella has nurtured players like Robin Söderling and Joachim "Pim Pim" Johansson. Catella is now focusing on the Swedish women's game in collaboration with the Good to Great tennis academy. This initiative will enable three selected players—Rebecca Peterson, Jacqueline Cabaj Awad and Malin Ulvefeldt—to train with Good to Great and travel to tournaments worldwide. The objective of this initiative is for players to be in the WTA Tour Top 50. Good to Great, which aims to develop world-class tennis players, was founded by Magnus Norman, Nicklas Kulti and Mikael Tillström.

Catella also has a number of social commitments conducted locally or nationally. In Sweden, Catella is a partner of Mitt Liv ('My Life') a social enterprise that works for greater integration and diversity on the Swedish labour market. Mitt Liv is an advocate of an inclusive society and labour market that puts a premium on foreign experience and competence. Catella is committed to Mitt Liv to help benefit Mitt Liv's core issues—to strive for greater diversity.

In France, Catella supports Fondation Philippe Chatrier, which is active in Alzheimer's research in memory of former Chairman the French lawn tennis association, who died from Alzheimer's. The Foundation primarily works to support sufferers of the disease get early diagnosis.

The members of Team Catella are Rebecca Peterson, Jacqueline Cabaj Awad and Malin Ulvefeldt, who are all aiming for a WTA Tour Top 50 ranking.

CORPORATE FINANCE OPERATING SEGMENT

We offer specialised advisory services

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 leading market position in Europe as a property advisor, with some 200 professionals in 11 countries in Corporate Finance.

Arc de Seine in Paris, a transaction where Catella acted as advisor in 2013.

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

SALES AND ACQUISITIONS

DEBT AND EQUITY

RESEARCH AND VALUATION

Catella is endeavouring to become a leading advisor on the European market and to be at the leading edge in developing financial services for the property sector. The ambition is not to be the largest player in absolute terms, even if Catella has achieved a high market share in several countries over the years.

Catella competes through its capacity to manage complex assignments, often with elements requiring creativity and a combination of competences to create the optimal solution. Strong local links to those markets where the company is active have also been critical in establishing this market positioning.

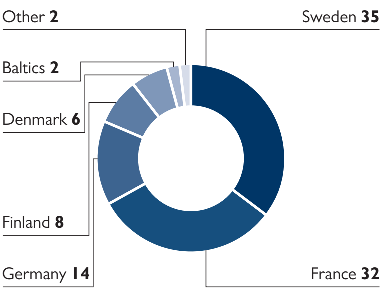
Goals for 2014

The overall business goal for 2014 for Corporate Finance is to strengthen its existing businesses and define Catella's profile as a pan-European advisor. It is also focusing on extending and developing its German property advisory services business.

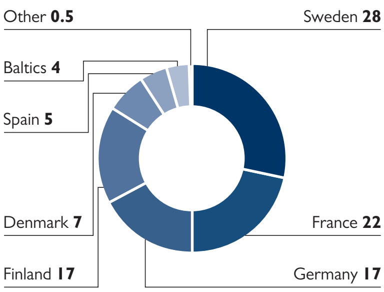
Financial goals

Catella measures and controls its operating segments through means including the financial goal of operating margin, defined as profit before tax for the year in relation to total income. The target is for operating margin to exceed 15% over time. For Corporate Finance, the operating margin for 2013 was 3%.

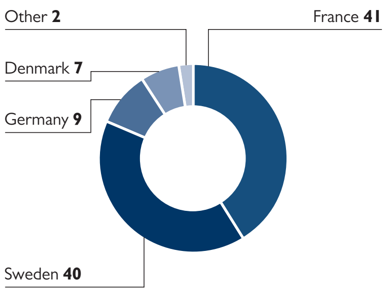
NET SALES BY COUNTRY 2013, %



EMPLOYEES BY COUNTRY 2013, %



CATELLA'S TRANSACTION VOLUMES BY COUNTRY 2013, %

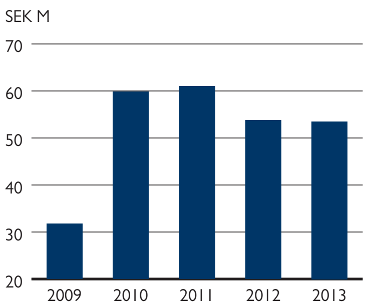


Cross-market expertise

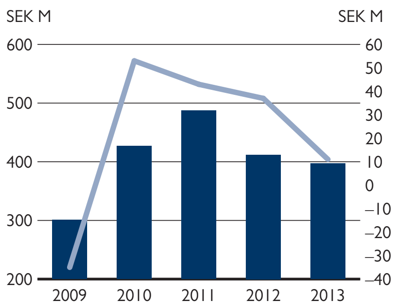
Catella is a specialised financial advisor with the ability to operate as both an investment bank and a traditional transaction advisor, thanks to its competence on several markets.

- Utilises in-depth knowledge of properties and broad-based knowledge of the financial markets to create and structure complex transactions.
- Proactively predicts clients' needs and identifies innovative solutions tailored accordingly.
- Drives tailored processes based on each client's unique conditions.

CATELLA'S TRANSACTION VOLUMES 2009–2013



NET SALES AND PROFIT/LOSS BEFORE TAX 2009–2013



KEY FIGURES

	2013	2012
Net sales, SEK M	397	412
Operating profit/loss, SEK M	11	39
Operating margin, %	3	9
Profit/loss before tax, SEK M	11	37
Equity, SEK M	169	161
Equity/assets ratio, %	55	52
Return on equity, %	1	14
Transaction volumes, SEK Bn	53	54
of which property transactions	50	51
No. of employees, year-end	207	212

Services

Catella provides Corporate Finance services in three segments: Sales and Acquisitions, Debt and Equity and Research and Valuation. These services are primarily provided for the European professional property sector. The portfolio of specific services offered locally varies between countries.

Catella has acted as an transactions advisor for over 25 years and has an established status on the European market. In the past five years, Catella has acted as an advisor on transactions with an aggregate value of approximately SEK 260 Bn.

Thanks to its long-term experience of the European property market and its ability to bring in strong teams of professionals, Catella has secured status as an advisor recognised for creating value for clients in the transaction process. Catella has been the natural choice for investors facing extraordinary challenges and that need a combination of advisory service competence and market know-how.

Sales and Acquisitions

Catella provides transaction advisory services on sales and acquisitions in Europe, focusing on complex transactions that require more than traditional broker skills.

On sales assignments, Catella utilises its market know-how and tailored sales processes to identify the best possible purchaser. On acquisitions, its focus is to identify and execute an optimal investment process for the purchaser, in structural and strategic terms.

Apart from Catella's offering to the property sector, it also offers advisory services to companies in consumer-related sectors in the Nordics. Catella serves on the buy or sell side for private and public transactions.

Debt and Equity

Catella provides services for raising equity for private and public companies and for asset managers in the property sector. Catella also offers specialised advisory services for corporations that want to diversify their debt profiles, refinance outstanding borrowings or are seeking to raise capital for expansion or acquisitions. Catella can also offer advisory support on reconstructions and the realisation of pledged assets for financiers, banks and institutions.

The breadth of Catella's expertise and its strength on the Swedish property market have been contributors to Catella

participating in most of the public transactions in terms of IPOs, major share issues and public take-over bids on the Swedish property market in the past ten years.

Research and Valuation
Catella offers market research and strategic advisory services, as well as valuation services, mainly to property owners. Research and Valuations is closely linked to the other service segments in Corporate Finance, because such services are often the foundation of sales, acquisition or financing projects.

Catella provides independent valuation services for all types of property, and is a highly regarded research and valuation firm, especially in France and Finland. Its valuation work is conducted in compliance with international standards like RICS and IVS.

Johan Ericsson
Head of Corporate Finance

What do you view as your primary mission as Head of the Corporate Finance operating segment?
Our key mission in 2014 is to clarify Catella's status as a pan-European advisor. We need to tie our units in different countries closer together and improve our collaboration. Additionally, I'll specifically support our business to ensure we continue to advance our positioning in Germany. We should also increase profitability by executing more large and skills-intensive transactions.

What strengths do you want to build on?
What's been our strength and differentiator since inception, namely our combination of specialist expertise and strong local links. This is where Catella enjoys an impact that few other advisors can match. We can execute complex transactions that other players aren't capable of, and address challenges that other players just can't.

What synergies do you see with other parts of Catella?
The combination of advisory services in Corporate Finance and Asset Management creates great potential to produce attractive investment opportunities on behalf of Asset Management, simultaneous with our advisory business gaining access to financing capital. There were several examples of these projects in 2013 including Platzer's IPO, the restructuring of Catena and the expansion of Victoria Park.

Sales and Acquisitions

SWEDEN | DECEMBER 2013

Advisor to Victoria Park on the acquisition of a residential portfolio in Stockholm/Kristianstad from Tornet

VICTORIA PARK® TORNET

EUR 118 M

FINLAND | DECEMBER 2013

Advisor to Citycon on the sale of Torikeskus Shoppingcenter in Seinäjoki to a local investor

CITYCON

AMOUNT UNDISCLOSED

GERMANY | NOVEMBER 2013

Advisor to Ivanhoe Cambridge on the sale of an office development project in Düsseldorf to BauwertCA

Ivanhoé Cambridge

BAUWERTCA GRAFENBERGER ALLEE GMBH

AMOUNT UNDISCLOSED

FRANCE | SEPTEMBER 2013

Advisor to Commerz Real on the sale of an office property in Meudon to Groupe SMA BTP

COMMERZ REAL Commerzbank Gruppe

GROUPE SMABTP

EUR 219 M

SWEDEN | JULY 2013

Advisor to NCC on the sale of an office and retail project in Stockholm to KLP

NCC

KLP

EUR 187 M

FRANCE | JUNE 2013

Advisor to Ivanhoe Cambridge on the sale of an office property in Paris 9 to Deka

Ivanhoé Cambridge

Deka

EUR 280 M

GERMANY | JUNE 2013

Advisor to Commerz Real on the sale of an office property in Munich to Gold Tree

COMMERZ REAL Commerzbank Gruppe

GOLD TREE

EUR 60 M

DENMARK | JUNE 2013

Advisor to HSH Nordbank on the sale of five residential projects in Copenhagen to PensionDanmark

HSH NORDBANK

PensionDanmark

EUR 215 M

Development project in Hagastaden at Torsplan, Stockholm, a transaction where Catella acted as an advisor in 2013.

Valuation

FRANCE | DECEMBER 2013

Valuation of 59 healthcare properties in France

gecina

423,000 SQ.M.

FINLAND | JULY 2013

Valuation of 68 retail properties in Finland

HESBURGER

31,000 SQ.M.

SPAIN | JUNE 2013

Valuation of mixed-use property portfolio in Madrid, Paris, Barcelona, Valencia

46,700 SQ.M.

FRANCE | JUNE 2013

Valuation of 140 shopping centre properties in France

mercialys

600,000 SQ.M.

Debt and Equity

Le Technopole in Meudon, France, a transaction where Catella acted as advisor in 2013.

SWEDEN | NOVEMBER 2013

Advisor to Platzer
on its listing and new issue of shares

EUR 75 M

SWEDEN | OCTOBER 2013

Advisor to Catena on
acquisition and private placement
for acquisition of 44 logistics properties

EUR 437 M

BALTICS | JULY 2013

Advisor to Logistika Haldus on
arrangement of junior and senior financing
for a 23,000 sq.m. logistics project

LOGISTIKA HALDUS OÜ

AMOUNT UNDISCLOSED

GERMANY | JUNE 2013

Advisor to GoldTree on the
arrangement of equity and debt for
acquisition of Munich office property

AMOUNT UNDISCLOSED

SWEDEN | JUNE 2013

Advisor to ICA Gruppen and Alecta on
the creation of jointly owned company
Långeberga Logistik AB

AMOUNT UNDISCLOSED

SWEDEN | APRIL 2013

Advisor to Klövern on
the issue of a senior secured
5-year bond

EUR 84 M

SWEDEN | APRIL 2013

Advisor to HBI s.à.r.l. and Barclays on
the distressed debt sale
of two properties in Sweden

AMOUNT UNDISCLOSED

DENMARK | APRIL 2013

Advisor to By & Havn and Pensam on
structuring of equity and debt
for a 14,000 sq.m. residential project

EUR 54 M

LATVIA | APRIL 2013

Valuation of
shopping centre properties
in Riga

11,600 SQ.M.

SPAIN | MARCH 2013

Valuation of
shopping centre property
in Ponferrada, León

50,900 SQ.M.

FINLAND | JANUARY 2013

Valuation of
office properties
in Jyväskylä, Kuopio and Pieksämäki

29,300 SQ.M.

ESTONIA | JANUARY 2013

Valuation of
residential properties
in Tallinn

OÜ RAADIKU ARENDUS

107,900 SQ.M.

Progress in 2013

In 2013, Catella acted as an advisor on property transactions worth SEK 50.3 Bn. This means that Catella was involved as an advisor on 6% of total transaction volumes in Europe excluding the UK.

In France, Catella was the advisor on property transactions worth approximately SEK 20.7 Bn in the year, corresponding to a market share of over 15%. Transactions where Catella acted as advisor include Ivanhoé Cambridge's sale of two contemporary properties at flagship addresses in Paris worth EUR 441 M.

In Sweden, Catella acted as an advisor on property transactions worth approximately SEK 20 Bn in 2013, equating to a market share of over 20%. This means that Catella was Sweden's largest sales advisor in the property sector in 2013. Catella served on transactions including NCC's sale of the Torsplan Hagastaden office development project, for a value of SEK 1.6 Bn. Catella also participated in three major stock market transactions, Platzer's IPO, the restructuring of Catena with a value of SEK 3.8 Bn, and Victoria Park's acquisition of a major property portfolio worth approximately SEK 1 Bn.

Work on developing the German property advisory services operation continued in the year. The services portfolio was regenerated and its organisation restructured and consolidated accordingly. Catella acted as an advisor on several high-profile transactions in Germany in 2013, including two major transactions in Frankfurt, with a value of over EUR 330 M.

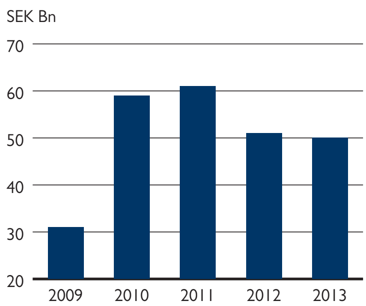
At the beginning of the year, Catella commenced a collaboration with UK at advisor property advisor Strutt & Parker. Catella and Strutt & Parker are partnering on advisory services to utilise their combined strength and size on the European real estate market. This partnership increases Catella's access to international investors, which often use London as a gateway to the European property market.

Catella decided to close down its operation in Norway at the beginning of the third quarter, against a backdrop of poor profit performance in recent years. Catella has strong positioning in property advisory services in the Nordics, and despite this closure, Norway remains a priority market, where Catella intends to continue offering property advisory services going forward.

Catella executed a number of primary market transactions via the bond market in the year. Catella acted as an advisor for Klövern on the first bond issue secured on investment properties on the Swedish market. This issue has a value of SEK 700 M and is an example of Catella's capacity to offer combined expertise in the property and bond markets.

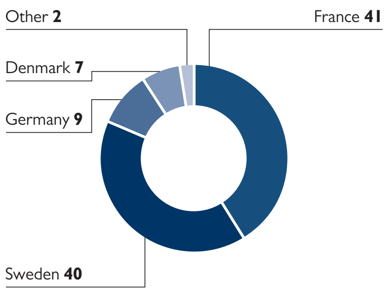
Catella also acted as advisor on a number of transactions and projects in the consumer sector in 2013. These

CATELLA'S PROPERTY TRANSACTION VOLUMES 2009–2013



included serving as exclusive financial advisor to Dixons Retail plc on the disposal of e-commerce enterprise Webhallen to Komplett AS of Norway.

CATELLA'S PROPERTY TRANSACTION VOLUMES BY COUNTRY 2013, %



Klaus Franken

Head of German Property Advisory Services

How would you sum up 2013?
We executed major changes in 2013. We reorganised and created an array of service segments to present and market our services portfolio better. Our market positioning improved in the year, and we managed significantly larger deals than in recent years. Activities included serving as an advisor on two major transactions in Frankfurt, worth over EUR 330 M. We also participated in several successful development projects.

What's your view of market progress?
2013 was the strongest year on the professional property market in Germany post-financial crisis, with total transaction volumes up by 20%. We expect continued stable progress in 2014. We see signs that investment profiles are expanding from core properties only, to also include value-add properties and properties in secondary locations.

What's your focus for 2014?
We'll be working on exciting development projects in properties, where we note continued high demand for newly produced investment properties. We're also expanding our business by hiring new professionals for our teams, and the work on implementing our new service segments is continuing.

What challenges and opportunities do you see?
The competition between advisors on the German market is intense. But Catella has good potential to address this challenge because of our image as a pan-European advisor. Our portfolio of tailored services and individualised solutions makes us an attractive choice for clients, as well as an interesting company for potential employees.

Market progress

2013 was characterised by a European property market rally. The financing situation improved significantly on a broad front, with a general increase in risk appetite.

The total European property transaction market excluding the UK was SEK 827 Bn (733) in the full year 2013, up 13% (3) year on year.

In early-2013, the transaction market was adversely affected by economic uncertainty across much of Europe. Despite a pressing need to change across the property sector, with high assignment volumes resulting, purchasers were hesitant due to uncertainty surrounding future economic progress.

Potential for securing acquisition financing gradually improved on most European markets in the second quarter. Interest rate levels remained low, and the access to capital for property investments was healthy.

Emmanuel Schreder

Head of French Property Advisory Services

How would you sum up 2013?

2013 was a really good year for Catella in France, in all our service segments. Our market share passed 15% for the first time, which is fantastic. Catella acted as an advisor on transactions worth over EUR 2.3 Bn, including a number of deals in the EUR 150 M and above class. We also opened two new offices, in Lyon and Nantes.

What's your view of market progress?

We expect that in 2014, the market will have similar conditions to 2013. The primary trend is generally increased liquidity on the market, and the number of core-type properties is more limited than in the previous year. This supply shortage also applies to value-add and more opportunistic properties. A lot of capital has been raised in property funds, which have the capacity to purchase, but there are few properties up for sale as of yet.

What's your focus for 2014?

Clients perceive Catella as a flexible advisor and an attractive alternative to our larger competitors. Our professionals are skilled and specialised, our services tailored to current market conditions, and we can guarantee a high level of confidentiality. Clients appreciate these three qualities, and our ambition is to increase our market share further, to become one of the three largest property advisors in France.

What challenges and opportunities do you see?

Our challenge in France is to keep growing and attract new, young talented professionals to the company. We see healthy potential on the transaction side, and after our successful expansion in 2013, we want to keep progressing. We will achieve this by expanding our services portfolio toward the retail segment, which is a growing market in France.

The third and fourth quarters saw greater liquidity on all the property markets where Catella is active, a result of improved funding terms and greater access to investor risk capital.

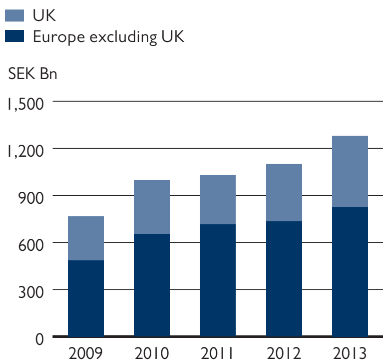
2014 has the potential to be a stronger year for the European property market than 2013. An economic recovery, combined with a continued improvement in financing potential for property acquisitions, suggests continued positive progress.

Focus in 2014

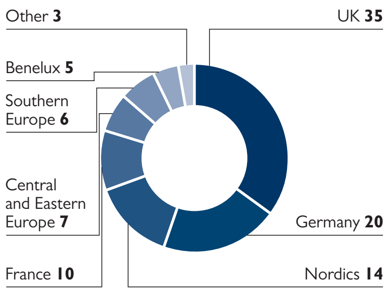
The overall business goal for Corporate Finance in 2014 is to consolidate current operations and increase profitability. Catella will clarify its image as a pan-European property advisor, through closer collaboration between its different countries.

It will also focus on expanding and developing its property advisory services operation in Germany, because this is a large, important market with good growth potential.

PROPERTY TRANSACTION VOLUMES IN EUROPE 2009–2013



PROPERTY TRANSACTION VOLUMES IN EUROPE BY REGION 2013, %



Anders Nordvall

Head of Swedish Property Advisory Services

How would you sum up 2013?

2013 was a good year for us that finished briskly despite a slow start. It was a year when we were able to demonstrate the breadth of our offering. We acted as advisor on major transactions in all segments, including a residential project for Akelius valued at SEK 1 Bn, and the Torsplan office transaction for NCC, with a value of SEK 1.7 Bn. We also managed a raft of capital markets transactions, including Klövern's corporate bond issue, Platzer's IPO and the restructuring of Catena. We were recognised as Sweden's largest sales advisor in the property sector by property market services provider Datscha.

What's your view of market progress?

After a weak start to 2013, the Swedish market performed strongly from June onwards. This positive trend continued in the first quarter of 2014, with high transaction activity, thanks to generally positive economic progress, a sharp improvement in funding conditions and a strong inflow of capital to the property sector.

What's your focus for 2014?

Our objective is to remain the leading advisor in specialised advisory services for the property sector in Sweden. We aim to achieve this by maintaining the breadth of our offering and continuing to work on complex assignments, such as structural deals linked to the capital market.

What challenges and opportunities do you see?

Simultaneous with the strength of the financial markets, we experienced the strongest demand since the financial crisis. The challenge lies in finding the supply to match this high demand. We're seeing good potential to be able to utilise our know-how and experience to secure mandates to execute complex transactions, which is the type of assignment we are noting increased demand for on the market.

Our specialist expertise generates 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. More than 200 professionals work for Asset Management in four countries.

Asset Management's business model is based on identifying needs and developing tailored products through close contacts and long-term relationships with clients. Catella provides services in the following three segments:

- FUNDS
- WEALTH MANAGEMENT
- CARDS AND PAYMENT SOLUTIONS

Catella has long-term experience of fund management, and offers active management in the property, equity and fixed income asset classes. Its shareholding in asset manager IPM Informed Portfolio Management extends Catella's asset management expertise and product offering by providing systematic, model-based asset management focusing on absolute returns. IPM also brings a broad international client base.

Specialist expertise in asset management, combined with Catella's strong positioning on the property market, confers Catella with a unique wealth management offering. By building a successful wealth management operation, Catella not only secures a direct relationship with investors, but also a larger client base, improving earnings stability over time.

Progress in 2013

Catella took the decision to start up property asset management in France in December. This start-up is being conducted by hiring one of the best teams in France in this segment. Apart from its property fund operation, Catella had already established smaller-scale asset management businesses in the German and Danish property sectors. In 2014, Catella intends to coordinate and assign resources to developing this business.

Catella offers its Wealth Management, as well as cards and payment solutions through its banking operation. A number of significant actions were taken in 2013 to strengthen long-term earnings. The banking operation was also adapted to new regulations.

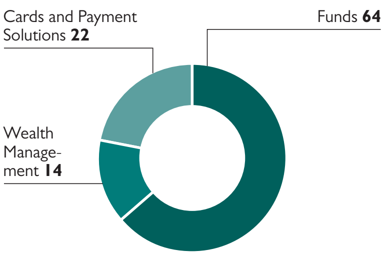
Goals for 2014

The overall business goal for 2014 for Asset Management is to continue growing in existing markets and deliver a relevant product portfolio that maintains the highest quality.

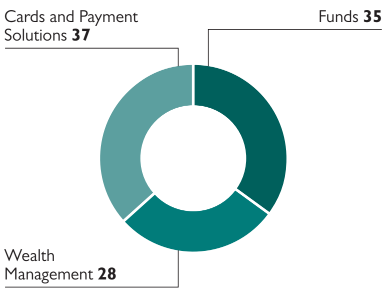
Financial goal

Catella measures and controls its operating segments through means including the financial goal of operating margin,

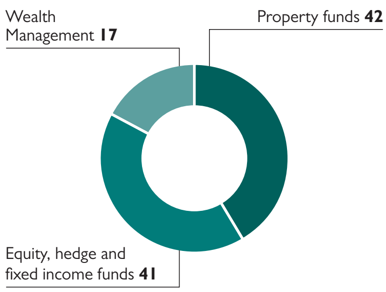
NET SALES BY SERVICE SEGMENT 2013, %



NUMBER OF EMPLOYEES BY SERVICE SEGMENT 2013, %



VOLUMES UNDER MANAGEMENT BY SEGMENT 2013, %



Specialist competence in multiple asset classes

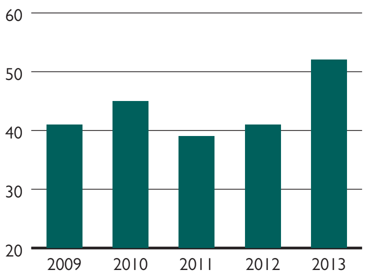
Catella possesses specialist competence in the property, fixed income and equity asset classes. Integrating these competencies in its client offering confers Catella with special status on the market.

defined as profit before tax for the year in relation to total income. The target is for operating margin to exceed 15% over time. For Asset Management, the operating margin for 2013 was 4%.

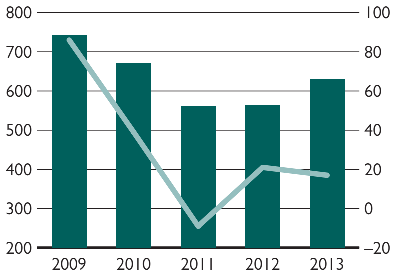
The focus going forward will be on those parts of operations that are loss making, simultaneous with continued work on those parts of operations generating good earnings.

- Catella's collective management competence enables a strong offering of fund products, as well as direct investments in equities and fixed-income investments.
- Building on its foundation of competence in the property segment, Catella has the potential to expand by offering a range of products with properties as an investment product for institutions, corporations and private individuals.

CATELLA'S VOLUMES UNDER MANAGEMENT
2009–2013
SEK Bn



NET SALES AND PROFIT/LOSS BEFORE TAX[1]
2009–2013
SEK M
SEK M



[1] Profit/loss before tax for the full year 2012 is adjusted for items affecting comparability of SEK 31 M.

KEY FIGURES

	2013	2012
Net sales, SEK M	630	565
Operating profit/loss, SEK M [2]	15	2
Operating margin, %	4	4
Profit/loss before tax, SEK M [1]	17	20
Equity, SEK M	528	614
Equity/assets ratio, %	19	22
Return on equity, %	–1	–1
Volumes under management, SEK Bn	52	41
No. of employees, year-end	211	210

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

Property funds

Catella offers property funds with a European focus, mainly to institutional investors. These funds are managed in Germany and Finland.

Gorch Fock Wall in Hamburg, Germany, owned by Catella's Sarasin Sustainable Properties—European Cities fund.

Catella's German property fund operation provides funds with a European focus, primarily for institutional investors. Catella currently manages ten funds, each with a specific investor profile in terms of sector and geographical region.

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.

In Finland, Catella offers asset management services in the property sector aimed at property investors and banks. The revenue model is based on fixed management fees and performance-based income.

Progress in 2013

Volumes under management in Catella's property funds increased by 12% in 2013, from SEK 19.8 Bn to SEK 22.1 Bn

In the German funds, volumes under management were up by some 24% on 2012. Catella executed 39 acquisitions and 5 sales in 2013, equating to a total volume of approximately SEK 4 Bn.

In the year, a major German insurance group assigned Catella to manage an individual mandate on 12 properties with net worth of SEK 682 M. Catella also enhanced its institutional fund offering by launching a new fund product that has invested in five German care properties worth SEK 266 M to date.

Catella manages properties worth approximately SEK 2.5 Bn in Finland. 23 transactions were executed in Finland in 2013, with a value of about SEK 500 M. Catella's other transactions included refinancing a property portfolio consisting of around 230 retail properties in Finland, with a value of around SEK 1.3 Bn. In July, Catella sold five properties worth approximately SEK 270 M jointly with BPT Asset Management. A collaboration with European financier Hatfield Phillips on the management of 20 retail properties in southern Finland also commenced in the year.

Market progress

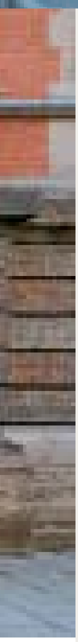
The market for European property funds was stable in 2013. Institutional investor focus remains on consistent returns, with fairly high allocation to property portfolios.

The implementation of the Alternative Investment Fund Manager's Directive (AIFMD) in July affected the regulatory environment of the German asset management sector. A more sophisticated and costly regulatory environment presents operational challenges to many unregulated asset managers.

Focus in 2014

The strategy is to focus on niche European investment products with stable cash flows, targeting institutional investors. Against the background of continued low interest levels and low inflation, Catella is planning to produce and launch new fund products with a higher risk and return profile.

There is more information on the property market on page 24.



Dr. Andreas Kneip

Head of the German Fund operation

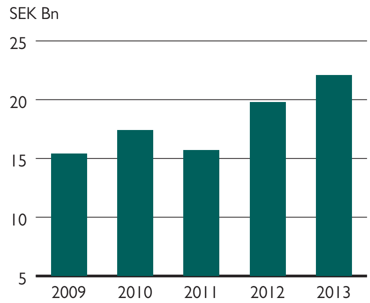
How would you sum up 2013?
We're a looking back at a positive year with healthy earnings and good growth of assets under management. We also succeeded in advancing our positioning on the German institutional investor market further, by securing a prestigious management assignment for one of Germany's major insurers.

What's your view of market progress?
We expect new laws and regulations applying to alternative investment managers in Germany to stabilise the sector. We hope that this will provide the potential for optimal liquidity management of property funds.

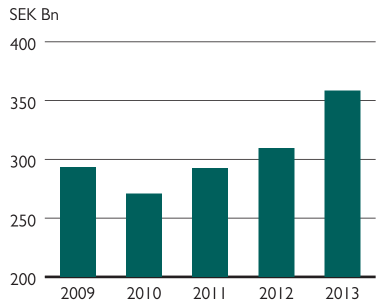
What's your focus for 2014?
We expect further inflows to our existing product portfolio because investors still want secure cash flows from centrally located properties of a high standard on stable markets. We are also adding new fund products to our portfolio with higher return profiles to match client demand on a market with low yield levels.

What challenges and opportunities do you see?
The organisational adaptation to new laws and regulations resulting from the implementation of the AIFMD is an extensive project for us that commenced last year and is continuing in the first half-year 2014. But progress towards a more regulated and standard market also offers the potential to expand our business with new investment products.

CATELLA'S VOLUMES UNDER MANAGEMENT IN PROPERTY FUNDS 2009–2013



TOTAL ASSETS UNDER MANAGEMENT IN PROPERTY FUNDS IN GERMANY 2009–2013



Source: BVI (Bundesverband Investment und Asset Management)

Equity, hedge and fixed income funds

Catella offers actively managed equity, hedge and fixed-income funds. With its broad offering, Catella can address client investment needs from several risk perspectives and market conditions.

Catella utilises team-based asset management, which means that no fund is 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, and works continuously to ensure that the processes and competence maintain the highest standards.

Progress in 2013

Volumes under management in Catella's equity, hedge and fixed income funds increased by 49% in 2013, from SEK 14.5 Bn to SEK 21.5 Bn, of which SEK 4.9 Bn is net inflows, and the remainder is value growth. The largest net inflows in 2013 were in Catella's fixed income and hedge funds. The inflows to Catella's Swedish funds correspond to a market share of about 4.4% of total net inflows in Sweden (excluding PPM pension management). The returns from Catella's funds were generally good compared to their relevant comparative indexes. Catella Sweden Select (equity fund), Catella Hedge Fund and Catella Corporate Bond Flex (corporate bond fund) performed especially well. These funds illustrate the breadth of Catella's offering and management competence.

Catella Corporate Bond Flex was recognised as the Best Performing Long/Short Credit Fund at the UCITS Hedge Awards in London in March 2014, which corroborates the positive management earnings achieved. This fund was also nominated at the EuroHedge Awards and Investors Choice Hedge Fund Awards. The Manager of Catella Reavinstfond ('capital gain fund') also received a Silver award in the 'Sweden, Large Companies' category for 2013 in Swedish business daily *Dagens Industri's* and financial news agency Morningstar's ranking of star managers.

Market progress

The full year 2013 was a good one for fund savings. New savings in funds, deposits less withdrawals, were positive in every month of the year, amounting to SEK 105 Bn. Total fund assets in Sweden increased by SEK 432 Bn, and were a record SEK 2,481 Bn at year-end. Most stock markets achieved high value gains in 2013. Equity funds were up by an average of 17% in value terms, and the average increase for Sweden funds was 27%. Other funds that invest on traditional stock markets like Europe, North America and globally posted major value gains in the year (22 - 33%). But progress on growth markets was far weaker.

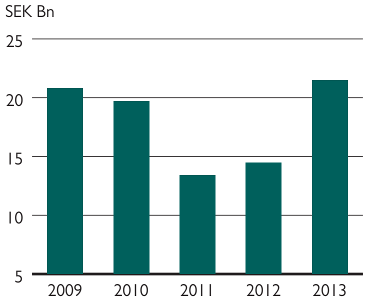
A net total of SEK 43 Bn was saved in equity funds in 2013. New savings accurately reflect the value growth of the various stock markets. Funds that invest in traditional markets, which achieved the highest returns, were also those products with the highest net inflows in the year.

Mixed funds had high net inflows right through the year, amounting to some SEK 56 Bn. Money market funds (short fixed-income funds) also attracted inflows totalling SEK 16 Bn. However, bond funds (long fixed income funds) saw a net outflow of SEK 8 Bn.

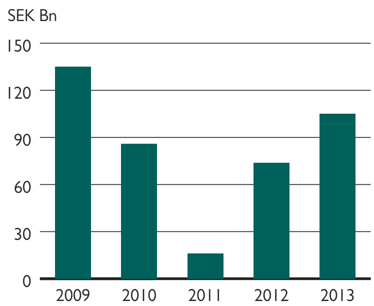
Focus in 2014

In recent years, Catella's funds offering has focused on equities, fixed income and hedge funds, addressing securities on the Swedish and Nordic markets. The plan is to launch three new funds within this focus in 2014. The new funds will cover the stock and bond markets, and be specialist offerings.

VOLUMES UNDER MANAGEMENT IN CATELLA'S EQUITY, HEDGE AND FIXED INCOME FUNDS 2009–2013



NET SAVINGS IN FUNDS IN SWEDEN 2009–2013



Source: the Swedish Investment Fund Association

Mats Andersson

Head of the Swedish Fund operation

How would you sum up 2013?
I have to say that our Swedish fund operation made fantastic progress in several respects—volume growth via net inflows was really robust and above expectation. Several of our funds were top performers in their relevant sectors. This combined with lower fixed costs in our operations, meant that profitability increased in 2013.

What's your view of market progress?
There's a lot of positives discounted in current share prices. This means that the real economy must produce progressive growth, and there is much to suggest this. I expect benchmark rates remain low for a good time yet, so there is the potential for a positive stock market. But I don't think the potential for 2014 will match what was achieved in 2013.

What's your focus for 2014?
Obviously our launch of three new funds is a big focus in the year. Coincident with this process it was also important to extend our client base and our existing client relations optimally. After such a strong year with high inflows, you can't make any assumptions. Being close to our clients, offering them the best service and meeting their needs is always one of our primary focuses.

What challenges and opportunities do you see?
Successful fund launches are a big challenge, but primarily, a big opportunity to create value-added for clients and expand our business.

Wealth Management

Catella provides tailored wealth management and asset management services. It also offers specialist investments in properties and unlisted companies. Catella has offices in Stockholm, Gothenburg, Malmö, Växjö and Luxembourg.

Mainly, wealth management clients are entrepreneurs, property owners and institutions that require active and independent advisory services and management. Catella has an extensive network of entrepreneurs that makes it easier for clients to find each other and create new business opportunities.

The ambition is to develop the market's most client-specific wealth management operation. Catella will achieve this by building on its strong positioning with corporations and property owners, and by exploiting the asset management competence and advisory services expertise harboured within the group.

Wealth management is a very personalised business for Catella, based on a long-term approach, competence, transparency and mutual trust. Catella's mission is to focus on creating more value for clients in every context. Clients are offered products from Catella, but there is an independent approach, and Catella has an extensive network of management offerings.

Catella provides services in:

- Tailored asset management—active and passive
- Specialist investments in properties and unlisted companies
- Tax and legal services
- Pension and insurance services
- Foreign relocation

Catella also offers financing solutions, which in addition to traditional securities lending, includes short-term financing of commercially owned property assets and securities management companies.

Progress in 2013

Management earnings were positive in 2013. The tactical allocation and selection of managers and individual securities contributed to healthy returns for clients.

A modern and transparent asset management concept was launched in Sweden in the year, offering clients discretionary and advisory management. This new management concept enables the complete tailoring of client portfolios on the basis of specific required returns and risk levels. After completion of this enhanced offering, Catella conducted the active segmentation of its client base and external collaborations, with a clearer focus on large, high net worth clients. Gross inflows of capital to Sweden amounted to some SEK 2 Bn in 2013.

A financial planning offering was also launched in the year, with the focus

Mikael Pauli

Head of Swedish Wealth Management

How would you sum up 2013?

We've created one of the market's best solutions for tailoring state-of-the-art asset management with a complete palette of modules in the equity, fixed income and alternative investment asset classes. The first half-year featured restructuring and segmentation of our client base and collaboration partners, which triggered a short-term net outflow. We're really satisfied with the quality of our new business volume, and increased volumes under management in Sweden by over 20% in the fourth quarter.

What's your view of market progress?

The Swedish stock market was up 28% including dividends, which made 2013 one of the best years of the 2000s. Positive stock market sentiment is creating fundamentally better conditions for clients to take various types of business decision. Stock markets continued upwards in early-2014 despite new geopolitical trouble spots. Even if we take a fundamentally positive view of global growth, we expect 2014 to be a more volatile year.

What's your focus for 2014?

We're continuing to build our business with a growth focus by attracting and reaching out to more clients. We'll also continue to rationalise our business process. Our goal for 2014 is to complete a new client specific and cost-effective platform.

What challenges and opportunities do you see?

The big challenge for us is to reach out in the country to all those entrepreneurs that our offering fits, at the rate we intend. We're seeing great potential in attracting new clients with our new asset management offering with client-specific and transparent management. Jointly with Catella Property Advisory Services, we have the opportunity to create a structure for property investment for our clients. Demand for property products is increasing briskly, from private clients and institutions.

on assisting entrepreneurs and property owners to plan transactions and ongoing asset management.

Several joint business transactions with other operations within Catella were also created. These included two primary market transactions on the bond market, conducted by Wealth Management.

Market progress

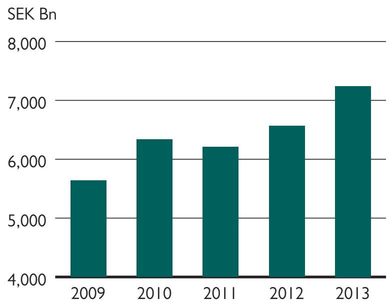
Swedish household financial savings, transactions in financial assets less transactions in liabilities, were down 21% on 2012, SEK 116 Bn compared to the 2012 saving figure of SEK 147 Bn. Bank accounts remain a popular savings product in Sweden, with over 10% of household financial assets invested there.

Households have been net sellers of equities and equity funds in the past four years. However, Swedish household interest in the 'other funds' category was higher, including fund of funds and mixed funds.

Focus in 2014

Catella's wealth management operation is in a development phase focusing on inflows of new assets under management. Apart from its recently launched management concept, various types of property investment for existing and potential clients are also being considered. The demand for alternative investments, and especially property investments, is high from entrepreneurs and institutions.

HOUSEHOLD AND NON-PROFIT ORGANISATIONS' FINANCIAL POSITIONS 2009–2013



Source: Statistics Sweden

Cards and Payment Solutions

Catella provides cards and payment solutions for clients in Europe. Catella operates as a card issuing and card acquiring bank within the framework of proprietary Visa and MasterCard licenses. Operations are conducted from Luxembourg.

Catella's Cards and Payment Solutions operation is divided into two customer segments, Bank Solutions and Business Solutions.

Bank Solutions offers other banks solutions to issue debit, prepaid and credit cards, primarily in customer segments within the high net worth segment.

In Business Solutions, Catella offers clearing via Visa and MasterCard transactions for international e-commerce companies based in Europe. Catella can process transactions in any currency and offers settlement in 12 currencies.

Progress in 2013

Business volumes in card and payment solutions increased gradually through the year. Continued investments were made in 2013, as well as enhancements to routines and processes, focusing on building stability to enable growth in the future. This extensive process was also designed to reduce costs and improve margins in our existing business.

A review of the market strategy in Business Solutions was executed in early-2013, to exploit opportunities identified in selected segments. Volumes in card acquisition then increased gradually through the year. Activities included the commencement of a collaboration with one of the world's largest payment services providers, Global Collect Services B.V., which provided good volume growth.

Operations in Bank Solutions progressed positively in the year. The sales cycle in this sector is long, and agreements were signed with three new customers in the year. IT and business development competence was also added to the management group in the year.

Market progress

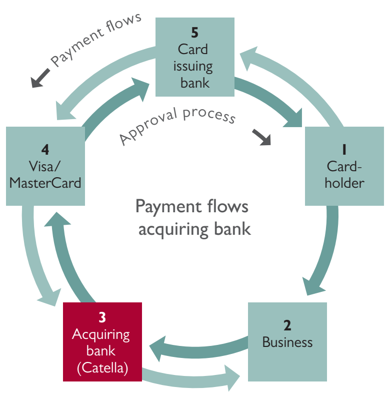
Global volumes (number of transactions) of non-cash payments are maintaining high growth. Volumes were up by 8.8% (7.1) to SEK 307 (283) Bn in 2011 (the most recent year official data is available for all regions).

An estimated 333 billion non-cash payment transactions were executed globally in 2012, an increase of 8.5%. The growth of non-cash payments in Europe was 4.2% (4.9) in 2011. Europe remains the world's second-largest market in non-cash payments, representing 26.8% (29.0) of global volumes in 2011.

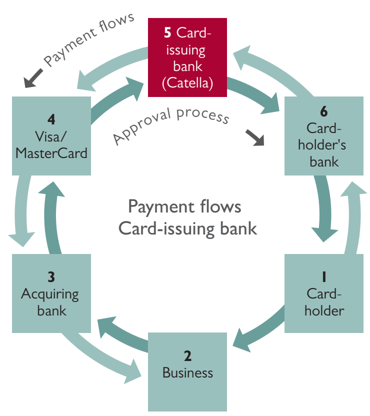
Internet payments are continuing to expand briskly worldwide. Estimated yearly market growth is 18% from 2010 to 2014, both inclusive.

Apart from Internet and mobile payments, the prepaid card market is one of the most rapidly growing non-cash sectors. Transaction volumes of prepaid

SCHEMATIC ILLUSTRATION OF PAYMENT FLOWS FOR A CARD ACQUIRING BANK



SCHEMATIC ILLUSTRATION OF PAYMENT FLOWS FOR A CARD ISSUING BANK



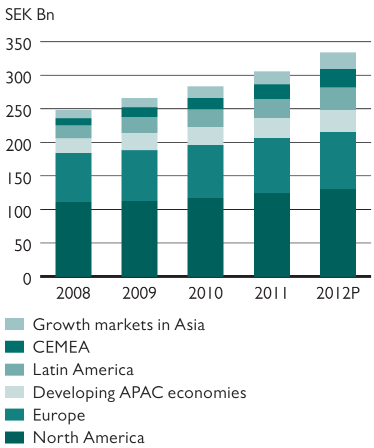
The cardholder makes a purchase in store or on the Internet using his/her card. The business/e-commerce enterprise is connected to an acquiring bank, which authorises the card purchase via Visa or MasterCard. The card issuing bank confirms that the card is valid for the purchase and pays the business/e-commerce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

cards increased by some 20% yearly in the period 2010-2013. Primarily, growth is in retailing, where these cards are used as gift cards. The cards are paid in advance, providing resellers with advance cash flow and extra interest income.

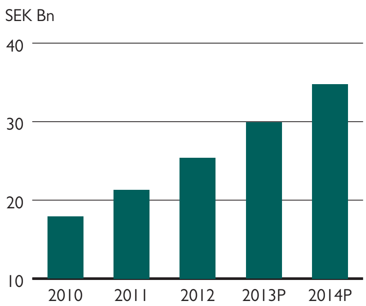
Focus in 2014

In 2014, the focus will be on creating sustainable growth across all segments. In the short term, work is continuing on optimising existing payment flows to enable higher margins.

NUMBER OF NON-CASH PAYMENTS GLOBALLY BY REGION 2008–2012



NUMBER OF ELECTRONIC PAYMENTS GLOBALLY 2010–2014



Source: World payments Report (WpR) from Capgemini and the Royal Bank of Scotland (RBS).

Jonathan Reddin

Head of Cards and Payment Solutions

How would you sum up 2013?
This was a year when we overhauled our operation and infrastructure. This resulted in significant investments to adapt our operation and enable it to benefit from future opportunities in the sector.

What's your view of market progress?
The cards and payment solutions market is dynamic, and at present, very sizeable sums are being invested in new payment solution technology. Eventually, this will generate substantial and attractive new opportunities. At present users are not ready yet, and our strategy is to watch and wait until the market is mature. Additionally, regulatory structures have to come into phase with changes on the market.

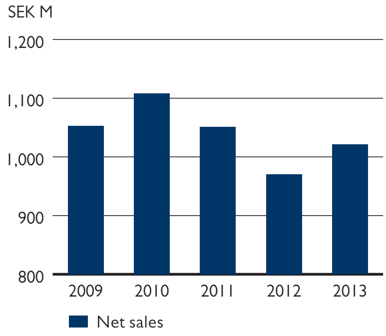
What's your focus for 2014?
The primary goal in 2014 is to create growth in both our client segments, Bank Solutions and Business Solutions. Growth will be with cost control and a focus on stability. We are continuing our work on building a stable platform in tandem with this process.

What challenges and opportunities do you see?
There is fairly intense competition in the market, which obviously, is affecting margins. But we see potential in niche segments, where we regard margins as more sustainable. We have won market shares in several of these segments, and anticipate continued positive progress. We are also starting to collaborate with other players that work on payment solutions, which is also creating new opportunities for us.

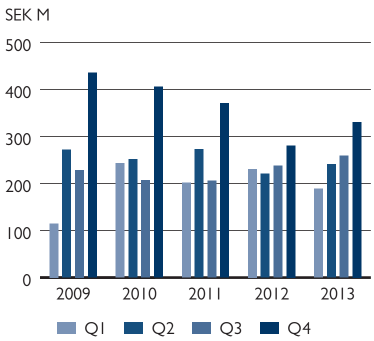
Financial overview

Group

NET SALES PER YEAR 2009–2013

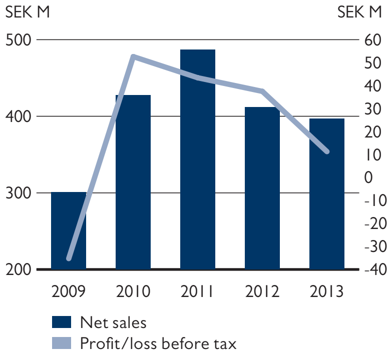


NET SALES PER QUARTER 2009–2013

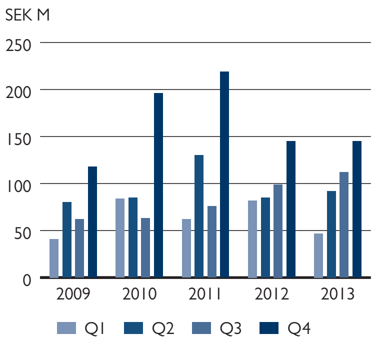


Corporate Finance

NET SALES AND PROFIT/LOSS BEFORE TAX PER YEAR 2009–2013

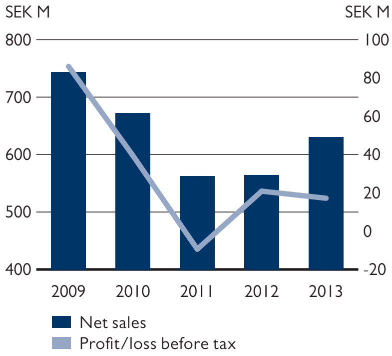


NET SALES PER QUARTER 2009–2013

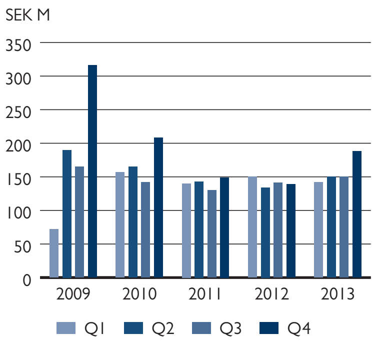


Asset Management

NET SALES AND PROFIT/LOSS BEFORE TAX PER YEAR 2009–2013



NET SALES PER QUARTER 2009–2013



2009–2010 pro forma, as if the former Catella group was acquired and consolidated as of 1 January 2009.

CONSOLIDATED KEY FIGURES

	Corporate Finance		Asset Management		Other		Group	
	2013	2012	2013	2012	2013	2012	2013	2012
Operating margin, % [1]	3	9	4	4	–	–	0	4
Profit margin, %	0	5	0	–1	–	–	–2	–1
Return on equity, %	1	14	–1	–1	–	–	–2	–1
Equity/assets ratio, %	55	52	19	22	–	–	27	27
Number of employees, average	220	212	225	220	13	12	458	444
Number of employees, at end of period	207	212	211	210	13	12	431	434
Staff turnover, % [2]	23	14	16	19	23	17	20	16
Transaction volume for the period, SEK Bn	53	54	–	–	–	–	53	54
Assets under management at end of period, SEK Bn	–	–	52	41	–	–	52	41

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

INCOME STATEMENT BY OPERATING SEGMENT

	Corporate Finance		Asset Management		Other		Group	
SEK M	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Net sales	397	412	630	565	–7	–6	1,020	971
Other operating income	6	7	5	3	7	6	17	17
	403	**419**	**635**	**568**	**0**	**0**	**1,038**	**987**
Personnel costs	–249	–243	–241	–219	–16	–16	–507	–478
Other expenses	–142	–138	–373	–347	–22	–19	–537	–503
Total expenses	**–392**	**–380**	**–614**	**–566**	**–38**	**–35**	**–1,044**	**–981**
Operating profit/loss before acquisition-related items and items affecting comparability	**11**	**39**	**20**	**2**	**–38**	**–35**	**–6**	**6**
Amortisation of acquisition-related intangible assets	0	0	–6	–5	0	0	–6	–5
Items affecting comparability	0	0	0	–31	0	–3	0	–34
Operating profit/loss	**11**	**39**	**15**	**–34**	**–38**	**–38**	**–12**	**–33**
Financial items—net	0	–2	2	23	3	8	5	29
Profit/loss before tax	**11**	**37**	**17**	**–11**	**–35**	**–30**	**–7**	**–4**
Tax	–10	–15	–20	4	16	2	–14	–9
Net profit/loss for the year	**1**	**22**	**–3**	**–7**	**–19**	**–28**	**–21**	**–13**

FINANCIAL POSITION BY OPERATING SEGMENT

ASSETS	Corporate Finance		Asset Management		Other		Group	
Non-current assets	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Intangible assets	61	60	195	201	50	50	306	311
Financial assets measured at fair value in profit or loss	0	0	6	18	229	258	235	276
Long-term loan receivables			249	304	0	0	249	304
Other non-current assets	10	17	76	22	42	40	128	79
	71	**78**	**527**	**545**	**321**	**348**	**919**	**971**
Current assets								
Accounts receivable	90	85	81	93	0	3	171	181
Current loan receivables	0		367	489	0	0	368	489
Cash and cash equivalents	101	102	1,752	1,568	41	11	1,893	1,680
Other current assets	44	44	84	91	4	5	132	141
	235	**231**	**2,284**	**2,242**	**45**	**18**	**2,564**	**2,491**
Total assets	**306**	**309**	**2,811**	**2,787**	**366**	**366**	**3,483**	**3,462**
EQUITY AND LIABILITIES								
Equity attributable to shareholders of the parent company	146	142	525	611	232	151	904	904
Non-controlling interests	22	19	3	2	2	0	28	21
Total equity	**169**	**161**	**528**	**614**	**235**	**151**	**932**	**925**
Liabilities								
Non-current liabilities								
Non-current loan liabilities			0		199	197	199	197
Other non-current liabilities	1	6	8	12	17	19	25	37
	1	**6**	**8**	**12**	**216**	**216**	**224**	**234**
Current liabilities								
Borrowings	0	0	227	155	0	0	227	155
Current loan liabilities		0	1,718	1,824	0	0	1,718	1,824
Other current liabilities	136	142	330	182	-84	-1	382	323
	136	**142**	**2,275**	**2,161**	**-84**	**-1**	**2,327**	**2,302**
Total liabilities	**137**	**148**	**2,283**	**2,173**	**131**	**215**	**2,551**	**2,537**
Total equity and liabilities	**306**	**309**	**2,811**	**2,787**	**366**	**366**	**3,483**	**3,462**

	Corporate Finance		Asset Management		Other		Group	
CASH FLOW BY OPERATING SEGMENT	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Profit/loss before tax	11	37	17	–11	–35	–30	–7	–4
Adjustment for non-cash items	22	11	15	2	–14	–19	23	–6
Adjustment for cash items	–24	–19	94	–138	51	66	121	–91
Cash flow from operating activities	**10**	**29**	**126**	**–147**	**2**	**17**	**138**	**–101**
Cash flow from investing activities	**0**	**–5**	**0**	**57**	**27**	**15**	**28**	**67**
Cash flow from financing activities	**–12**	**0**	**–1**	**–2**	**0**	**14**	**–12**	**12**
Cash flow for the year	**–2**	**24**	**125**	**–92**	**30**	**45**	**153**	**–22**

The Catella share and owners

Catella is listed on NASDAQ OMX First North Premier and the share is traded under the ticker symbols CAT A and CAT B. Remium is the company's certified advisor. Catella has approximately 6,500 shareholders, the largest being the Claesson & Anderzén group.

The Catella share

Catella's market capitalisation was SEK 568 M (452) as of 31 December 2013. The price Catella's class B shares rose from SEK 5.55 to SEK 6.95 in 2013, an upturn of 26%. This can be compared with the Stockholm Stock Exchange NASDAQ OMX Stockholm PI index, which rose by 23%. The closing price for Catella's class B share varied between SEK 4.21 and SEK 7.25 in 2013, with average daily turnover of about SEK 276,000, or 49,280 shares. Total turnover in 2013 was SEK 69 M, corresponding to just over 12 million shares.

Share capital

Share capital as of 31 December 2013 was SEK 163 (163) M, divided between 81,698,572 (81,698,572) shares. The quotient value per share is 2 (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 2013.

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, capital adequacy 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 2013. No dividend was paid to shareholders in 2012.

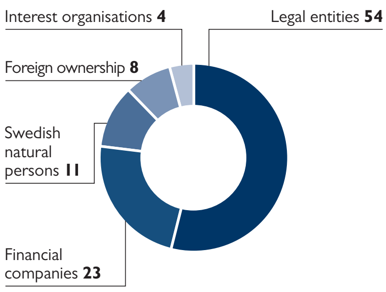
Shareholders

Catella had 6,489 (6,933) shareholders registered at the end of 2013.

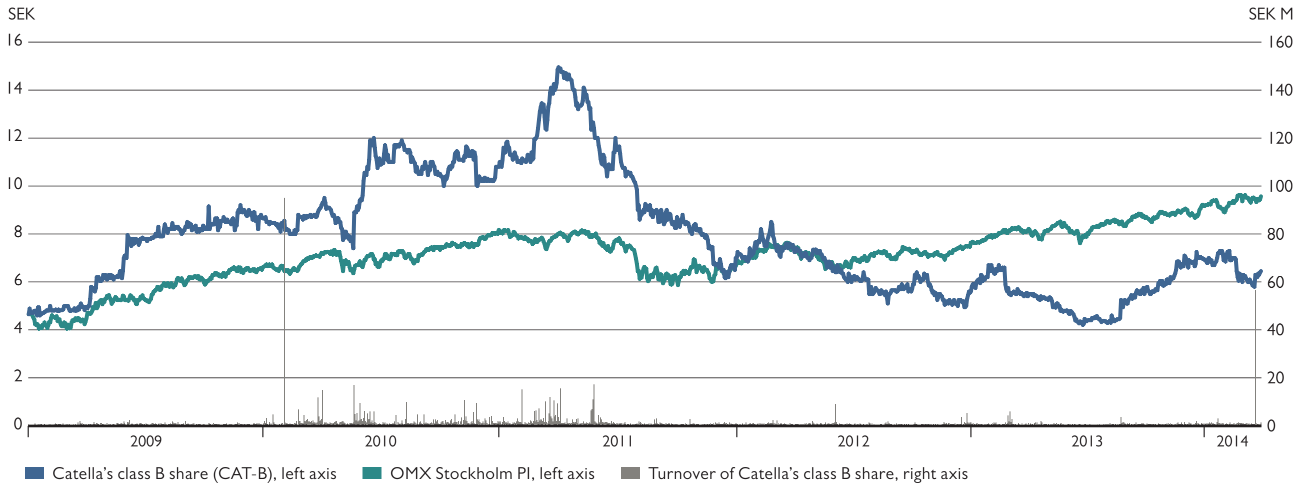
As of 31 December 2013, the single largest shareholders were the Claesson & Anderzén group represented by Johan Claesson, who is also Chairman of the Board, with a shareholding of 48.4% of the capital and 47.8% of the votes, followed by Traction AB with a shareholding of 12.2% (7.9) and 12.4% (8.6) of the votes. The majority of the other major owners are institutions, with total holdings of 17.3% of the capital and 15.8% of the votes.

After the end of the year, Traction AB divested all its Class B shares in Catella and its remaining holding of Class A shares amounts to 0.4% of capital and 1.9% of the votes as of 31 March 2014. Bure Equity AB was the company's second biggest shareholder as of 31 March 2014 with a holding of some 10%

OWNERSHIP OF CAPITAL AS OF 31 DECEMBER 2013, %



FIVE-YEAR OVERVIEW OF CATELLA'S CLASS B SHARE



Shareholders as of 31 December 2013

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 (and related parties) [1]	356,695	9,602,163	9,958,858	12.2	12.4
Avanza Pension	42,051	4,816,477	4,858,528	5.9	5.5
Unionen	–	1,981,158	1,981,158	2.4	2.2
Nordnet Pension	21,763	1,448,062	1,469,825	1.8	1.7
Catella Bank [2]	42,167	1,091,527	1,133,694	1.4	1.4
Capital Stockholm Partners	–	1,288,959	1,288,959	1.6	1.4
Humle Kapitalförvaltning	–	1,200,000	1,200,000	1.5	1.3
TAB Holding	–	1,153,000	1,153,000	1.4	1.3
Robur Försäkring	–	1,039,200	1,039,200	1.3	1.1
Other	980,442	17,066,650	18,047,092	22.1	23.9
Total	**2,530,555**	**79,168,017**	**81,698,572**	**100.0**	**100.0**

[1] After the end of the period, Traction sold all its class B shares in Catella. The remaining holding of class A shares amounts to 0.4% of the capital and 1.9% of the votes as of 31 March 2014. Bure Equity AB was the company's second largest shareholder as of 31 March 2014, with a holding of some 10% of the capital and approximately 9% of the votes.
[2] Nominee-registered clients of Catella Bank.

of the capital and approximately 9% of the votes

The ten largest shareholders represented 77.9% (75.4) of the capital and 76.1% (73.9) of the votes as of 31 December 2013. Foreign owners held 8.1% (11.1) of the capital and 7.8% (10.5) of the number of votes.

Division of shareholdings as of 31 December 2013

Shareholding	No. of shareholders	No. of class A shares	No. of class B shares	Capital, %	Votes, %
1–500	4,677	235,822	452,572	0.84	1.78
501–1,000	720	141,666	420,780	0.69	1.23
1,001–5,000	743	259,923	1,479,046	2.13	3.03
5,001–10,000	149	120,346	1,049,908	1.43	1.80
10,001–15,000	47	29,036	589,142	0.76	0.80
15,001–20,000	30	128	538,365	0.66	0.59
20,001–	123	1,743,634	74,638,204	93.49	90.78
Total	**6,489**	**2,530,555**	**79,168,017**	**100.00**	**100.00**

Outstanding warrants 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 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.

The AGM on 25 May 2011 decided to issue 6,100,000 further class B share warrants. 5,500,000 of the 6,100,000 share warrants were used as part-payment for the acquisition of the remaining 30% of the holding company of Catella Fondförvaltning AB (Asset Management), where senior managers and key staff of the company received share warrants settled on market terms.

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. 3,550,000 share warrants were re-purchased at market value from senior managers in 2013 due to changed employment terms, in accordance with the terms and conditions of the warrants. As of 31 December 2013, Catella held 9,010,000 share warrants.

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 2013 is stated on page 41.

As of 31 December 2013, there were a total of 35,900,000 share warrants in Catella. These warrants confer the right to subscribe for a maximum of 35,900,000 new class B shares in the company.

An Extraordinary General Meeting (EGM) of Catella AB on 13 February 2014 resolved to introduce an incentive program comprising a total of 7,000,000 share warrants for the CEO and senior managers. The share warrants encompass three series with terms of four, five and six years respectively. Dilution is approximately 7.8% of the existing share capital on full subscription and utilization of the warrants.

For more information see Note 12 of the Annual Accounts for 2013.

Allocation of share warrants by exercise year as of 31 December 2013

Issued 2010 and 2013 (exercise price, SEK 11.00 per share) Year	Share warrants held	Outstanding share warrants	Total no. of share warrants	Proportion, %
2014	1,160,000	2,860,000	4,020,000	11
2015	4,930,000	12,810,000	17,740,000	49
2016	2,320,000	5,720,000	8,040,000	22
Total 2010 and 2013	**8,410,000**	**21,390,000**	**29,800,000**	**83**

Issued 2011 (exercise price, SEK 16.70 per share) Year	Share warrants held	Outstanding share warrants	Total no. of share warrants	Proportion, %
2014	200,000	1,833,000	2,033,000	6
2015	200,000	1,833,000	2,033,000	6
2016	200,000	1,834,000	2,034,000	6
Total 2011	**600,000**	**5,500,000**	**6,100,000**	**17**
Total	**9,010,000**	**26,890,000**	**35,900,000**	**100**

Shareholdings after full dilution as of 31 December 2013

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	34.4
Traction (and related parties)	356,695	9,602,163	9,958,858	8.5	8.9
Avanza Pension	42,051	4,816,477	4,858,528	4.1	3.9
Unionen	–	1,981,158	1,981,158	1.7	1.6
Nordnet Pension	21,763	1,448,062	1,469,825	1.2	1.2
Catella Bank [1]	42,167	1,091,527	1,133,694	1.0	1.0
Capital Stockholm Partners	–	1,288,959	1,288,959	1.1	1.0
Humle Kapitalförvaltning	–	1,200,000	1,200,000	1.0	0.9
TAB Holding	–	1,153,000	1,153,000	1.0	0.9
Robur Försäkring	–	1,039,200	1,039,200	0.9	0.8
Other	980,442	17,066,650	18,047,092	15.3	17.2
Total	**2,530,555**	**79,168,017**	**81,698,572**	**69.5**	**71.9**

Warrant holders	Class A shares	Class B shares	Total	Capital, %	Votes, %
Johan Ericsson, Head of Corporate Finance		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
Johan Nordenfalk, General Counsel		300,000	300,000	0.3	0.2
Treasury		9,010,000	9,010,000	7.7	7.1
Other		16 090 000	16 090 000	13.7	12.6
Total		**35,900,000**	**35,900,000**	**30.5**	**28.1**
Total number of shares and warrants	**2,530,555**	**115,068,017**	**117,598,572**	**100.0**	**100.0**

[1] Nominee-registered clients of Catella Bank.

Share data, five years

	2013	2012	2011	2010	2009
Price of class B share, SEK					
Average price	5.52	6.39	10.46	9.92	7.06
Closing price for the year	6.95	5.55	7.00	10.80	8.70
High/low	7.25 / 4.21	8.50 / 4.95	14.95 / 6.15	12.00 / 7.40	9.20 / 4.60
Earnings per share, SEK	–0.04	–0.17	0.25	0.28	5.75 [1]
Cash flow per share, SEK	1.87	–0.27	–13.53	13.61	20.28
Equity per share, SEK	11.40	11.33	12.00	12.39	12.86
Dividend per share, SEK	–	–	–	–	–
Dividend yield, %	–	–	–	–	–
Market capitalization at end of year, SEK M	568	452	571	893	710
P/E	neg	neg	27.20	38.82	1.51
P/B	0.61	0.49	0.58	0.88	0.68
EV/EBITDA	neg	neg	neg	20.07	neg
Net debt (+)/net liquidity (–), SEK M [2]	–549	–532	–555	–331	–629
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	81,698,572	95,463,278	87,550,220	81,698,572
Newly issued/expired warrants	–200 000	–	6,100,000	30,000,000	–
Warrants	36,100,000	36,100,000	30,000,000	–	–
Total number of shares and warrants	**117,598,572**	**117,798,572**	**117,798,572**	**111,698,572**	**81,698,572**

[1] 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 (Catella Bank).
[2] Net liquidity for 2009-2010 excludes Catella Bank, see Note 3 of the Annual Accounts for 2013 for more information.

Corporate governance

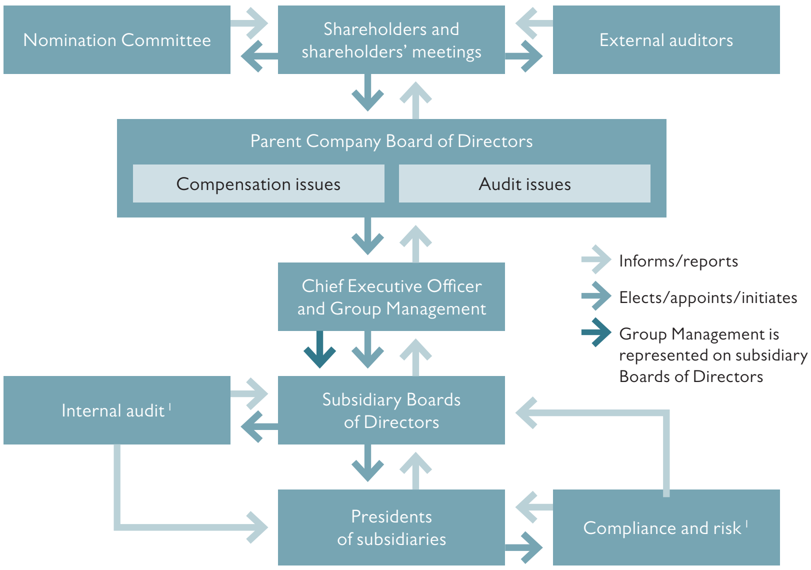
Catella AB (publ) is a Swedish public limited company with its registered office in Stockholm. It has been listed on NASDAQ OMX First North Premier since 2011, and is regulated by the Swedish Companies Act and First North Premier's rules. Catella does not apply the Swedish Code of Corporate Governance or the Swedish Annual Accounts Act's rules on corporate governance reports because NASDAQ OMX First North Premier is not classified as a regulated marketplace.

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 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 2013, the single largest shareholders were the Claesson & Anderzén group represented by Johan Claesson, who is also Chairman of the Board with a holding of 48.4% of the capital and 47.8% of the votes, followed by Traction with a holding of 12.2% of the capital and 12.4% of the votes. For more information see the 'the Catella Share and shareholders' section.

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 from 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 company'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.

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

Annual General Meeting 2013

The AGM was held on 22 May 2013 in Stockholm. The Board of Directors, auditor and owners representing 61% 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 and Niklas Johansson as well as the election of Viveka Ekberg and Petter Stillström. Johan Claesson was elected Chairman of the Board. Stefan Carlsson and Björn Edgren declined re-election.
- Appoint PricewaterhouseCoopers AB as Auditor, with Patrik Adolfson as Auditor in Charge, for the period from the end of the AGM 2013 until the end of the AGM 2014.
- 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 2014, including notification of attendance, is at 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, 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.

For the AGM 2014, the Nomination Committee consists of Thomas Anderson Borstam, appointed by TAB Holding 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 Patrik Tigerschiöld, appointed by Bure Equity AB. Two of the three members are independent of the Company, its Management and largest shareholder.

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

Board of Directors

In accordance with an AGM resolution, the Board of Directors should consist of five ordinary members with no deputies. The AGM on 22 May 2013, resolved to re-elect Johan Claesson, Jan Roxendal and Niklas Johansson, and to elect Petter Stillström and Viveka Ekberg as members for the period until the next AGM. Johan Claesson was elected Chairman of the Board. Former Board members Stefan Carlsson and Björn Edgren declined re-election. Niklas Johansson resigned from his Board position with Catella in June 2013 following his government appointment as Head of the Department of Local Authorities and State Ownership. The EGM in February 2014 elected Johan Damne new Board member. Information on the Board members is available in the section on the Board of Directors and auditors.

ATTENDANCE AND COMPENSATION TO THE BOARD OF DIRECTORS IN 2013

	Elected	Independent of companies/ owners	Attendance	Fees, SEK 000
Johan Claesson, ordförande	2008	No / No	9 / 9	500
Stefan Carlsson [1]	2012	No / Yes	2 / 2	700
Björn Edgren [2]	2008	Yes / Yes	2 / 2	100
Viveka Ekberg	2013	Yes / Yes	8 / 8	263
Niklas Johansson [3]	2011	Yes / Yes	3 / 3	150
Jan Roxendal	2011	Yes / Yes	9 / 9	300
Peter Stillström	2013	Yes / No	8 / 8	200

[1] Stefan Carlsson declined re-election in 2013 but remains Chairman of the Board of Catella Bank. SEK 600,000 of fees of SEK 700,000 relate to his position with Catella Bank.

[2] Björn Edgren declined re-election at the AGM 2013.

[3] Niklas Johansson resigned from the Board of Directors in June 2013.

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 Board meeting and matters considered on special occasions in the year.

Committees

In 2013, 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 2013

The number of Board meetings in 2013 was nine (nine) of which two (one) was per capsulam. The former Chief Executive Officer, Johan Ericsson, was 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 and development 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 2013 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.

Compensation to the Board of Directors

The AGM 2013 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 2013, see the above table and Note 11 of the Annual Accounts for 2013.

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

THE WORK OF THE BOARD AND KEY DECISIONS IN 2013

QUARTER 1

- Decision to appoint Timo Nurminen as interim President of Catella Bank.

QUARTER 2

- Work on strategic orientation of Catella Wealth Management.

QUARTER 3

- Decision to appoint Knut Pedersen as new President and CEO effective 1 January 2014.
- Decision to approve bond prospectus for the listing of an SEK 300 M bond issue, issued by Catella AB in 2012, on NASDAQ OMX Stockholm.
- Decision to commence negotiations on further share acquisitions of IPM Informed Portfolio Management.

QUARTER 4

- Work on strategic orientation of Catella's various businesses.
- Decision to close down unprofitable property advisory services business in Oslo.
- Decision to approve operational budget for 2014.
- Decision to appoint Johan Ericsson as Head of the Corporate Finance operating segment.

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 2013.

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 2013 elected audit firm PricewaterhouseCoopers AB (PwC), with Authorised Public Accountant Patrik Adolfson as Auditor in Charge. The company's external auditors attended one (one) 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 2013 is stated in Note 8 of the Annual Accounts for 2013.

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. This implies that parts of the group comprise a financial corporate group that under the supervision of applicable regulatory frameworks. The regulatory structures these companies comply with affect the organisation and structure of companies. For example, these companies have risk management functions, compliance and internal audit 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 subsidiaries' 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 2013): 1,087,437 class A shares and 38,480,821 class B shares.

Warrant holdings (December 2013): None.

Ownership: Through companies and private.

Independent of the company and management: No.

Independent of major shareholders of the company: No.

Johan Damne
Member
Born in 1963

Board member of Catella AB since 2014.

Other Board assignments: Chairman of several companies in the Claesson & Anderzén group.

Background: CEO of Claesson & Anderzén

Education: B.Sc. (Econ.).

Shareholdings (December 2013): 150,000 class B shares.

Warrant holdings (December 2013): None.

Ownership: Private

Independent of the company and management: Yes.

Independent of major shareholders of the Company: No.

Viveka Ekberg
Member
Born in 1962

Board member of Catella AB since 2013.

Other Board assignments: Positions include Chairman of Apoteket AB's pension trust and Board member of SPP Liv.

Background: Senior positions in PP Pension, Morgan Stanley, Brummer & Partners and SEB.

Education: B.Sc. (Econ.).

Shareholdings (December 2013): 60,000 class B shares.

Warrant holdings (December 2013): 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, mySafety Group and Flexenclosure 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 2013): 25,000 class B shares.

Warrant holdings (December 2013): None.

Ownership: Private.

Independent of the company and management: Yes.

Independent of major shareholders of the Company: Yes.

Petter Stillström
Member
Born in 1972

Board member of Catella AB since 2013.

Other Board assignments: Board member of BE Group, OEM International, Nilörngruppen, PartnerTech, Softronic and other companies in the Traction sphere of interest.

Background: CEO of Traction.

Education: M.Sc. (Econ)

Shareholdings (December 2013): 356,695 class A shares and 9,602,163 class B shares.

Warrant holdings (December 2013): None.

Ownership: Through companies.

Independent of the company and management: Yes.

Independent of major shareholders of the Company: No.

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.

Other audit assignments: Attendo AB, Loomis AB, NCC Property Development AB and Nordstjernan Investment.

Shareholdings (December 2013): None.

Warrant holdings (December 2013): None.

Ownership: -

Group Management

Knut Pedersen

President and Chief Executive Officer, born in 1968

President and Chief Executive Officer of Catella AB and member of Group Management since January 2014.

Current Board assignments: Board member of several of the Catella Group's subsidiaries.

Background: Extensive experience of a number of different positions in the financial sector in Sweden and internationally, most recently CEO of ABG Sundal Collier AB and Group Head of Markets of ABG Sundal Collier. Previous positions include UBS and Nordea.

Education: B.Sc. (Econ.), Ross School of Economics, The University of Michigan.

Shareholdings (December 2013): None.

Warrant holdings (December 2013): None.

Ownership: -

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 several of the Catella Group's subsidiaries, and minor Board assignments outside Catella.

Background: Employed by Catella since 2001. Formerly COO and CFO of Property Advisory Services for Catella. Previously COO and CFO of Capona AB.

Education: B.Sc. (Econ.), Stockholm University.

Shareholdings (December 2013): 30,000 class B shares.

Warrant holdings (December 2013): 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 companies and related parties.

Johan Nordenfalk

Cheif Legal Officer and Head of Business Development, born in 1973

Chief Legal Officer 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 several of the Catella Group's subsidiaries, and minor Board assignments outside Catella.

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

Education: LL.B. from Lund University, Maîtrise en droit from Université Panthéon-Assas, Paris.

Shareholdings (December 2013): None.

Warrant holdings (December 2013): 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.

Johan Ericsson

Head of Corporate Finance, born in 1951

Head of the Corporate Finance operating segment since 1 January 2014. Member of Group Management since September 2010.

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

Background: Employed by Catella since 1992, formerly as President and CEO of Catella and CEO of Property Advisory Services.

Education: B.Sc. (Econ.), The Stockholm School of Economics.

Shareholdings (December 2013): 25,000 class B shares.

Warrant holdings (December 2013): 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 companies and closely related parties.

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 2013. 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.

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 (1/10) of the shares/votes at the end of the financial year was the Claesson & Anderzén group (and associates) with 48.4% (48.4) of the share capital and 47.8% (47.8) of the votes, followed by AB Traction (and associates) with a holding of 12.2% (7.9) and 12.4% (8.6) of the votes. After the end of the year, AB Traction reduced its ownership stake in Catella and had a holding of 0.4% and 1.9% of the votes as of 31 March 2014. Catella's ten largest shareholders jointly controlled 77.9% (75.4) of the share capital and 76.1 (73.9) of the votes as of 31 December 2013. The ownership structure is described in the section on the Catella share and owners on page 38.

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 431 (434) employees in twelve 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 management, as well as wealth management and card and payment solutions. The operating segment also offers card and payment services. Asset manager IPM Informed Portfolio Management allows Catella to extend its asset management expertise and product offering through systematic model-based asset management.

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. (Loan portfolios) 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	2013	2012	2011	2010	2009
Net sales	1,020	971	1,045	611	235
Operating profit before acquisition-related items and items affecting comparability	–6	6	1	33	425
Operating profit/loss	–12	–33	–3	33	425
Net financial items	5	29	–12	11	51
Profit/loss before tax	–7	–4	–15	44	476
Net profit/loss for the year	**–21**	**–13**	**21**	**25**	**472**
Average number of employees	458	444	437	200	88

SEK M	2013	2012	2011	2010	2009
Equity	932	925	980	1,012	1,051
Total assets	3,483	3,462	3,907	5,343	3,956
Equity/assets ratio, %	27	27	25	19	27

SEK M	2013	2012	2011	2010	2009
Cash flow from operating activities	138	–101	–1,090	1,153	–463
Cash flow from investing activities	28	67	75	–268	2,120
Cash flow from financing activities	–12	12	–90	227	0
Cash flow for the year	**153**	**–22**	**–1,105**	**1,112**	**1,657**

The Group's net sales totalled SEK 1,020 M (971) for the full year 2013. The Group's net financial income and expense was SEK 5 M (29). Financial income and expense includes interest income of SEK 22 M (28) and interest expense of SEK 14 M (14).

The measurement of non-current securities and investments in securities etc. at fair value resulted in a negative value adjustment of SEK 3 M (-2). The disposal of non-current securities generated a loss of SEK 5 M (gain of SEK 17 M in the previous year).

The Group's profit/loss before tax was SEK -7 M (-4). The previous year's profit/loss before tax includes items affecting comparability of SEK -34 M.

The net profit/loss for the year after tax was SEK –21 M (–13) corresponding to earnings per share of SEK -0.26 (–0.17).

During 2013, consolidated equity increased by SEK 6 M to SEK 932 M as of 31 December 2013. In addition to net profit/loss for the year of SEK -21 M, equity was impacted by positive translation differences of SEK 24 M and changes in non-controlling interests totalling SEK 3 M. The consolidated equity/assets ratio as of 31 December 2013 was 27% (27).

In 2013, the Group's total assets increased by SEK 21 M to SEK 3,483 M as of 31 December 2013.

The Group's cash flow from operating activities in 2013 was SEK 138 M (-101). The changes in working capital related mainly to the banking operations' net deposits and lending, which amounted to SEK 136 M (-120).

Cash flow from investing activities amounted to SEK 28 M (67) and includes payments from the disposal of the Semper loan portfolio of SEK 51 M. In addition, the banking operation's sale of Treasury bills and the Swedish Fund Management's sale of a Sicav fund generated payments of SEK 6 M and SEK 5 M respectively. A payment of SEK 33 M was also made for an additional investment in IPM and the banking operations invested SEK 9 M in new premises and IT equipment.

Cash flow from financing activities was SEK -12 M (12) and relates to dividends to holdings of non-controlling interests.

Cash flow for the year was SEK 153 M (-22), of which cash flow from the banking operations was SEK 88 M (-140) and cash flow from other operations was SEK 65 M (118).

Performance of operating segments—two-year summary

	Corporate Finance		Asset Management	
SEK M	2013	2012	2013	2012
Total income	403	419	635	568
Assignment expenses and commissions	–19	–30	–200	–193
Income excluding assignment expenses and commissions	384	389	435	376
Operating expenses	–372	–350	–414	–373
Operating profit/loss before acquisition-related items and items affecting comparability	11	39	20	2
Amortisation of acquisition-related intangible assets	–	–	–6	–5
Items affecting comparability	–	–	0	–31
Operating profit/loss	11	39	15	–34
Net financial items	0	–2	2	23
Profit before tax	11	37	17	–11
Tax	–10	–15	–20	4
Net profit/loss for the year	**1**	**22**	**–3**	**–7**
SEK M	2013	2012	2013	2012
Equity	169	161	528	614
Total assets	306	309	2,811	2,787
Equity/assets ratio, %	55	52	19	22

Corporate Finance reported net sales of SEK 397 M (412). Profit/loss before tax was SEK 11 M (37). Profit in the property advisory operations was in line with the previous year while the remaining operations reported lower income compared to the previous year.

Asset Management reported net sales of SEK 630 M (565). The profit/loss before tax was SEK 17 M (-11) and was charged with SEK 6 M (5) of expenses for the amortisation of acquisition-related intangible assets. The figure for the previous year included in items affecting comparability of SEK -31 M.

During the year, Catella conducted impairment tests on assets with indefinite useful lives based on carrying amounts as of 30 September 2013. 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 2013, the Group made investments totalling SEK 48 M (10). Of this amount, SEK 12 M (8) is investments in property, plant and equipment and SEK 3 M (1) is investments in intangible assets. In addition, the Group made investments in shares in associated company IPM Informed Portfolio Management. Depreciation and amortisation in the financial year was SEK 20 M (22).

FINANCING

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 covenants were met for the full year and as of 31 December. The bond was listed on NASDAQ OMX Stockholm in July 2013.

The Group was also granted an overdraft facility of SEK 31.5 M (31.5), of which 31.5 M was un-utilised as of 31 December 2013.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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 were entitled to exchange to share warrants of series A1 for the payment of a market premium.

Sale of the Semper loan portfolio

In May 2013, the Semper loan portfolio, which is primarily exposed to Germany, was divested. The sale raised some SEK 51 M, corresponding to 90% of book value as of 31 March 2013. The disposal generated a loss of SEK 5 M.

Extended ownership of IPM

In November 2012, Catella resolved to increase its holding in asset manager IPM Informed Portfolio Management AB from 5% to 25% by executing a SEK 33 M private placement. The effective date was 9 April 2013 after the conditions for approved ownership assessment required by the Swedish Financial Supervisory Authority were met. IPM was consolidated with the group according to the equity method as of 10 April.

Financial corporate group

In consultation with the Swedish Financial Supervisory Authority in April 2013, Catella judged that Catella AB and its subsidiaries conducting operations under the supervision of Swedish or foreign supervisory authorities comprise a financial corporate group. For more information, see Note 44.

Changes to the Board of Directors

The AGM in May 2013 re-elected Johan Claesson, Jan Roxendal and Niklas Johansson and elected Viveka Ekberg and Petter Stillström new Board members. Johan Claesson was elected Chairman. Stefan Carlsson and Björn Edgren declined re-election.

Niklas Johansson resigned as Board member at his own request on 14 June 2013.

Listing of Catella's bond loan

Catella's SEK 200 M bond loan, announced in September 2012, was listed on NASDAQ OMX Stockholm in July 2013.

Liquidation of operations in Oslo

On 1 October 2013, Catella decided to liquidate its property advice business in Oslo against the background of weak profitability in recent years.

Changes to Group Management

Johan Ericsson took up his position as new Head of the Corporate Finance operating segment on 31 December 2013. The former Head of Corporate Finance, Anders Palmgren, resigned from his position, thereby leaving Catella's group management.

SIGNIFICANT EVENTS AFTER YEAR-END

New CEO and President

Knut Pedersen took up his position as Catella's new CEO and President at the beginning of the year. Knut Pedersen has extensive experience of a range of different positions in the financial sector and joins Catella from his position as CEO of ABG Sundal Collier in Sweden.

Catella becomes IPM's largest owner

In January 2014, Catella signed an agreement to increase its ownership stake from 25% to some 51% in asset manager IPM by acquiring shares in the company. This means that IPM becomes a subsidiary of Catella, consolidated from the effective date of the purchase of the shares, once the terms and conditions for ownership assessment approval are satisfied. The purchase price amounts to SEK 25.7 M and the potential future additional purchase price relating to the acquired shares' proportion of IPM's profit for 2014 and 2015. The additional purchase price cannot exceed the shares' initial purchase price.

Extraordinary General Meeting

An EGM of Catella AB held on 13 February 2014 decided to elect Johan Damne as Board member. Johan Damne is CEO of Claesson & Anderzén AB, Catella's largest shareholder. A decision was also made to introduce an incentive program comprising a total of 7,000,000 share warrants aimed at the CEO and senior managers.

EMPLOYEES

The number of employees at the end of the period, expressed as full-time equivalents, was 431 (434), of whom 207 (212) were employed in the Corporate Finance operating segment, 211 (210) in the Asset Management operating segment and 13 (12) 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

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 banking 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:

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.

The subsidiary Nordic Fixed Income, which is included under the Corporate Finance operating segment, is exposed to secondary market transaction credit risk in the form of counterparty risk. This credit risk is managed by establishing credit limits.

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 this 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 especially significant operating risks in the subsidiary Catella Bank, where there are significant volumes/transactions using 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 its 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 held 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. Continued investments in infrastructure and improvements to routines and processes were made in the banking operations during the year, focusing on ensuring stability to enable future growth. The extensive work was also intended to reduce costs ad improve margins in the existing operations.

FUTURE PROGRESS

The overall operational goal for 2014 is to build structural capital by encouraging long-term thinking amongst key employees as a result of coordinated targets and relevant incentive programs.

In Corporate Finance, the overall operational target for 2014 is to strengthen existing operations and clarify Catella's profile as a European advisor. Catella is also focusing on extending and developing the German property advisory services.

In Asset management the target for 2014 is to continue to grow in existing operations and to ensure a relevant and top-quality product offering.

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 2013.

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 the parent company of the Group. Group Management and other central Group functions are gathered into the Parent Company.

For 2013, the Parent Company recognised income of SEK 6.8 M (6.3). The operating profit/loss for the year was SEK -27.5 M (-28.3) and the profit/loss after tax was SEK 0.4 M (-27.9). In 2013, the parent company recognized tax income of SEK 30.4 M (0). The taxable profit for the year was SEK 22.8 M (-28.6), of which SEK 51.9 M was taxable income from subsidiary Catella Fund Management. The Parent Company had total loss carry-forwards of SEK 104 M (127). The company's balance sheet includes a deferred tax receivable of SEK 19 M (0) attributable to these loss carry-forwards. The amount is based on an assessment of the company's future utilisation of tax loss carry-forwards.

Cash and cash equivalents amounted to SEK 45.4 M (50.6) on the reporting date.

Total assets amounted to SEK 789.8 M (749.4). The increase in total assets is partly the result of the reporting of a deferred tax receivable of SEK 19.0 M, while equity also increased by a group contribution received of SEK 51.9 M.

At the end of the period, there were 11 (11) 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	80,648,203
Group contribution received	51,863,000
Tax effect of group contribution received	–11,409,860
Net profit/loss for the year	372,660
	171,036,151

The Board of Directors and Chief Executive Officer propose that funds at the disposal of the Annual General Meeting are allocated so that SEK 171,036,151 is carried forward, of which SEK 49,562,148 is allocated to the share premium reserve.

PROPOSED COMPENSATION GUIDELINES FOR SENIOR MANAGERS OF CATELLA, 2013

The Board of Directors of Catella AB (publ) proposes that the AGM 2014 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 members of Group Management as of 25 April 2014 are Knut Pedersen (CEO), Ando Wikström (CFO), Johan Nordenfalk (General Counsel) and Johan Ericsson (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 to the CEO, other members of Group Management and employees of the Parent Company 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	2013 Jan—Dec	2012 Jan—Dec
Net sales	6	1,020	971
Other operating income	7	17	17
		1,038	**987**
Assignment expenses and commissions		–217	–221
Other external costs	8	–294	–258
Personnel costs	10, 11, 12	–507	–478
Depreciation/amortization	9	–15	–18
Other operating expenses	13	–12	–7
Operating profit/loss before acquisition-related items and items affecting comparability		**–6**	**6**
Amortisation of acquisition-related intangible assets	9	–6	–5
Items affecting comparability	14	0	–34
Operating profit/loss		**–12**	**–33**
Interest income	15	22	28
Interest expense	15	–14	–14
Other financial income	15	17	39
Other financial expenses	15	–20	–24
Financial items, net		5	29
Profit/loss before tax		**–7**	**–4**
Tax	16	–14	–9
Net profit/loss for the year		**–21**	**–13**
Profit attributable to:			
Shareholders of the Parent Company		–22	–14
Non-controlling interests		0	1
		–21	**–13**
Earnings per share attributable to Parent Company shareholders, SEK	17		
- before dilution		–0.26	–0.17
- after dilution		–0.26	–0.17
Number of shares at end of year		81,698,572	81,698,572
Average weighted number of shares after dilution		81,698,572	81,698,572

Consolidated Statement of Comprehensive Income

SEK M	2013 Jan–Dec	2012 Jan–Dec
Net profit/loss for the year	–21	–13
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Value change in defined benefit pension plans	0	–1
Items that will be reclassified subsequently to profit or loss:		
Fair value changes in financial assets available for sale	0	0
Translation differences	24	–29
Other comprehensive income for the year, net after tax	**24**	**–29**
Total comprehensive income for the year	**3**	**–42**
Profit/loss attributable to:		
Shareholders of the Parent Company	3	–43
Non-controlling interests	1	0
	3	**–42**

Consolidated Statement of Financial position

SEK M	Note	2013 31 Dec	2012 31 Dec
Assets			
Non-current assets			
Intangible assets	19	306	311
Property, plant and equipment	20	20	17
Holdings in associated companies	21	50	2
Financial assets available for sale	23	0	0
Financial assets measured at fair value through profit or loss	24	235	276
Non-current loan receivable		249	304
Deferred tax assets	16	53	52
Other non-current receivables	28	5	8
		919	**971**
Current assets			
Accounts receivable	26	171	181
Current loan receivable	27	368	489
Tax receivables		16	39
Other receivables		15	18
Prepaid expenses and accrued income	29	82	53
Derivative instruments	22	2	2
Financial assets measured at fair value through profit or loss	24	13	22
Financial assets held to maturity	25	0	6
Client funds		3	0
Cash and cash equivalents	30	1,893	1,680
		2,564	**2,491**
Total assets		**3,483**	**3,462**
Equity and liabilities			
Equity	31		
Share capital		163	163
Other contributed capital		274	273
Reserves		–153	–177
Profit brought forward including net profit for the year		620	644
Equity attributable to shareholders of the Parent Company		**904**	**904**
Non-controlling interests		28	21
Total equity		**932**	**925**
Liabilities			
Non-current liabilities			
Borrowings	32	0	0
Non-current loan liabilities	32	199	197
Other non-current liabilities		0	5
Deferred tax liabilities	16	20	23
Other provisions	34	6	9
		224	**234**
Current liabilities			
Borrowings	32	227	155
Current loan liabilities	32	1,718	1,824
Derivative instruments	22	2	2
Accounts payable		95	83
Liabilities to associated companies		0	0
Tax liabilities		19	19
Other liabilities		31	28
Accrued expenses and deferred income	35	232	191
Client funds		3	0
		2,327	**2,302**
Total liabilities		**2,551**	**2,537**
Total equity and liabilities		**3,483**	**3,462**

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

Consolidated Statement of Cash Flows

SEK M	Note	2013 Jan—Dec	2012 Jan—Dec
Cash flow from operating activities			
Profit/loss before tax		–7	–4
Adjustment for non-cash items:			
Other financial items		3	–15
Depreciation/amortization	9	20	22
Impairment current receivables	13	7	8
Change in provisions		–2	–4
Reported interest income from loan portfolios	15	–20	–25
Acquisition expenses		0	1
Profit/loss from participations in associated companies	7	–1	0
Capital gain/loss, property, plant and equipment		0	0
Personnel costs not affecting cash flow	10	17	6
Paid income tax		–3	–46
Cash flow from operating activities before changes in working capital		**14**	**–56**
Cash flow from changes in working capital			
Increase (–) / decrease (+) in operating receivables		174	194
Increase (+) / decrease (–) in operating liabilities		–50	–239
Cash flow from operating activities		**138**	**–101**
Cash flow from investing activities			
Purchase of property, plant and equipment	20	–12	–8
Sale of property, plant and equipment	20	0	0
Purchase of intangible assets	19	–3	–1
Purchase of subsidiaries, after deductions for acquired cash and cash equivalents	40	1	–51
Purchase of associated companies	21	–33	0
Purchase of financial assets		0	–74
Sale of financial assets		68	175
Cash flow from loan portfolios		6	26
Dividends from investments		1	1
Cash flow from investing activities		**28**	**67**
Cash flow from financing activities			
Re-purchase of share warrants		0	–12
Proceeds from share warrants issued		0	0
Borrowings		0	224
Repayment of loans		0	–184
Transactions with, and payments to, non-controlling interests		–13	–15
Cash flow from financing activities		**–12**	**12**
Cash flow for the year		153	–22
Cash and cash equivalents at beginning of year		1,680	1,768
Exchange rate differences in cash and cash equivalents		60	–65
Cash and cash equivalents at end of year	30	**1,893**	**1,680**

Interest received and paid is stated in Note 39.

Consolidated Statement of Changes in Equity

SEK M	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
	Equity attributable to shareholders of the Parent Company							
Opening balance 1 January 2013	163	273	0	–177	644	904	21	925
Comprehensive income for the year, January – December 2013:								
Net profit/loss for the year					–22	–22	0	–21
Other comprehensive income/loss, net after tax				24	0	24	0	24
Comprehensive income/loss for the year			0	24	–21	3	1	3
Transactions with shareholders								
Transactions with non-controlling interests [2]					–3	–3	6	2
Warrants issued		0				0		0
Re-purchase of warrants issued		0				0		0
Closing balance 31 December 2013	163	274	0	–153	620	904	28	932

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

[2] In connection with a new issue in the Baltics, a value transfer of SEK 3 M was made to non-controlling holdings in 2013.

The parent company has 35,900,000 share warrants outstanding. In 2011, 2012 and 2013, share warrants were repurchased at market price from employees. As of 31 December 2013, Catella holds 9,010,000 share warrants.

SEK M	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
	Equity attributable to shareholders of the Parent Company							
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 share warrants issued [2]		–2				–2		–2
Closing balance as of 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 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 and 2012, 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 2012, Catella holds 5,460,000 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 former 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 2013 were approved for publication by the Board of Directors and the Chief Executive Officer on 25 April 2014 and will be presented for adoption by the Annual General Meeting on 19 May 2014.

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 trade on NASDAQ OMX First North Premier. 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 IFRS 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 re-measurement 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 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 IFRS relating to 2013

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 182,000 (2012: SEK -673,000) in other comprehensive income for 2013.

Amendment of IFRS 7 Financial Instruments: Disclosures regarding disclosures related to net accounting of assets and liabilities. This amendment includes stipulations for new disclosures to facilitate comparisons between companies that prepare financial statements according to IFRS in relation to those companies that prepare financial statements in accordance with US GAAP. This amendment did not have any significant impact on the consolidated financial statements apart from the disclosure requirement, which the group judges as insignificant because essentially, the group is not subject to netting arrangements.

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.

Other standards

None of the amendments and interpretation statements on standards that were introduced in 2013 had any impact on the consolidated financial statements.

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

A number of new standards and interpretation statements come into effect for annual periods beginning after 1 January 2013 and were been applied in the preparation of these financial statements. None of these are expected to have any significant impact on the consolidated financial statements apart from the following:

IFRS 10 Consolidated Financial Statements builds on already existing principles, and identifies control is the decisive factor to determine whether a company should be included in the Consolidated Accounts.

This standard offers further guidance as support on determining control when this is hard to judge. The group intends to apply IFRS 10 to annual periods beginning 1 January 2014 and has not yet evaluated its full effect on the financial statements.

IFRS 12 Disclosure of Interests in Other Entities covers disclosure requirements for subsidiaries, subsidiary arrangements, associated companies and non-consolidated structured entities. The group intends to apply IFRS 12 to annual periods beginning 1 January 2014, and has not yet evaluated its full effect on the financial statements.

IFRS 9 Financial Instruments deals with the classification, measurement and recognition of financial assets and liabilities. IFRS 9 was issued in November 2010 for financial assets and in October 2011 for financial liabilities, and replaces those parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 states that financial instruments should be classified in two different categories; measurement at fair value or measurement at amortised cost.

Classification is determined on first-time recognition based on the company's business model and characteristic qualities of the contracted cash flows. For financial liabilities, there are no major changes compared to IAS 39. The most significant change relates to liabilities that are recognised at fair value. For these items, that portion of the change in fair value related to an liability's own credit risk should be reported in other comprehensive income instead of profit or loss, providing this does not cause an accounting mismatch. The group has not yet evaluated its effects. The group will be evaluating the effects of the remaining phases of IFRS 9 when they are completed by the IASB.

No other of IFRS or IFRIC interpretation statements that have not yet come into effect are expected to have any significant impact on the group.

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 re-measured 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 re-measured 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 2013: the associated companies Informed Portfolio Management AB, 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 re-measured. 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 equities 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.

(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 Depreciation 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, usually three to four years. In connection with Catella's increased ownership of IPM Informed Portfolio Management AB, the company made acquisitions including a proprietary portfolio management system which is estimated to have a useful life of 10 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.

(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 re-measurement. The effect of the re-measurement 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 short-term investments in securities, etc. that are due for payment within three months after the acquisition date. The item includes client account receivables attributable to the asset management and securities operations reported net of client account liabilities.

Accounts payable

Accounts payable are obligations to pay for 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.

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 will be 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 period 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.

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.

(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. 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.

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 Kapital och Pension in the Asset Management operating segment. In the Corporate Finance operating segment, the subsidiary Nordic Fixed Income conducts operations that require a permit. 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 183 M (229) 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 56 M (48) 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 (1) at year-end.

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 2013, the short-term liquidity reserve (cash and cash equivalents, short-term investments and committed but unutilised credit facilities) amounted to 190% (180) of consolidated annual sales and 90% (80) of consolidated borrowing and loan liabilities. Adjusted for Catella Bank, the short-term liquidity reserve was 48% (41) of annual sales and 187% (104) of borrowing and loan liabilities. As of 31 December 2013, 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 2013 and 2012.

Liquidity report as of 31 December 2013-2012

31 December 2013	< 1 year	1 – 5 year	> 5 years	Total
Borrowings	–227	0		–227
Loan liabilities	–1,718	–199		–1,917
Derivative instruments	–2			–2
Accounts payable and other liabilities	–126			–126
Total outflows [1]	**–2,073**	**–199**	**0**	**–2,272**
Accounts receivable and other receivables	186			186
Loan receivables	368	249		617
Derivative instruments	2			2
Financial assets measured at fair value through profit or loss [2]	5	91	88	183
Total inflows [1]	**560**	**340**	**88**	**989**
Net cash flows, total	**–1,513**	**140**	**88**	**–1,284**

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**	**1,231**
Net cash flows, total	**–1,385**	**234**	**91**	**–1,059**

Net cash flows reported above totalled SEK –1,284 M at the end of 2013 (2012: SEK –1,059 M), to be compared to consolidated cash and cash equivalents of SEK 1,893 M (2012: SEK 1,680 M) on the same date.

[1] Contracted cash flows. For outflows, estimated interest payments are approximately SEK 15 M in 2014. For inflows, estimated interest income including interest on loan portfolios is approximately SEK 19 M in 2014.

[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 unutilized portion of granted bank overdraft facilities, see Note 30.

In combination with Catella's cash flows, the funding sources outlined above provide short and long-term liquidity and ensure flexibility in the group's funding of its operations.

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 and in the subsidiary Nordic fixed Income, which forms part of the Corporate Finance operating segment, 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 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 Corporate Finance

The subsidiary Nordic Fixed Income is can potentially accumulate trading stock, implying potential market price risk. The risk is managed by establishing limits and restrictions.

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 is indirectly exposed to market price risk on the value of security submitted for client loans and other commitments. Catella Bank Filial has the mandate to maintain a modest stock of Swedish premium bonds, implying potential market price risk. The risk is managed by establishing limits and restrictions.

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 -0.28 (-0.04) as of 31 December 2013. The Group's interest coverage ratio, a measure of the ability to pay interest expenses, was 0.3 as of 31 December 2013 (2012: 3.4).

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.

Group's interest-bearing liabilities and assets by currency

31 December 2013	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest +0.5%	Net effect on profit or loss of 0.5% increase, SEK M	Interest –0.5%	Net effect on profit or loss of 0.5% decrease, SEK M
EUR liabilities	–735						
USD liabilities	–525						
SEK liabilities							
GBP liabilities	–159						
CHF liabilities	–61						
NOK liabilities	–14						
DKK liabilities	–3						
Liabilities in other currencies	–23						
Total interest-bearing liabilities	**–2,147**	36	0.8	1.3	–11	0.3	11
EUR assets	1,226						
USD assets	576						
SEK assets	609						
GBP assets	165						
CHF assets	62						
NOK assets	15						
DKK assets	18						
Assets in other currencies	25						
Total interest-bearing assets	**2,696**	15	2.0	2.5	13	1.5	–13

31 December 2012	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest +0.5%	Net effect on profit or loss of 0.5% increase, SEK M	Interest –0.5%	Net effect on profit or loss of 0.5% 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**	**1.5**	**–11**	**0.5**	**11**
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**	**3.0**	**14**	**2.0**	**–14**

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 (EUR) 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 652 M (719) as of 31 December 2013. This net exposure consists of capital financed by deposits and lending 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. As of year end 2013 and 2012 there were no hedging arrangements in place to protect equity against translation risk.

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 liquidity/net debt and capital employed resulting from exchange rate fluctuations of +/-10% for the SEK. Changes to net liquidity/net debt and in capital employed resulting from exchange rate fluctuations is reported in Other comprehensive income and consequently does not affect profit for the year. In 2013, the translation difference amounted to SEK 24 M (2012: SEK -29 M) of Other comprehensive income. Given a change in foreign exchange rates as of year end of +/–10 %, the translation difference would increase/decrease by SEK 65 M (2012: 72 M).

Capital employed and financing by currency, 2013-2012

31 December 2013	EUR	USD	GBP	CHF	NOK	DKK	Other curren-cies	Total foreign curren-cies	SEK	Total group	Total group +10%	Total group –10%
Capital employed	107	0	1	0	–11	–2	0	95	287	383	392	373
Net liquidity (+)/Net debt (–)	491	51	6	1	1	15	2	567	–18	549	605	492
Non-controlling interests	–4			0	0	–5	–1	–10	–18	–28	–29	–27
Group's net exposure	**594**	**51**	**7**	**1**	**–11**	**8**	**2**	**652**	**252**	**904**	**969**	**839**
Net debt/equity ratio	–0,8	0,0	–0,8	–1,0	0,1	–1,1	–1,0	–0,9	0,1	–0,6	–0,6	–0,6

31 December 2012	EUR	USD	GBP	CHF	NOK	DKK	Other curren-cies	Total foreign curren-cies	SEK	Total group	Total group +10%	Total group –10%
Capital employed	111	1	1	0	–7	4	1	111	282	393	404	382
Net liquidity (+)/Net debt (–)	624	–28	6	1	7	3	3	616	–84	532	594	471
Non-controlling interests from continuing operations	–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

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 0.4% (0.6) of Group net sales in 2013.

Credit risk—Asset Management

- Credit risk is Catella Bank's greatest risk exposure. Credit risk is the risk exposure to lending and overdrafts offered to clients, credit card receivables, card payment services and other commitments to Catella's counterparties. Loans and overdraft facilities are structured as secured loans or what are termed Lombard credits, secured against collateral in cash and cash equivalents, listed securities and/or guarantees. The bank's credit policy governs credit decisions and the terms and governance applying to the management process. 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 Credit Committee or Board of Directors. Group Management is represented on Catella Bank's Board of Directors, which accordingly, actively participates in making these decisions. At all times, credits must be secured against adequate security and the market value of assets pledged.
- Credit card receivables arise when the bank issues credit cards to customers of banking institutions located in and outside Luxembourg. Catella Bank is party to agreements with several international banks where Catella Bank offers credit card services to these institutions' major private high net worth clients. Credit risk can arise in relation to hose receivables, but is covered by guarantees from the banking institutions using the card services and the card holders themselves.
- Card payment services relate to the bank's card acquiring operations. In the card acquiring operations, international retailers can use Catella Bank for clearing through the VISA/MasterCard payment platform, often through Payment Service Providers (PSP). In this process, the bank handles the payment flow between card issuing banks, card holders and retailers. In connection with bankruptcies, bad debts can arise in the card acquiring operations if the card acquiring retailer fails to complete its undertaking to deliver goods or services for which payment has been received. To reduce credit risk for card acquiring customers, Catella Bank retains a portion of the turnover in the card system as security from these businesses, or obtain a guarantee from the PSP relating to the clients' outstanding payment obligations. For more information on frozen funds, see Note 36.
- In order to secure payment transfers, manage liquidity positions and conduct securities trading, Catella Bank has investments with a number of financial counterparties. These credit institutions and banks have high creditworthiness with nominal limits determined by the Board of Directors of such banks, within the confines of the applicable regulatory framework.

Catella Bank Filial 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 Catella Bank Filial applies prudent leveraging rules. The maximum loan to value ratio for equities is 70% and one-sided collateral is not accepted. The CEO has the overall responsibility for Catella Bank Filial's credit exposure. The branch's lending is characterised by high demands on ethics, quality and control. An overarching principle is that all Catella Bank Filial's credit decisions are usually reached by a minimum of two individuals. Credit risk represents Catella Bank Filial's most significant risk exposure. Despite this, no credit losses have been reported by the branch.

Credit risk—Corporate Finance

In Nordic Fixed Income, credit risk arises in the form of counterparty risk in secondary market transactions. 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. The company'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 the company'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 2013, 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 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.

Credit rating of financial assets

31 December 2013	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			0
AA+			1				294	296
AA	1						8	9
AA-	0						193	193
A+	6						136	142
A	40				1		224	265
A-	1				29		174	205
BBB+							174	174
BBB	3						4	8
BB+	2							2
BB-	1							1
B+					21			21
	55	**0**	**1**	**0**	**52**	**0**	**1,208**	**1,317**
Counterparties without external credit ratings:								
Companies	90	292	0	0	140			523
Funds					51			51
Financial companies	17	45			5		685	752
Public administration	3							3
Private individuals	6	280	0					287
	116	**617**	**1**	**0**	**196**	**0**	**685**	**1,615**
Total	**171**	**617**	**2**	**0**	**248**	**0**	**1,893**	**2,931**

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**

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

Geographical concentration of credit risks

The following table presents the geographical concentration of credit risks.

Geographical concentration of credit risks in financial assets

	Financial assets		Memorandum items	
	2013	2012	2013	2012
Luxembourg	1,507	1,312	807	965
Sweden	609	688	354	404
Germany	255	293	67	49
Switzerland	117	84	625	555
France	106	102	49	44
Other countries	339	483	676	616
Total	**2,931**	**2,962**	**2,578**	**2,634**

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 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 2013, net debt in relation to equity was - 0.6 (-0.6).

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 2013.

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 a minor operational holding of premium bonds. The now divested holding in Sicav funds was included in the figure for 2012.

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 and corporate bonds.

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. This category also includes units in the Nordic Light Fund, where the assets also comprise securitized loan portfolios, for further information see Note 24. The unlisted shareholding in IPM (Informed Portfolio Management BV) was also included in 2012, which as re-classified to Holdings in associated companies in 2013.

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 2013

	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	1	8	239	248
Total assets	**1**	**10**	**239**	**250**
Derivative instruments		2		2
Total liabilities	**0**	**2**	**0**	**2**

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

	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**

Changes in instruments in the category of valuation techniques using non-observable market data in 2012 and 2013

	2013	2012
	Assets measured at fair value through profit or loss	Assets measured at fair value through profit or loss
As of 1 January	289	360
Purchases	0	0
Sales	–60	–62
Amortisation	–1	–11
Gains and losses recognised through profit or loss	4	1
Capitalised interest income	16	10
Reclassification to holding in associated company	–17	–
Reclassification to disposal group held for sale	–	1
Exchange rate differences	7	–10
As of 31 December	**239**	**289**

NOTE 4 CRITICAL ESTIMATES AND JUDGMENTS

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 242 M (240) 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 fourth quarter. A judgement of recover- able amount is conducted based on calculations and estimates. The test conducted in 2013 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 788 M (974) 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 -32 M (-30) and loan receivable losses of SEK -41 M (-42) 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 1,799 M (1,641) 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 2013, the value of Catella's loan portfolios was SEK 183 M (229). 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.

Reporting of Nordic Light Fund

Nordic Light Fund is a fund product managed by Catella Bank which contains securitised loan portfolios. As of 31 December 2013, the value of Catella's units in Nordic Light Fund totalled SEK 55 M (42). The valuation of the loan portfolio is based on a large number of parameters including estimated future cash flows for the loan portfolios in line with the description above of securities loan portfolios. Changes in the assessment underlying the chosen parameters could result in a change of the fair value of the fund units.

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 53 M (52) 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 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 Operating Segments. 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 re-invoicing 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	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net sales	397	412	630	565	9	4	–15	–10	1,020	971
Other operating income	6	7	5	3	7	6			17	17
	403	**419**	**635**	**568**	**15**	**10**	**–15**	**–10**	**1,038**	**987**
Assignment expenses	–19	–30	–200	–193	0	0	2	2	–217	–221
Other external costs	–115	–101	–155	–136	–32	–26	8	5	–294	–258
Personnel costs	–249	–243	–241	–219	–21	–19	5	3	–507	–478
Depreciation/amortisation	–6	–5	–9	–13	0	0			–15	–18
Other operating expenses	–2	–1	–10	–5	0	0			–12	–7
Operating profit/loss before acquisition-related items and items affecting comparability	**11**	**39**	**20**	**2**	**–38**	**–35**	0	0	–6	6
Amortisation of acquisition-related intangible assets	0	0	–6	–5	0	0			–6	–5
Items affecting comparability	0	0	0	–31	0	–3			0	–34
Operating profit/loss	**11**	**39**	**15**	**–34**	**–38**	**–38**	0	0	–12	–33
Interest income	1	1	1	2	21	28	0	–2	22	28
Interest expenses	0	–1	–1	0	–13	–15	0	2	–14	–14
Other financial income	1	3	4	22	13	15			17	39
Other financial expenses	–1	–4	–2	0	–18	–20			–20	–24
Net financial items	0	–2	2	23	3	8	0	0	5	29
Profit/loss before tax	**11**	**37**	**17**	**–11**	**–35**	**–30**	0	0	–7	–4
Tax	–10	–15	–20	4	16	2			–14	–9
Net profit/loss for the year	**1**	**22**	**–3**	**–7**	**–19**	**–28**	0	0	–21	–13

Financial position by operating segment

	Corporate Finance		Asset Management		Other		Eliminations		Group	
SEK M	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
ASSETS										
Non-current assets										
Intangible assets	61	60	195	201	50	50			306	311
Property, plant and equipment	6	10	14	7	0	0			20	17
Holdings in Group companies					682	555	–682	–555	0	0
Holdings in associated companies		0	50	2					50	2
Financial assets available for sale			0	0					0	0
Financial assets measured at fair value through profit or loss	0	0	6	18	229	258			235	276
Non-current loan receivable			249	304					249	304
Deferred tax assets	–1	0	13	12	42	40			53	52
Other non-current receivables	5	7		2					5	8
	71	**78**	**527**	**545**	**1,003**	**903**	**–682**	**–555**	**919**	**971**
Current assets										
Accounts receivable	90	85	81	93	0	3			171	181
Receivables from Group companies	4	12	8	7	76	25	–87	–43	0	0
Current loan receivables	0		367	489					368	489
Tax receivables	10	13	6	25	0	1			16	39
Other receivables	10	5	6	10	2	3			19	19
Prepaid expenses and accrued income	13	11	61	33	8	9			82	53
Derivative instruments			2	2					2	2
Financial assets measured at fair value through profit or loss	7	3	0	8	6	11			13	22
Investments held to maturity			0	6					0	6
Cash and cash equivalents	101	102	1,752	1,568	41	11			1,893	1,680
	235	**231**	**2,284**	**2,242**	**132**	**62**	**–87**	**–43**	**2,564**	**2,491**
Total assets	**306**	**309**	**2,811**	**2,787**	**1,135**	**965**	**–769**	**–599**	**3,483**	**3,462**
EQUITY AND LIABILITIES										
Equity attributable to shareholders of the Parent Company	146	142	525	611	914	706	–682	–555	904	904
Non-controlling interests	22	19	3	2	2	0			28	21
Total equity	**169**	**161**	**528**	**614**	**916**	**706**	**–682**	**–555**	**932**	**925**
Liabilities										
Non-current liabilities										
Borrowings	0	0							0	0
Non-current loan liabilities			0		199	197			199	197
Other non-current liabilities		5							0	5
Deferred tax liabilities			3	4	17	19			20	23
Other provisions	1	1	5	8					6	9
	1	**6**	**8**	**12**	**216**	**216**	**0**	**0**	**224**	**234**
Current liabilities										
Borrowings	0	0	227	155					227	155
Current loan liabilities		0	1,718	1,824					1,718	1,824
Derivative instruments			2	2					2	2
Accounts payable	16	19	78	54	1	10			95	83
Liabilities to Group companies	15	37	93	–2	–24	9	–85	–44	0	0
Liabilities to associated companies		0							0	0
Current tax liabilities	12	2	6	14	1	2			19	19
Other liabilities	22	16	14	8	1	4	–2	0	34	29
Accrued expenses and deferred income	71	67	137	106	24	18			232	191
	136	**142**	**2,275**	**2,161**	**3**	**43**	**–87**	**–43**	**2,327**	**2,302**
Total liabilities	**137**	**148**	**2,283**	**2,173**	**219**	**259**	**–87**	**–43**	**2,551**	**2,537**
Total equity and liabilities	**306**	**309**	**2,811**	**2,787**	**1,135**	**965**	**–769**	**–599**	**3,483**	**3,462**

Cash flow per operating segment

	Corporate Finance		Asset Management		Other		Eliminations		Group	
SEK M	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Profit/loss before tax	11	37	17	–11	–35	–30			–7	–4
Other financial items	0	1	–2	–21	5	5			3	–15
Depreciation/amortisation	6	5	15	18	0	0			20	22
Other items not affecting cash flow	16	5	2	6	–19	–25			0	–13
Paid income tax	–6	–28	6	–13	–3	–6			–3	–46
Changes in operating capital employed	–18	8	88	–125	54	72			124	–45
Cash flow from operating activities	**10**	**29**	**126**	**–147**	**2**	**17**	**0**	**0**	**138**	**–101**
Cash flow from tangible and intangible assets	–2	–5	–13	–4	0	0			–15	–9
Acquisition of subsidiaries, net after cash and cash equivalents					1	–51			1	–51
Cash flow from other financial assets	2	0	13	61	27	66			41	127
Cash flow from investing activities	**0**	**–5**	**0**	**57**	**27**	**15**	**0**	**0**	**28**	**67**
Net borrowings, amortisation of loans	0	0		0		44			0	45
Re-purchase of share warrants, contributions from, and payments to, non-controlling interests	–12		–1	–2	0	–31			–12	–33
Cash flow from financing activities	**–12**	**0**	**–1**	**–2**	**0**	**14**	**0**	**0**	**–12**	**12**
Cash flow for the year	**–2**	**24**	**125**	**–92**	**30**	**45**	**0**	**0**	**153**	**–22**

Disclosures by geographical market

	Total sales to external customers [1]		Total assets		Non-current assets [2]	
SEK M	2013	2012	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Luxembourg	50	49	1,474	1,346	60	48
Sweden	456	407	978	928	441	419
Germany	201	164	265	255	60	59
France	127	135	124	122	55	55
Other countries	187	215	339	453	14	62
Non-current assets not specified by country [2]	–	–	303	359	289	328
Total	**1,020**	**971**	**3,483**	**3,462**	**919**	**971**

[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.

NOTE 6 NET SALES

SEK M	2013	2012
Brokerage income, Corporate Finance	383	391
Fund and Asset Management income	455	384
Income from card operations	137	142
Asset Management net financial income/expense (see below)	37	50
Other income	8	4
	1,020	**971**

Specification of net financial income/expense in Asset Management

SEK M	2013	2012
Interest income		
Interest income on bank balances	4	10
Interest income on loan receivables	30	41
Other interest income	0	–
Other financial income		
Coupon, treasury	0	–
Capital gains on bonds in treasury	9	13
	43	**64**
Interest expenses		
Interest expenses on deposits from credit institutions	–2	–2
Interest expenses on other deposits	–3	–10
Other interest expenses	–1	–2
Other financial expenses		
Capital losses on bonds in treasury	0	–
	–6	**–14**
Total net financial income/expense	**37**	**50**

NOTE 7 OTHER OPERATING INCOME

SEK M	2013	2012
Rental income	6	6
Share of profit from associated companies	1	0
Income relating to contract personnel	6	5
Other	5	5
	17	**17**

NOTE 8 OTHER EXTERNAL COSTS

Compensation of auditors

SEK M	2013	2012
PwC		
Audit assignment [1]	6	6
Audit activities other than audit assignment	0	0
Tax consultancy	0	0
Other services	1	1
	8	**8**
Other auditors		
Audit assignment	1	0
Audit activities other than audit assignment	1	0
Tax consultancy	–	–
Other services	0	1
	2	**2**
Total remuneration to auditors	**9**	**9**

[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.

NOTE 9 DEPRECIATION/AMORTIZATION

SEK M	2013	2012
Amortisation of intangible assets, Note 19	10	12
Depreciation of tangible assets, Note 20	9	10
Amortisation of acquisition-related intangible assets attributable to associated companies, net of tax, Note 21	1	–
	20	**22**

NOTE 10 PERSONNEL

Employee benefits

SEK M	2013	2012
Salaries and other benefits including restructuring expenses [1]	367	373
Social security expenses	79	68
Pension costs, defined contribution pension plans	31	31
Pension costs, defined benefit pension plans	1	2
	478	**474**
[1] Of which restructuring expenses	–	10

Salaries and other benefits

SEK M	2013	2012
Boards of Directors and Presidents [1]	72	78
Other employees	295	294
	367	**373**
[1] Of which bonus	16	18

In addition to the above-mentioned compensation, which was an expense for Catella in 2013, 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 17 M (6).

Average number of employees (full-time equivalents)

	2013		2012	
Average number	**Total**	**Of whom, women**	**Total**	**Of whom, women**
Sweden—Parent Company	12	4	12	4
Sweden—subsidiaries	132	47	125	41
Norway	5	1	9	2
Denmark	12	1	12	1
Finland	39	11	44	12
Baltics	8	2	9	4
France	47	25	42	21
Germany	83	33	73	29
Luxembourg	110	47	110	45
Spain	10	2	8	1
Total	**458**	**173**	**444**	**160**

As of 31 December 2013, the number of Board members and Presidents totalled 158 (153), of whom 15 (14) 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 2013 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.

Senior Managers

During the year, the composition of senior managers changed as follows: Fredrik Sauter resigned as CEO of Catella Bank in January 2013, and also left Catella's group management for a new assignment outside of Catella. Anders Palmgren, Head of the Corporate Finance operating segment, terminated his employment as of 31 December 2013. Knut Pedersen took up his position as Catella's new CEO and President at year-end.

During the year, the composition of the Board changed as follows:

Petter Stillström and Viveka Ekberg were elected as new ordinary Board members. Niklas Johansson, Björn Edgren and Stefan Carlsson left the Board.

Board members that invoice their Board fee through companies are permitted to include social security expenses on the invoices. The social security expenses included in the invoiced amount are no higher than the employer's contributions the company would otherwise have paid. The whole fee, i.e. the cash element of the Board fee, including social security expenses, is the invoiced Board fee.

For a presentation of the Board of Directors and Group Management, see pages 46 and 47.

Variable compensation, 2013

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. In addition, holdings in subsidiaries may generate proposed dividends in 2014.

Share-based incentive programme, 2013

See Note 12, Share-based payment.

Other employment terms for senior managers, 2013

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, 2013

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.

In a limited number of cases, contracts diverge from the above guidelines for remuneration to senior managers and relate to contracts signed before the AGM adopted these guidelines.

Compensation and other benefits in 2013

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 [1]	100						100
Petter Stillström	200						200
Viveka Ekberg [3]	263						263
Niklas Johansson [1]	150						150
Jan Roxendal	300						300
Stefan Carlsson [1 & 4]	100					600	700
Total Directors' fees	**1,613**	**0**	**0**	**0**	**0**	**600**	**2,213**
Chief Executive Officer							
Johan Ericsson	2,143	275	118	648			3,184
Other senior managers [2]	7,038	500	462	1,385			9,385
Total	**10,794**	**775**	**580**	**2,033**	**0**	**600**	**14,782**

[1] The Board member resigned from the Board in 2013.

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

[3] Relates to invoiced amounts, for more information see 'Senior managers' heading above.

[4] Other remuneration of SEK 600,000 relates to the Chairmanship of Catella Bank in 2013.

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	100					348	448
Peter Gyllenhammar	200						200
Total Directors' fees	**1,700**	**0**	**0**	**0**	**0**	**359**	**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**	**359**	**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.

Variable compensation, 2012

The 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 2012.

Share-based incentive programme, 2012

See Note 12 Share-based payment.

Other employment terms of senior managers, 2012

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, 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 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 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.

Shareholdings and other holdings

The Board of Directors' and Group Management's share and warrants holdings in Catella AB were as follows as of 31 December 2013 and 2012 respectively [1]:

	Class A shares		Class B shares		Warrants	
Number	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Board of Directors						
Johan Claesson, Chairman of the Board (direct and indirect shareholdings)	1,087,437	1,087,437	38,480,821	38,480,821	–	–
Björn Edgren, Board member	–	–	–	100,000	–	–
Viveka Ekberg, Board member	–	–	60,000	–	–	–
Niklas Johansson, Board member	–	–	–	28,300	–	–
Jan Roxendal, Board member	–	–	25,000	–	–	–
Petter Stillström, Board member (direct and indirect shareholdings) [2]	356,695	–	9,602,163	–	–	–
Management						
Johan Ericsson, Head of Corporate Finance [3]	–	–	25,000	25,000	5,250,000	5,250,000
Fredrik Sauter, former President of Catella Bank	–	–	–	–	–	1,200,000
Anders Palmgren, former Head of Corporate Finance	–	–	–	30,000	–	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	**1,444,132**	**1,087,437**	**48,222,984**	**38,694,121**	**10,800,000**	**12,600,000**

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

[2] Petter Stillström sold his holding, trough companies, of class B shares after the end of the year. His holding totalled 356,694 class A shares as of 31 March 2014.

[3] Johan Ericsson is also an owner of the subsidiary Catella Corporate Finance Stockholm HB, with an ownership stake of 8.5%.

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 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.

The AGM on 25 May 2011 adopted the Board of Director' proposal to issue a further 6,100,000 warrants for Class B shares. 5,500,000 of the 6,100,000 warrants 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 value of the warrants was determined by applying accepted valuation models (Black & Scholes).

An EGM of Catella AB (publ) held on 18 January 2013 decided to divide 9,900,000 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. Of a total of 9,900,000 series A share warrants, 9,700,000 share warrants were converted to series A1 and the remaining 200,000 series A share warrants expired. Of the 9,700,000 series A share warrants, 2,610,000 were acquired to be held by one of Catella AB's subsidiaries, Aveca AB.

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 2013, 3,550,000 warrants were re-purchased at market price from senior managers, mainly due to changes in employment conditions in accordance with the terms and conditions of the warrants. As of 31 December 2013, Catella held 9,010,000 share warrants. When re-purchasing warrants, other contributed capital is debited.

An EGM of Catella AB (publ) held on 13 January 2014 decided to introduce an incentive program comprising a further 7,000,000 warrants aimed at the CEO and senior managers. The warrants encompass three series with maturities four, five and six years respectively. Upon full subscription and utilization of the warrants, dilution amounts to some 7.8% of the existing share capital.

Change in the number of outstanding warrants:

No.	2013	2012
Opening balance, 1 January	30,640,000	33,265,000
New issue	9,700,000	–
Re-purchase	–3,550,000	–2,625,000
Sold	–	–
Expiry of unutilised warrants	–9,900,000	–
As of 31 December	**26,890,000**	**30,640,000**

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

Issue in 2010 and 2013 (exercise price SEK 11.00 per share)

Year	Share warrants held by Catella	Outstanding share warrants	Total number of share warrants	Propor-tion, %
2014	1,160,000	2,860,000	4,020,000	11
2015	4,930,000	12,810,000	17,740,000	49
2016	2,320,000	5,720,000	8,040,000	22
Total in 2010 and 2013	**8,410,000**	**21,390,000**	**29,800,000**	**83**

Issue in 2011 (exercise price SEK 16.70 per share)

Year	Share warrants held by Catella	Outstanding share warrants	Total number of share warrants	Propor-tion, %
2014	200,000	1,833,000	2,033,000	6
2015	200,000	1,833,000	2,033,000	6
2016	200,000	1,834,000	2,034,000	6
Total in 2011	**600,000**	**5,500,000**	**6,100,000**	**17**
Total	**9,010,000**	**26,890,000**	**35,900,000**	**100**

NOTE 13 OTHER OPERATING EXPENSES

SEK M	2013	2012
Impairment of accounts receivable	–2	0
Recovered bad debt losses	0	0
Write-down of loan receivables	–7	–6
Recovered bad debt losses	5	–
Expenses for fraud on credit cards issued	–3	–3
Profit share from associated company	0	–
Other operating expenses	–6	2
	–12	**–7**

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 2013, Catella reported no items affecting comparability. 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 Consolidated 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 amortization of tangible and intangible assets, is recognised in depreciation and amortisation instead.

SEK M	2013	2012
Net sales	1,020	971
Other operating income	17	17
	1,038	**987**
Assignment expenses and commissions	–217	–221
Other external expenses	–294	–282
Personnel costs	–507	–488
Depreciation/amortisation	–20	–22
Other operating expenses	–12	–7
Operating profit/loss	**–12**	**–33**
Interest income	22	28
Interest expenses	–14	–14
Other financial income	17	39
Other financial expenses	–20	–24
Net financial items	5	29
Profit/loss before tax	**–7**	**–4**
Tax	–14	–9
Net profit /loss for the year	**–21**	**–13**

NOTE 15 FINANCIAL ITEMS

SEK M	2013	2012
Interest income		
Interest income on bank balances	1	2
Interest income on financial assets measured at fair value through profit or loss	20	25
Interest income on loan receivables	0	0
Other interest income	0	0
	22	**28**
Interest expense		
Interest expense to credit institutions	0	–8
Interest expense on bond issue	–13	–4
Other interest expense	–1	–2
	–14	**–14**
Other financial income		
Dividend income on financial assets measured at fair value through profit or loss	0	1
Dividend income from associated companies	–	–
Fair value gains on financial assets measured at fair value through profit or loss	14	10
Capital gains on financial assets measured at fair value through profit or loss	1	2
Capital gains on financial assets available for sale	–	17
Exchange rate gains	2	10
	17	**39**
Other financial expenses		
Fair value losses on financial assets measured at fair value through profit or loss	–11	–13
Capital losses on financial assets measured at fair value through profit or loss	–5	0
Issue and loan guarantee expenses	0	–2
Exchange rate losses	–4	–10
	–20	**–24**

NOTE 16 TAXES

SEK M	2013	2012
Current tax:		
Current tax on profit/loss for the year	–19	–19
Adjustments relating to previous years	0	–
Total current tax	**–18**	**–19**
Deferred tax:		
Origination and reversal of temporary differences	4	13
Effect from change in the tax rate	0	–3
Total deferred tax	**4**	**10**
Income tax	**–14**	**–9**

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	2013	2012
Profit/loss before tax	–7	–4
Income tax calculated according to national tax rates applicable to profit in each country	0	–1
Tax effects of:		
Measurement of taxable deficit	6	8
Utilisation of loss carry-forwards not previously recognised	12	5
Tax deficit for which no deferred tax asset was recognised	–18	–15
Effect of change in tax rates	0	–3
Non-taxable income for fair value measurement	3	2
Other non-taxable income	1	4
Non-deductible acquisition expenses	–	0
Non-deductible expenses for fair value measurement	–2	–2
Non-deductible capital losses	–	–2
Non-deductible expenses to cover losses	–5	–
Other non-deductible expenses	–4	–2
Taxable profit from value increase in previous year	–5	–
Wealth tax	–2	–2
Adjustments relating to previous years	0	–
Tax expense	**–14**	**–9**

Deferred tax assets and tax liabilities specified as follows:

SEK M	2013	2012
Deferred tax assets		
Estimated to be utilised after more than 12 months	47	45
Estimated to be utilised within 12 months	7	8
Net recognised against deferred tax liabilities	–1	–1
	53	**52**
Deferred tax liabilities		
To be paid after more than 12 months	–19	–24
To be paid within 12 months	–1	–
Net recognised against deferred tax assets	1	1
	–20	**–23**
Deferred tax assets/liabilities (net)	**34**	**29**

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 2012	0	2	2	50	0	–2	51
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**
Recognised in profit or loss		1	0	0	0		1
Recognised in other comprehensive income	0						0
Exchange rate differences	0	0	0	0	0		0
Net recognised against deferred tax liabilities						0	0
As of 31 December 2013	**0**	**3**	**1**	**50**	**0**	**–1**	**53**

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 2012	0	11	0	18	0	–2	28
Recognised in 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**
Recognised through profit or loss		–1	0	–1	0		–3
Recognised in other comprehensive income							0
Changed estimate							0
Exchange rate differences		–1	0		0		–1
Net recognised against deferred tax assets						0	0
As of 31 December 2013	**0**	**7**	**1**	**13**	**0**	**–1**	**20**

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 53 M (52), 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:

	2013			2012		
SEK M	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
As of 1 January	1	0	1	0	0	0
Fair value changes in:						
Financial assets available for sale	0	0	0	0	0	0
Defined benefit pension plans	0	0	0	1	0	1
Exchange rate differences	0	0	0	0	0	0
As of 31 December	**1**	**0**	**1**	**1**	**0**	**1**
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	2013	2012
Profit	–21	–13
Profit attributable to shareholders of the Parent Company	–22	–14
Profit for calculation of earnings per share before dilution	**–22**	**–14**
Weighted average number of outstanding ordinary shares	**81,698,572**	**81,698,572**
Earnings per share, SEK	**–0.26**	**–0.17**

(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	2013	2012
Profit	–21	–13
Profit attributable to shareholders of the Parent Company	–22	–14
Profit for calculation of earnings per share after dilution	**–22**	**–14**
Weighted average number of outstanding ordinary shares	81,698,572	81 698,572
Adjustments for:		
assumed conversion of share warrants	–	–
Weighted average number of ordinary shares for computation of earnings per share after dilution	**81,698,572**	**81,698,572**
Earnings per share, SEK	**–0.26**	**–0.17**

NOTE 18 DIVIDENDS

No dividends were proposed for 2013 and no dividends were paid in 2011.

NOTE 19 INTANGIBLE ASSETS

SEK M	Goodwill	Trademarks and brands	Contractual customer relations	Software licenses	Total
As of 1 January 2012					
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
Reclassifications			–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**
Financial year 2013					
Opening balance	240	50	13	8	311
Purchases				3	3
Cost in acquired companies					0
Reclassification to disposal group held for sale					0
Amortisation			–5	–6	–10
Exchange rate differences	2			0	2
Closing balance	**242**	**50**	**8**	**6**	**306**
As of 31 December 2013					
Cost	242	50	23	91	405
Accumulated amortisation			–14	–85	–99
Book value	**242**	**50**	**8**	**6**	**306**

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, the operations of which were transferred to Catella Bank Filial as of 1 January 2013. 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 at SEK 3 M were acquired. 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 fourth quarter each year, based on their carrying amounts on 30 September. Catella's assets with indefinite useful lives comprise goodwill and brands. As the internal follow up and reporting to the management and Board of Directors now mainly takes place by operating segment, the impairment test for assets with indefinite useful lives has been carried out by operating segment, Corporate Finance and Asset Management. Central management and shareholder-related expenses have been allocated to the relevant operating segment on the basis of its share of estimated resources utilised. The impairment test by operating segment undertaken for the year represents a change on previous years when the test has been effected 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.

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 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% for both 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 (WACC) applied by operating segment follow:

	WACC, %	
	2013	2012
Corporate Finance	13.0	11.8-12.0
Asset Management	13.0	12.0
Other	13.1	8.5-15.0

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

	2013			
SEK M	Corporate Finance	Asset Management	Other	Total
Goodwill	60	182		242
Brands and trademarks			50	50
	60	**182**	**50**	**292**

	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

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 1 percentage point in the projection period of organic growth and operating margin, and a general increase in the weighted average cost of capital (WACC) of 1 percentage point. The sensitivity analysis indicated no impairment.

NOTE 20 MATERIELLA ANLÄGGNINGSTILLGÅNGAR

SEK M	Plant, fixtures and fittings & equipment	Total
As of 1 January 2012		
Cost	65	65
Accumulated depreciation	–50	–50
Book value	**15**	**15**
Financial year 2012		
Opening balance	15	15
Purchases	8	8
Cost in acquired companies	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 2013		
Cost	105	105
Accumulated depreciation		–88
Book value	**17**	**17**
Financial year 2013		
Opening balance	17	17
Purchases	12	12
Disposals and retirements	0	0
Depreciation	–9	–9
Exchange rate differences	0	0
Closing balance	**20**	**20**
As of 31 December 2013		
Cost	116	116
Accumulated depreciation	–96	–96
Book value	**20**	**20**

NOTE 21 HOLDINGS IN ASSOCIATED COMPANIES

SEK M	2013	2012
As of 1 January	2	1
Reclassification from financial assets valued at fair value in profit and loss	17	–
Purchases	33	0
Sales	0	–
Share in profits, see Note 7	1	0
Share in profits, see Note 13	0	–
Dividends paid	–1	0
Depreciation/amortization of acquisition-related intangible assets, net of tax	–1	–
Exchange rate differences	0	0
Closing book value	**50**	**2**

In 2013, dividends of SEK 1 M were paid from associated companies to the Catella Group (2012: SEK 0 M). No other transactions took place between Catella and associated companies.

The assets, 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 including goodwill:

	Associated companies					Group	
	Country of registration	Assets SEK M	Liabilities SEK M	Income SEK M	Profit SEK M	Participating interest, %	Participating interest, SEK M
IPM Informed Portfolio Management AB [1]	Sweden	104	25	83	3	25	50
ANL Kiinteistöt OY	Finland	0	0	0	0	50	0
ARIF I GP Py	Finland	1	0	3	0	50	0
SIA AREAL Baltic	Latvia	0	0	0	0	49	0
							50

[1] Income and profit/loss relates to the period 1 April—31 December 2013.

Information relating to Catella's acquisition of shares in IPM Informed Portfolio Management AB

As a step in developing Catella's asset management, Catella acquired just over 5% of the shares in IPM Informed Portfolio Management AB's Dutch owners in November 2011.

In 2012, Catella increased its holding from 5% to 25% in IPM Informed Portfolio Management AB through a SEK 33 M private placement. The new issue was subject to conditions for approved ownership assessment being met. The Swedish Financial Supervisory Authority approved the transaction on 10 April 2013.

IPM is a leading provider of systematic investment services in discretionary and fund management. IPM currently manages assets worth SEK 47 Bn on assignment by major institutional investors, pension funds, insurance companies and trusts. The ownership stake in IPM enables Catella to consolidate its position as a financial group.

The acquired operations, that form part of the Asset Management operating segment, were consolidated according to the equity method from 1 April 2013, implying that no contribution was made to sales or profit/loss were made in the first quarter 2013. As of 1 April, the fair value of acquired net assets in IPM was SEK 33 M. If the acquisition had taken place as of 1 January 2013, group operating profit for 2013 would have totalled SEK -13 M against the reported SEK –12 M. This amount was calculated on the basis of group accounting policies and with an adjustment for the associated company's profit, including additional amortisations that would have been made if the fair value adjustments to intangible assets had been effected as of 1 January 2013, alongside the ensuing tax effects.

The total purchase price for 25% of the shares in IPM was SEK 50 M and was financed internally by cash payment, of which SEK 33 M affected group cash and cash equivalents in 2013. In addition, Catella has acquisition-related expenses of SEK 0.6 M which was charged to operating profit in 2012.

The goodwill of SEK 17 M that arose from the acquisition relates to expansion of the operations, human capital and the anticipated synergies from the coordination with the group's existing asset management operations. No portion of reported goodwill is estimated to be deductible against income tax.

As of 1 April 2013, net assets resulting from the acquisition are as follows:	
Acquisition-related intangible assets	14
Other acquired net assets	19
Fair value of net assets	**33**
Goodwill	17
Total purchase price	**50**

The fair value of acquired identifiable intangible assets of SEK 14 M, attributable to the portfolio management system and customer relations, is preliminary awaiting final valuation of these assets which is anticipated to occur within 12 months of the acquisition date.

In January 2014, Catella signed an agreement relating to increasing its shareholding in IPM from 25% to some 51%. This would make IPM a subsidiary which would be consolidated from the date of ownership transfer, which is when the condition for approved ownership assessment has been met. The purchase price is SEK 25.7 M plus a potential future additional purchase price related to the acquired shares' proportion of IPM's profit for 2014 and 2015. The additional purchase price cannot exceed the initial purchase price for the shares.

NOTE 22 DERIVATIVE INSTRUMENTS

	2013		2012	
SEK M	Assets	Liabilities	Assets	Liabilities
Currency forward contracts	2	2	2	2
	2	**2**	**2**	**2**
Less: long-term portion	–	–	–	–
Short-term portion	**2**	**2**	**2**	**2**

Derivative instruments relate solely to the subsidiary Catella Bank, which 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	2013	2012
Unlisted securities:		
Shares in Europe	0	0
	0	**0**

Financial assets available for sale, SEK 54,000 (60,000) relate to shares in Swift, which are held within the auspices of the credit card and acquisition operation of Catella Bank.

SEK M	2013	2012
As of 1 January	0	0
Purchases	–	–
Sales	–	–25
Gains and losses net, entered in other comprehensive income	–	–
Reclassification to disposal group held for sale	–	26
Exchange rate differences	0	–1
As of 31 December	**0**	**0**
Less: long-term portion	0	0
Short-term portion	**0**	**0**

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

SEK M	2013	2012
EUR	0	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	2013	2012
Loan portfolios	183	229
Fund investments	56	48
Listed shares	1	1
Unlisted shareholdings	–	17
Corporate bonds	7	2
Other	1	2
	248	**299**

SEK M	2013	2012
As of 1 January	299	377
Reclassification to holdings in associated companies	–17	
Acquisitions [1]	25	19
Disposals [2]	–84	–85
Amortisation	–2	–11
Fair value gains/losses on financial assets measured at fair value through profit or loss [3]	3	–3
Capitalised interest income	16	10
Reclassification from/to disposal group held for sale	–	2
Exchange rate differences	7	–11
As of 31 December	**248**	**299**
Less: long-term portion	–235	–276
Short-term portion	**13**	**22**

[1] Primarily relates to the purchase of business-related shareholdings in corporate bonds, of which the majority were divested in 2013.

[2] Includes divestment of the Semper loan portfolio, which is primarily exposed to Germany and business-related shareholdings in corporate bonds and Sicav funds.

[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 re-measurements 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 of 7.5%, 9.0% and 14.0% as of 31 December 2013, giving a weighted average discount rate of 10.3% (10.8) for the total loan portfolios. The weighted average duration for the portfolio amounted to 6.3 years (6.5) as of 31 December 2013.

Cash flows mainly comprise interest payments, but also repayments with a projected period up to and including 2028. The expected cash flows for the period amounted to approximately SEK 360 M, which are discounted and recognised at SEK 183 M (229).

Through subsidiaries, Catella divested the Semper portfolio in May 2013, which was primarily exposed to Germany. The sale generated proceeds of approximately SEK 51 M and resulted in a capital loss of SEK -5 M. With the divestments of Shield, Memphis and Semper 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 2013[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	47.9	13.3	29.1	16.0	9.0	5.8
Pastor 3	Spain	1.6	0.5	0.6	0.3	14.0	7.5
Pastor 4	Spain	77.6	21.6	20.2	11.2	14.0	10.3
Pastor 5	Spain	16.8	4.7	4.0	2.2	14.0	11.0
Lusitano 3	Portugal	79.8	22.2	50.9	28.1	9.0	5.7
Lusitano 4[2]	Portugal	–	–	–	–	–	–
Lusitano 5	Portugal	63.1	17.6	24.6	13.6	14.0	4.6
Gems	Germany	43.8	12.2	40.0	22.1	7.5	1.2
Minotaure	France	27.5	7.6	10.6	5.9	14.0	7.3
Ludgate[2]	UK	–	–	–	–	–	–
Sestante 2[2]	Italy	–	–	–	–	–	–
Sestante 3[2]	Italy	–	–	–	–	–	–
Sestante 4[2]	Italy	–	–	–	–	–	–
Sestante 4 A1	Italy	1.3	0.4	1.2	0.7	7.5	1.4
Total cash flow[3]		**359.5**	**100.0**	**181.3**	**100.0**	**10.3**	**6.3**
Accrued interest				2.0			
Book value in Consolidated Balance Sheet				183.3			

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[2]	UK	–	–	–	–	–	–
Sestante 2[2]	Italy	–	–	–	–	–	–
Sestante 3[2]	Italy	–	–	–	–	–	–
Sestante 4[2]	Italy	–	–	–	–	–	–
Sestante 4 A2	Italy	1.8	0.4	1.5	0.7	8.5	2.0
Total cash flow[3]		**468.2**	**100.0**	**227.4**	**100.0**	**10.8**	**6.5**
Accrued interest				1.8			
Book value in Consolidated Balance Sheet				229.2			

[1] Forecast produced by investment advisor Cartesia S.A.S.

[2] These investments were ascribed a value of SEK 0.

[3] 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		Germany		France	UK			
Loan portfolio		Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis[2]	Shield[2]	Gems	Semper[2]	Minotaure	Ludgate	Outcome	Forecast	Diff.
Outcome																	
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**
Q1	2013	0.1	–	–	–	–	–	0.1	–	–	0.1	1.2	–	0.1	**1.5**	**1.5**	**–0.0**
Q2	2013	–	–	–	–	–	–	0.1	–	–	0.1	–	–	–	**0.2**	**2.3**	**–2.1**
Q3	2013	0.1	–	–	–	1.7	–	0.1	–	–	0.1	–	–	0.1	**2.2**	**2.6**	**–0.4**
Q4	2013	–	–	–	–	1.0	–	0.1	–	–	0.1	–	–	–	**1.1**	**1.1**	**0.0**
Total		**26.7**	**0.0**	**0.0**	**0.0**	**27.1**	**0.8**	**1.6**	**8.4**	**12.2**	**2.9**	**19.4**	**21.7**	**1.1**	**121.9**	**109.4**	**12.5**
																Forecast	
Forecast																Quarter/year	Acc.
Year	2014	0.4	–	–	–	3.0	–	0.5			0.5		–			**4.5**	**4.5**
Year	2015	0.4	–	–	–	6.0	–	0.6			43.3		–			**50.3**	**54.8**
Year	2016	0.5	–	–	–	14.7	–	0.2					–			**15.4**	**70.2**
Year	2017	0.5	–	–	–	16.9	20.6						–			**38.0**	**108.2**
Year	2018	0.6	–	–	–	5.2	4.4						–			**10.2**	**118.4**
Year	2019	45.5	–	–	–	3.8	3.9						–			**53.2**	**171.6**
Year	2020		–	–	–	3.6	3.8						–			**7.5**	**179.1**
Year	2021		1.6	–	–	3.4	3.6						27.5			**36.2**	**215.3**
Year	2022			–	–	3.2	2.5									**5.8**	**221.1**
Year	2023			–	–	3.1	1.6									**4.6**	**225.7**
Year	2024			77.6	16.8	2.9	1.6									**98.8**	**324.5**
Year	2025					13.9	1.5									**15.5**	**340.0**
Year	2026						1.5									**1.5**	**341.5**
Year	2027						1.5									**1.5**	**343.0**
Year	2028						16.5									**16.5**	**359.5**
Total		**47.9**	**1.6**	**77.6**	**16.8**	**79.8**	**63.1**	**1.3**	**0.0**	**0.0**	**43.8**	**0.0**	**27.5**	**0.0**		**359.5**	

[1] Forecast produced by investment advisor Cartesia S.A.S.

[2] Shield was divested during Q4 2011, Memphis was divested in Q2 2012 and Semper in Q2 2013.

Method and assumptions for cash flow projections and discount rates

The cash flow for each loan portfolio is presented in the table on page 88 and the discount rates are presented on page 87 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 89 and on Catella's website.

Method for discount rates

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 and on Catella's website.

Sensitivity analysis for Catella's loan portfolios

The recognized 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 88 and on Catella's website.

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-portfolio Lusitano 5, it is assumed that the issuer will not exercise its time call, which could occur during the fourth quarter of 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.

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	Minotaure	Total
7.5%	31.5	0.9	37.0	7.6	54.4	36.2	**1.2**	**40.0**	16.3	**222.6**
9.0%	**29.1**	0.9	32.1	6.5	**50.9**	32.9	1.2	39.3	14.7	**206.5**
14.0%	22.5	**0.6**	**20.2**	**4.0**	41.6	**24.6**	1.1	37.2	**10.6**	**164.5**
15.0%	21.4	0.6	18.5	3.6	40.1	23.3	1.1	36.8	10.0	**157.8**
20.0%	16.8	0.4	12.0	2.3	33.8	18.2	1.0	34.9	7.3	**130.4**
25.0%	13.3	0.3	7.9	1.4	29.0	14.6	1.0	33.2	5.4	**110.6**
30.0%	10.7	0.2	5.3	0.9	25.3	12.0	0.9	31.6	4.1	**95.8**
Discounted cash flow [1]	**29.1**	**0.6**	**20.2**	**4.0**	**50.9**	**24.6**	**1.2**	**40.0**	**10.6**	**181.3**

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

	Spain				Portugal		Italy		France	
Discount rate per portfolio	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Gems	Minotaure	Total
7.5%	1.5x	1.7x	2.1x	2.2x	1.5x	1.7x	**1.1x**	**1.1x**	1.7x	**1.6x**
9.0%	**1.6x**	1.9x	2.4x	2.6x	**1.6x**	1.9x	1.1x	1.1x	1.9x	**1.7x**
14.0%	2.1x	**2.7x**	**3.8x**	**4.2x**	1.9x	**2.6x**	1.2x	1.2x	**2.6x**	**2.2x**
15.0%	2.2x	2.9x	4.2x	4.7x	2.0x	2.7x	1.2x	1.2x	2.8x	**2.3x**
20.0%	2.9x	3.9x	6.5x	7.4x	2.4x	3.5x	1.3x	1.3x	3.8x	**2.8x**
25.0%	3.6x	5.3x	9.9x	11.7x	2.8x	4.3x	1.3x	1.3x	5.0x	**3.3x**
30.0%	4.5x	7.2x	14.7x	18.0x	3.2x	5.3x	1.4x	1.4x	6.7x	**3.8x**
Multiple	**1.6x**	**2.7x**	**3.8x**	**4.2x**	**1.6x**	**2.6x**	**1.1x**	**1.1x**	**2.6x**	**2.0x**

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	Minotaure	Total	Delta
170.0%	49.4	1.0	34.4	6.7	86.6	41.8	2.0	68.0	18.1	**308.2**	**70.0%**
165.0%	48.0	1.0	33.4	6.6	84.0	40.6	2.0	66.0	17.5	**299.1**	**65.0%**
160.0%	46.5	1.0	32.4	6.4	81.5	39.4	1.9	64.0	17.0	**290.1**	**60.0%**
155.0%	45.0	0.9	31.4	6.2	78.9	38.2	1.9	62.0	16.5	**281.0**	**55.0%**
150.0%	43.6	0.9	30.4	6.0	76.4	36.9	1.8	60.0	15.9	**271.9**	**50.0%**
145.0%	42.1	0.9	29.3	5.8	73.9	35.7	1.7	58.0	15.4	**262.9**	**45.0%**
140.0%	40.7	0.9	28.3	5.6	71.3	34.5	1.7	56.0	14.9	**253.8**	**40.0%**
135.0%	39.2	0.8	27.3	5.4	68.8	33.2	1.6	54.0	14.3	**244.7**	**35.0%**
130.0%	37.8	0.8	26.3	5.2	66.2	32.0	1.6	52.0	13.8	**235.7**	**30.0%**
125.0%	36.3	0.8	25.3	5.0	63.7	30.8	1.5	50.0	13.3	**226.6**	**25.0%**
120.0%	34.9	0.7	24.3	4.8	61.1	29.5	1.4	48.0	12.8	**217.5**	**20.0%**
115.0%	33.4	0.7	23.3	4.6	58.6	28.3	1.4	46.0	12.2	**208.5**	**15.0%**
110.0%	32.0	0.7	22.3	4.4	56.0	27.1	1.3	44.0	11.7	**199.4**	**10.0%**
105.0%	30.5	0.6	21.2	4.2	53.5	25.8	1.3	42.0	11.2	**190.3**	**5.0%**
100.0%	**29.1**	**0.6**	**20.2**	**4.0**	**50.9**	**24.6**	**1.2**	**40.0**	**10.6**	**181.3**	**0.0%**
95.0%	27.6	0.6	19.2	3.8	48.4	23.4	1.1	38.0	10.1	**172.2**	**–5.0%**
90.0%	26.2	0.5	18.2	3.6	45.8	22.2	1.1	36.0	9.6	**163.2**	**–10.0%**
85.0%	24.7	0.5	17.2	3.4	43.3	20.9	1.0	34.0	9.0	**154.1**	**–15.0%**
80.0%	23.3	0.5	16.2	3.2	40.7	19.7	1.0	32.0	8.5	**145.0**	**–20.0%**
75.0%	21.8	0.5	15.2	3.0	38.2	18.5	0.9	30.0	8.0	**136.0**	**–25.0%**
70.0%	20.3	0.4	14.2	2.8	35.7	17.2	0.8	28.0	7.4	**126.9**	**–30.0%**
65.0%	18.9	0.4	13.2	2.6	33.1	16.0	0.8	26.0	6.9	**117.8**	**–35.0%**
60.0%	17.4	0.4	12.1	2.4	30.6	14.8	0.7	24.0	6.4	**108.8**	**–40.0%**
55.0%	16.0	0.3	11.1	2.2	28.0	13.5	0.7	22.0	5.8	**99.7**	**–45.0%**
50.0%	14.5	0.3	10.1	2.0	25.5	12.3	0.6	20.0	5.3	**90.6**	**–50.0%**
45.0%	13.1	0.3	9.1	1.8	22.9	11.1	0.5	18.0	4.8	**81.6**	**–55.0%**
40.0%	11.6	0.2	8.1	1.6	20.4	9.8	0.5	16.0	4.3	**72.5**	**–60.0%**
35.0%	10.2	0.2	7.1	1.4	17.8	8.6	0.4	14.0	3.7	**63.4**	**–65.0%**
30.0%	8.7	0.2	6.1	1.2	15.3	7.4	0.4	12.0	3.2	**54.4**	**–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 2013 by just over SEK 13 M. the carrying amount of the holding, and market value as of 31 December 2013, was SEK 55 M (42).

Business-related investments

The business-related investments include Nordic Fixed Income's trading stock of corporate bonds and Catella Bank's derivatives holding. The book value of the holdings, also market value, was SEK 11 M (27) as of 31 December 2013.

Other securities

A minority of the remaining share portfolio was divested in 2013, generating a modest profit. The remaining portion of the portfolio was divested in January—February 2014. The book value of the holding, also market value, was SEK 1 M (1) as of 31 December 2013.

NOTE 25 FINANCIAL ASSETS HELD TO MATURITY

SEK M	2013	2012
Treasury bills including accrued interest	0	6
	0	**6**

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

SEK M	2013	2012
Treasury bills including accrued interest	0	6
	0	**6**

SEK M	2013	2012
As of 1 January	6	0
Purchases	–	55
Sales	–6	–63
Reclassification from/to disposal group held for sale	–	15
Exchange rate differences	0	0
As of 31 December	**0**	**6**
Less: Long-term portion	–	–
Short-term portion	**0**	**6**

Financial assets held to maturity relate solely to the subsidiary Catella Bank.

NOTE 26 ACCOUNTS RECEIVABLE

SEK M	2013	2012
Accounts receivable	203	211
Less: provision for doubtful debt	–32	–30
	171	**181**

The fair value of accounts receivable is as follows:

SEK M	2013	2012
Accounts receivable	171	181
	171	**181**

The age analysis of past due accounts receivable follows:

SEK M	2013	2012
Less than 2 months	24	22
2 to 6 months	3	3
More than 6 months	30	33
	57	**58**

Changes in reserve for doubtful debt are as follows:

SEK M	2013	2012
As of 1 January	–30	–30
Provision for doubtful receivables	–2	0
Recovered bad debt losses	0	0
Exchange rate differences	0	0
As of 31 December	**–32**	**–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	2013	2012
Loan receivables	658	835
Less: provision for doubtful loan receivables	–41	–42
	617	**793**
Less: long-term portion	–249	–304
Short-term portion	**368**	**489**

Loan receivables relate in their entirety to Catella Bank.

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

SEK M	2013	2012
Between 1 – 5 years	249	304
More than 5 years	–	–
	249	**304**

Loan receivables in Catella Bank Filial are lending for purchases, primarily of premium Bonds. Interest is subject to shorter fixing periods. However, a decision was made to terminate the premium bond operations in 2014 and the agreement with The Swedish National Debt Office was terminated on 30 November 2013. Loans relating to the premium bond transaction are expected to be repaid within 1.5 years of the reporting date. Other lending relates to depository loans with an indefinite term.

The fair value of loan receivables is as follows:

SEK M	2013	2012
Loan receivables	617	793
	617	**793**

Catella Bank also has granted but un-utilised credit facilities to clients of SEK 1,799 M (1,641), see Note 38.

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

SEK M	2013	2012
As of 1 January	42	0
Provision for doubtful debt	7	6
Receivables written off during the year that are not recoverable	–4	–2
Reversed unutilised amount	–5	–
Reclassification from/to disposal group held for sale	–	39
Exchange rate differences	1	–1
As of 31 December	**41**	**42**

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

SEK M	2013	2012
EUR	211	266
USD	24	47
SEK	361	431
GBP	16	37
CHF	2	10
NOK	1	3
DKK	1	0
Other currencies	0	0
	617	**793**

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	2013	2012
As of 1 January	8	8
Additional endowment policies	–	1
Endowment policies utilised during the year	–2	0
Additional receivables	0	0
Repaid receivables	–2	–
Translation differences	0	0
As of 31 December	**5**	**8**

SEK M	2013	2012
Endowment policies for senior managers	–	2
Rent guarantees	4	5
Lease receivable	1	1
Other	0	0
	5	**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. In 2013, all endowment policies were repurchased, meaning that no such commitments remain outstanding.

NOTE 29 PREPAID EXPENSES AND ACCRUED INCOME

SEK M	2013	2012
Accrued interest income	1	5
Accrued management fees and card income	51	20
Other accrued income	3	4
Prepaid rental charges	11	9
Other prepaid expenses	16	14
	82	**53**

NOTE 30 CASH AND CASH EQUIVALENTS

SEK M	2013	2012
The Catella Group excluding Catella Bank	330	261
Catella Bank	1,564	1,419
Client deposit receivables attributable to the asset management and securities operations	105	166
Client deposit liabilities attributable to the asset management and securities operations	–105	–166
Total cash and cash equivalents	**1,893**	**1,680**

Cash and cash equivalents comprise bank balances.

Cash and cash equivalents in Catella Bank are not available for withdrawal by the rest of the Catella Group.

Cash and cash equivalents include funds deposited in frozen accounts totalling SEK 95 M (146). 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.

Client deposit receivables attributable to the asset management and securities operations were SEK 105 M (166), which were reported net of client deposit liabilities of SEK 105 M (166).

The Group has unutilised overdraft facilities of SEK 31.5 M (31.5). 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 2013.

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 2013, there were 0.3 (0) deposits for issued warrants. In addition, other contributed capital was reduced by the re-purchase of issued warrants. In 2013, issued warrants were re-purchased at a marginal amount (2012: SEK 2 M).

Reserves comprise the income and expenses that, according to certain standards, are to be recognized 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. In connection with an IPO in the Baltics, a value transfer of SEK 3 M was effected to a non-controlling interest which affected profit brought forward in 2013. 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- 2013. Nor are any proposed for payment for 2014.

See also Note 55 Equity of Parent Company.

NOTE 32 BORROWINGS AND LOAN LIABILITIES

SEK M	2013	2012
Bank loans for financing operations	227	155
Bond issues	206	234
Deposits from companies	1,236	1,301
Deposits from private customers	476	487
	2,145	**2,176**
Less: long-term portion	–199	–197
Short-term portion	**1,945**	**1,979**

Borrowings and loan liabilities essentially relate to Catella Bank.

Maturity dates for the Group's borrowings and loan liabilities are as follows:

SEK M	2013	2012
Less than 6 months	1,945	1,973
Between 6–12 months	0	6
Between 1–5 years	199	197
More than 5 years	–	–
	2,145	**2,176**

The fair value of borrowings and loan liabilities is as follows:

SEK M	2013	2012
Bank loans	227	155
Bond issues	206	234
Deposits from companies	1,236	1,301
Deposits form private customers	476	487
	2,145	**2,176**

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 PENSION PROVISIONS ETC.

The Group has defined benefit pension plans for managers of Catella Bank in Luxembourg. In 2012, there were also defined benefit pension plans in Catella Corporate Finance Norway, which were terminated in 2013. These pension plans are based on the employees' pensionable benefits and length of service.

SEK M	2013	2012
Obligations and liabilities in the Balance Sheet for defined benefit pension benefits	1	1
Recognition in the Income Statement of defined benefit pension benefits	–1	–2
Actuarial profit (+)/loss (–) for the year recognised in the Consolidated Statement of Comprehensive Income	0	–1
Accumulated actuarial profit (+)/loss (–) for the year recognized in the Consolidated Statement of Comprehensive Income	–1	–1

Those amounts recognised in the Balance Sheet have been measured as follows:

SEK M	2013	2012
Present value of funded obligations	3	7
Fair value of plan assets	–2	–5
Deficit in funded plans	1	1
Present value of unfunded obligations	0	0
Net debt in Balance Sheet	**1**	**1**

The change in defined benefit obligations in the year is as follows:

SEK M	2013	2012
At beginning of year	7	0
Reclassified from disposal group held for sale	–	4
Expense for service rendered in current year	1	2
Payroll tax	0	0
Interest expenses/costs	0	0
Actuarial profit (+)/loss (–)	0	1
Purchase	1	–
Disbursed benefits	–3	–
Obligation settled	–3	–
Exchange rate differences	0	0
At end of year	**3**	**7**

Change in fair value of plan assets in the year are as follows:

SEK M	2013	2012
At beginning of year	5	0
Reclassification from disposal group held for sale	–	3
Expected return on plan assets	0	0
Fees from employers	1	2
Actuarial profit (+)/loss (–)	0	–
Purchase	1	–
Benefits disbursed	–3	–
Divestment	–3	–
Exchange rate differences	0	0
At end of year	**2**	**5**

The real return on assets under management totalled SEK 70,000 (2012: SEK 86,000)

The most important actuarial assumptions were as follows:

	2013		2012	
	Luxembourg	Norway	Luxembourg	Norway
Discount rate, %	3.00%	–	3.00%	3.90%
Expected return on plan assets, %	3.00%	–	3.00%	3.90%
Future salary increase, %	2.75%	–	2.75%	3.25%
Future pension increase, %	2.50%	–	2.50%	0.20%

NOTE 34 OTHER PROVISIONS

SEK M	Endow-ment policies	Defined benefit pension plans	Legal disputes in acquired companies	Other	Total
As of 1 January 2012	2	0	1	2	5
Additional provisions	1			4	4
Value changes recognised in other comprehensive income		1			1
Utilised during the year	0			–6	–6
Reversed unutilized amount		–2		0	–2
Reclassified to disposal group held for sale		2		5	8
Exchange rate differences		0		0	0
As of 31 December 2012	**2**	**1**	**1**	**5**	**9**
Additional provisions				5	5
Value changes recognised in other comprehensive income		0			0
Utilised in the year	–2			–6	–8
Reversed unutilized amount		0	–2		–1
Exchange rate differences		0		0	0
As of 31 December 2013	**0**	**1**	**0**	**4**	**6**

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	2013	2012
Holiday pay liability	17	17
Accrued personnel costs	20	20
Accrued audit expenses	3	3
Accrued insurance expenses	–	0
Accrued legal expenses	1	1
Accrued bonus	78	60
Accrued interest expense	0	0
Accrued rental charges	32	28
Accrued commission expenses	47	37
Other accrued expenses	34	25
	232	**191**

NOTE 36 PLEDGED ASSETS

SEK M	2013	2012
Securities	110	124
Cash and cash equivalents	130	185
Other pledged assets	1	1
	241	**310**

Catella Bank Filial'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 95 M (146). 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

SEK M	2013	2012
Client funds managed on behalf of clients	105	166
Guarantees	14	12
	119	**178**

Client funds relate to assets belonging to customers and managed by Catella Bank Filial. These assets were acquired and are deposited in separate bank accounts by the branch 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

SEK M	2013	2012
Unutilised credit facilities, granted by Catella Bank	1,799	1,641
Currency forwards	203	210
Other commitments	1	–
	2,003	**1,851**

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.

Total future minimum lease payments for non-cancellable operating leases are as follows:

SEK M	2013	2012
Within 1 year	59	70
Between 1 and 5 years	126	201
More than 5 years	29	24
	214	**295**

Leasing costs recognised in profit and loss during the year amounted to SEK 62 M (59).

NOTE 39 INTEREST PAID AND RECEIVED

Interest paid and received for the Catella Group in the year amounted to the following:

SEK M	2013	2012
Interest received	42	70
Interest paid	–19	–25
Net interest paid	**22**	**45**

NOTE 40 ACQUISITION OF OPERATIONS

In 2013, Catella acquired 50.1% of the shares in recently incorporated Catella Asset Management SAS. From spring 2014, the company will operate asset management in the property sector in France on assignment of French and international investors. The acquired operations, which are included in the Asset Management operating segment, were consolidated on 1 December 2013 and made no income or profit contribution in 2013.

In 2013, the ownership spread of wholly-owned subsidiary Nordic Fixed Income AB was increased. For this purpose, the Catella group acquired 55% of the shares in recently incorporated Catella Nordic Fixed Income AB, which in turn made an internal acquisition of all the shares in Nordic Fixed Income AB. The remaining 45% of the shares in Catella Nordic Fixed Income AB are owned by Nordic Fixed Income's management. The acquired holding company, which is included in the Corporate Finance operating segment, was consolidated on 1 October 2013 and made no income or profit contribution in 2013.

No acquisitions were made in 2012. However, Catella effected a minor adjustment of SEK 0.3 M of its acquisition analysis relating to Catella Förmögenhetsförvaltning AB, whose name was changed to Nordic Fixed Income AB, which resulted in a corresponding increase in goodwill. In 2012 the final settlement was made of the purchase price of the shareholdings in subsidiary Catella Capital Intressenter and the then Catella group, totalling SEK 51 M.

SEK M	2013	2012
Cash and cash equivalents	2	–
Other liabilities	–	0
Fair value net assets	**2**	**0**
Non-controlling interests	–1	–
Goodwill	–	0
Total purchase price	**1**	**0**
Purchase consideration settled from previous year	–	51
Cash-settled purchase consideration	**1**	**51**
Cash and cash equivalents in acquired subsidiaries	–2	–
Acquisition expenses	–	–
Change in the Group's cash and cash equivalents on acquisition	**–1**	**51**

NOTE 41 GROUP COMPANIES

			31 December 2013		31 December 2012	
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	556064-2018	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
Modern Treuhand BV	33291018	Barendrecht	–	–	100	400
Modern Treuhand SA	B 86166	Luxembourg	100	31,000	100	31,000
Modern Treuhand Management Ltd	C-4214	Malta	–	–	100	10,000
Tea Call AB	556787-1909	Stockholm	–	–	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
Catella Corporate Finance Stockholm HB	969751-9628	Stockholm	65	–	65	–
Catella Corporate Finance Göteborg HB	969751-9602	Gothenburg	65	–	65	–
Nordic Fixed Income AB	556545-0383	Stockholm	100	15,878	100	15,878
Catella Nordic Fixed Income AB	556887-7087	Stockholm	100	1,111	–	–
Catella Kapital & Pension AB	556886-9019	Stockholm	100	500	–	–
Nordic Fixed Income Advisory HB	969765-2759	Stockholm	55	–	–	–
CFA Partners AB	556748-6286	Stockholm	100	2,000	100	2,000
Catella Brand AB	556690-0188	Stockholm	100	1,000	100	1,000
Catella Financial Advisory AB	556715-3944	Stockholm	–	–	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	95	2,500	95	2,500
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
Catella Corporate Finance AB	556724-4917	Stockholm	100	1,000	100	1,000
Catella Property Oy	669987	Helsinki	100	10,000	100	10,000
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	97	58,000	95	41,000
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	–	100	–
Catella Corporate Finance SIA	40003814194	Riga	60	2,004	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	Brussels	100	300,000	100	300,000
Catella Property Belgium SA	BE 0479980150	Brussels	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	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 Asset Management SAS	B 798456810	Paris	50	200,000	–	–
Catella Property Spain S.A.	A 85333342	Madrid	70	60	70	60
CC Intressenter AB	556740-5609	Stockholm	60	1,000	60	1,000
Catella Consumer AB	556654-2261	Stockholm	60	10,000	60	10,000
Catella Property Advisory AB	556740-5971	Stockholm	100	1,000	100	1,000
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

New CEO and President

Knut Pedersen took up his position as new CEO and President at the beginning of the year. Knut Pedersen has extensive experience of different positions in the financial sector and joins Catella from his position as CEO of ABG Sundal Collier in Sweden.

Catella becomes IPM's largest shareholder

In January 2014, Catella signed an agreement relating to increasing its shareholding in asset manager IPM Informed Portfolio Management from 25% to some 51% by acquiring shares in the company. This makes IPM a subsidiary of Catella which is consolidated from the date of transfer of ownership of the shares, which occurs when the conditions for approved ownership assessment are met. The purchase price is SEK 25.7 M plus a potential future purchase price relating to the acquired shares' portion of IPM's profit for 2014 and 2015. The additional purchase price cannot exceed the initial purchase price of the shares.

Extraordinary General Meeting

An EGM of Catella AB held on 13 February decided to elect Johan Damne as Board member. Johan Damne is CEO of Claesson & Anderzén AB, Catella's largest shareholder. A decision was also made to introduce an incentive scheme comprising a total of 7,000,000 share warrants aimed at the CEO and senior managers.

NOTE 43 RELATED PARTY TRANSACTIONS

Related party transactions

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.

In certain conditions, key individuals in subsidiaries in the Corporate Finance operation are offered shareholdings in these subsidiaries. In accordance with the group's accounting policies, non-controlling interests attributable to these shareholdings are reported as a personnel cost. For more information on senior managers' shareholdings in Catella and subsidiaries, see Note 11.

Related party transactions

2013

In 2013, 1,200,000 share warrants were re-purchased at market price from Fredrik Sauter, the former Chief Executive Officer of Catella Bank and member of Catella's group management team, due to changed employment conditions, in accordance with the terms of the warrants. The total purchase consideration for the warrants amounted to SEK 29,000.

Johan Ericsson, the former CEO and President, took up his position as Head of the Corporate Finance operating segment on 31 December 2013. He also became a partner of subsidiary Catella Corporate Finance Stockholm HB. Dividends may be proposed at the partnership's AGM 2014, of which a total of SEK 223,000 would be payable to Johan Ericsson.

2012

In 2012, 2,625,000 share warrants were re-purchased at market price from Lennart Schuss, the former Deputy Chief Executive Officer of Catella, 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.

NOTE 44 FINANCIAL CORPORATE GROUP AND CAPITAL ADEQUACY

In collaboration with the Swedish Financial Supervisory Authority, in April 2013 Catella judged that Catella AB and the subsidiaries that conduct operations under the supervision of Swedish or foreign supervisory authorities comprise a financial corporate group. The financial corporate group, which does not include subsidiaries active in property and consumer advice and certain other operations, is obliged to adhere to applicable sections of legislation (2006:1371) relating to capital adequacy and large exposures as well as the Swedish Financial Supervisory Authority's stipulations and general advice (FFFS 2007:1) relating to capital adequacy and large exposures.

According to legislation (1995:1559) relating to annual accounts for credit institutions and securities companies, consolidated accounts must be prepared for financial corporate groups. Catella applies this requirement through the information provided in this note on the financial corporate group's accounts. Accounting policies indicated in Note 2 were applied when preparing these accounts. Otherwise, please refer to the Catella AB group's consolidated accounts and Notes 1-43 and Note 45 of these Annual Accounts for other information, comments and analysis.

The following tables present extracts from the Annual Accounts of the financial corporate group.

SEK M	2013 Jan—Dec
Net sales	617
Other operating income	11
Total income	**628**
Assignment expenses & commission	–221
Income excluding assignment expenses & commission	**407**
Operating expenses	–444
Operating profit before acquisition-related items	**–37**
Depreciation/amortization of acquisition-related intangible assets	–6
Operating profit	**–43**
Net financial items	24
Profit before tax	**–19**
Tax	–3
Net profit for the year	**–23**

SEK M	2013 31 Dec
Non-current assets	879
Current assets	2,350
Total assets	**3,229**
Equity	807
Liabilities	2,422
Total equity and liabilities	**3,229**

Capital adequacy and capital adequacy ratio

The following table indicates the financial corporate group's capital adequacy requirement according to the first pillar and its capital adequacy ratio according to the Swedish Financial Supervisory Authority's regulation FFFS 2007:5 regarding public disclosure of information concerning capital adequacy and risk management. The capital adequacy ratio is calculated as the ratio between the capital base and capital adequacy. Legislative requirements stipulate that the capital adequacy ratio may not fall below 1. The financial corporate group's capital adequacy ratio was 2.3 as of 31 December 2013.

Catella Bank's capital adequacy ratio was 2.3 (2.7) as of 31 December 2013.

SEK M	2013 31 Dec
Capital base	
Equity	807
Deductions [1]	–326
Primary capital	481
Supplementary capital	0
Capital base for capital adequacy purposes	**481**
Capital requirement	
Credit risk	91
Position risk and currency risk	46
Operating risk	73
Total capital adequacy requirement	**211**
Surplus capital	**271**
Capital adequacy ratio	**2,3**

[1] Intangible assets after deductions for latent tax liability attributable to these assets, deferred tax receivables and price adjustment of financial assets.

Liquidity

The financial corporate group's funding comprises equity, bonds issued and deposits from credit institutions and the general public. Equity and bonds comprise 31%, deposits from credit institutions and the general public 60% and other liabilities 9% of total assets.

As of 31 December 2013, the financial corporate group's liquidity reserve totalled SEK 1,795 M, comprising 56% of total assets. Of the SEK 1,795 M, SEK 1,563 M is attributable to the banking operations that other companies in the financial corporate group are unable to access.

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.

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 non-interest-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.

WACC
Weighted average cost of capital.

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 2013

Currency	Average rate	Closing day rate
DKK	1.15985	1.198625
EUR	8.6494	8.943
GBP	10.1863	10.7329
LTL	2.5053	2.59
LVL	12.3326	12.7288
NOK	1.109461	1.057985
PLN	2.0432	2.0424
USD	6.5181	6.5936

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

Parent Company Income Statement

SEK M	Note	2013 Jan–Dec	2012 Jan–Dec
Net sales		6.5	6.3
Other operating income		0.3	0.0
		6.8	**6.3**
Other external costs	47	–11.6	–14.0
Personnel costs	48	–22.5	–20.5
Depreciation/amortisation		0.0	0.0
Other operating expenses		–0.1	0.0
Operating loss/loss		**–27.5**	**–28.3**
Profit from participations in Group companies	49	–0.5	1.1
Interest income and similar profit/loss items	50	11.4	3.3
Interest expense and similar profit/loss items	51	–13.5	–4.1
Financial items		–2.6	0.4
Profit/loss before tax		**–30.0**	**–27.9**
Tax on net profit for the year	52	30.4	–
Net profit/loss for the year		**0.4**	**–27.9**

Parent Company Statement of Comprehensive Income

SEK M	Note	2013 Jan–Dec	2012 Jan–Dec
Net profit/loss for the year		0.4	–27.9
Other comprehensive income		–	–
Other comprehensive income for the year, net after tax		0.0	0.0
Total comprehensive income for the year		**0.4**	**–27.9**

Parent Company Balance Sheet

SEK M	Note	2013 31 Dec	2012 31 Dec
ASSETS			
Non-current assets			
Property, plant and equipment		0.1	0.1
Participations in Group companies	53	519.4	519.9
Deferred tax receivables	54	19.0	–
Non-current receivables	55	–	–
		538.6	**520.0**
Current assets			
Receivables from Group companies		202.3	174.4
Tax receivables		0.1	0.1
Other current receivables		0.9	1.5
Prepaid expenses and accrued income		2.5	2.8
Cash and cash equivalents		45.4	50.6
		251.3	**229.4**
Total assets		**789.8**	**749.4**
EQUITY AND LIABILITIES			
Equity	56		
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		121.1	108.6
Net profit/loss for the year		0.4	–27.9
		171.0	**130.2**
Total equity		**584.3**	**543.5**
Liabilities			
Non-current liabilities			
Long-term loan liabilities	57	197.8	197.2
Provisions for pensions	55	–	–
		197.8	**197.2**
Current liabilities			
Accounts payable		0.7	1.9
Liabilities to group companies		2.6	1.5
Tax liabilities		–	0.1
Other current liabilities		0.4	0.4
Accrued expenses and deferred income	58	4.1	4.7
		7.8	**8.7**
Total liabilities		**205.5**	**205.9**
Total equity and liabilities		**789.8**	**749.4**
MEMORANDUM ITEMS	59		
Pledged assets		–	–
Contingent liabilities		–	–

Parent Company Cash Flow Statement

SEK M	Note	2013	2012
Cash flow from operating activities			
Profit/loss before tax		–30.0	–27.9
Adjustments for non-cash items:			
Depreciation/amortisation		0.0	0.0
Dividend from subsidiaries	49	–	–33.6
Impairment of shares in subsidiaries	49	0.5	32.5
Financial income and expense		–9.9	–2.5
Cash flow from operating activities before changes in working capital		**–39.5**	**–31.5**
Cash flow from changes in working capital			
Increase (–) / decrease (+) of operating receivables		34.1	–122.1
Increase (+) /decrease (–) of operating liabilities		0.3	4.1
Cash flow from operating activities		**–5.1**	**–149.6**
Cash flow from investing activities			
Purchase of property, plant and equipment		–0.1	–0.1
Cash flow from investing activities		**–0.1**	**–0.1**
Cash flow from financing activities			
Borrowings		–	200.0
Cash flow from financing activities		**0.0**	**200.0**
Cash flow for the year		**–5.2**	**50.4**
Cash and cash equivalents at beginning of year		50.6	0.2
Exchange rate differences in cash and cash equivalents		–	–
Cash and cash equivalents at end of the year		**45.4**	**50.6**

Parent Company Statement of Changes in Equity

SEK M	Note 56	Restricted equity: Share capital	Restricted equity: Statutory reserve	Non-restricted equity: Share premium reserve	Non-restricted equity: Profit brought forward	Net profit for the year	Total equity
Equity, 1 January 2012		**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**
Appropriation of profits				–27.9	27.9	0.0	0.0
Comprehensive income for the year, January – December 2013:							
Net profit/loss for the year						0.4	0.4
Other comprehensive income, net after tax						0.0	0.0
Comprehensive income for the year					**0.0**	**0.4**	**0.4**
Group contribution received					51.9		51.9
Tax effect of group contribution received					–11.4		–11.4
Equity, 31 December 2013		**163.4**	**249.9**	**49.6**	**121.1**	**0.4**	**584.3**

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 Flows 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 respectively.

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 from the parent company to subsidiaries are reported as an increase in the number of shares in subsidiaries and an impairment test is conducted coincident with this. Group contributions from subsidiaries to the parent company are reported, net of deferred tax, directly to profit brought forward as group contributions are viewed as a capital transfer.

Shareholder contribution

Shareholder contributions from the Parent Company to subsidiairies are reported as an increase in participations in subsidiairies, and the need for an impairment test regarding the participations is evaluated coincident with this. Group contributions from subsidiairies to the Parent Company are reported, after deduction for deferred tax, directly to profit brought forward, as group contributions are considered to comprise a capital transfer.

Leasing

The parent company reports all leasing 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)

	2013	2012
PwC		
Audit assignment	0.5	0.4
Audit activities other than audit assignment	0.0	0.1
Tax consultancy	0.0	0.1
Other services	0.3	0.1
Total	**0.8**	**0.7**

Operating leases including rent

	2013	2012
Expense for the year for operating lease arrangements including rent amount to	1.7	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	1.9	1.7
Due for payment after more than one year but less than five years	2.2	3.0
Due for payment after more than five years	0.0	0.0
Total	**4.1**	**4.6**

NOTE 48 PERSONNEL

Salaries, other compensation and social security expenses

	2013		2012	
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	1.6	0.4	1.7	0.5
	(0)	(0)	(0)	(0)
Chief Executive Officer	2.3	1.5	2.1	1.2
	(0.2)	(0.8)	(0)	(0.8)
Other employees. Sweden	9.3	5.3	8.6	5.0
	(1.0)	(2.2)	(0)	(1.9)
Total	**13.2**	**7.2**	**12.5**	**6.7**
	(1.2)	**(3.0)**	**0.0**	**(2.7)**

There were no pension commitments for the Chief Executive Officer or senior managers. For more information about compensation of the Board and Chief Executive Officer, see Note 11.

Average number of full-time employees

	2013		2012	
	Total	Of whom, women	Total	Of whom, women
Chief Executive Officer and senior managers	3	–	3	–
Other employees	9	4	9	4
Total	**12**	**4**	**12**	**4**

NOTE 49 PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

SEK M	2013	2012
Dividends	–	33.6
Impairment of shares in subsidiaries	–0.5	–32.5
Total	**–0.5**	**1.1**

NOTE 50 INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

SEK M	2013	2012
Interest	11.0	3.3
Settlement for warrants issued	0.4	–
Exchange rate gains	0.0	0.0
Total	**11.4**	**3.3**

SEK 10.5 M (3.1) of interest income and similar profit/loss items are intragroup.

NOTE 51 INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

SEK M	2013	2012
Interest	–12.8	–3.9
Loan arrangement expenses	–0.7	–0.2
Exchange rate losses	0.0	–
Total	**–13.5**	**–4.1**

SEK 0.2 M (0.1) of interest expenses and similar profit/loss are intragroup.

NOTE 52 TAX ON NET PROFIT/LOSS FOR THE YEAR

SEK M	2013	2012
Tax revenue attributable to group contribution received	11.4	–
Deferred tax revenue relating to tax-deductible losses	19.0	–
Total	**30.4**	**0.0**

Taxable earnings for the year amounted to SEK 22.8 M (-28.6), of which SEK 51.9 relates to taxable income from subsidiary Catella Fund Management. The parent company has total loss carry-forwards of SEK 104 M (127). A deferred tax asset attributable to these loss carry-forwards of SEK 19.0 M (0) was recognised in the company's Balance Sheet. The amounts are based on an assessment of the company's future utilisation of tax-deductible losses. The loss carry-forwards have an unlimited useful life. For more information, see Note 54.

NOTE 53 PARTICIPATIONS IN GROUP COMPANIES

Company	Share of equity, %	Share of vote, %	Number of partici-pations	Book value 2013	Book value 2012
Catella Holding AB	100%	100%	1,000	519.1	519.1
Scribona AS	100%	100%	1	0.4	0.8
Total				**519.4**	**519.9**

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	2013	2012
Opening book value	519.9	104.0
Purchases	–	–
Sales	–	–
Shareholders' contribution paid	–	465.1
Reduction of share capital/premium reserve	–	–16.7
Impairment	–0.5	–32.5
Closing book value	**519.4**	**519.9**

Impairment is stated in Note 49 Profit/loss from participations in Group companies.

NOTE 54 DEFERRED TAX RECEIVABLES

Deferred tax receivables are measurement of part of the company's tax-deductible losses expected to be offset against surpluses in future taxation, see also Note 52.

Deferred tax receivables	2013	2012
Opening carrying amount	0.0	–
Deficit utilised in the year	–5.0	–
Value change from change in tax rate	–	–
Value change from revised estimate	24.0	–
Closing carrying amount	**19.0**	**0.0**

NOTE 55 NON-CURRENT RECEIVABLES/ PENSION PROVISIONS

Non-current receivables related to an endowment policy for which the beneficiary was a former Vice President. The policy relate 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.

Non-current receivables	2013	2012
Opening carrying amount	0.0	0.4
Deposits	–	–
Disbursements	–	–0.4
Change in value	–	0.0
Closing carrying amount	**0.0**	**0.0**

NOTE 56 EQUITY

As of 31 December 2013, 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 2013.

As of 31 December 2013, there were no outstanding convertible promissory notes that could lead to dilution of the share capital.

35,900,000 warrants had been issued as of 31 December 2013, as described in more detail in Note 12. The Board is not authorised to re-purchase or issue shares. No treasury shares were held by the company itself or its subsidiaries.

Shareholders with more than 10% of the votes

The principal shareholder on 31 December 2013 was the Claesson & Anderzén Group (with related parties) with 48.4% (48.4) of the capital and 47.8% (47.8) of the votes, followed by AB Traction (with related parties) with 12.2% (7.9) of the capital and 12.4% (8.6) of the votes. After the end of the year, AB Traction reduced its shareholding in Catella. Its holding totalled 0.4% and 1.9% of the votes as of 31 March 2014.

Dividend

The Board proposes that no dividend is paid to shareholders for 2013. No dividend was paid for 2012.

Restricted reserves

Restricted reserves may not be reduced through dividends.

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 57 LOAN LIABILITIES

SEK M	2013	2012
Bond issues	197.8	197.2
	197.8	**197.2**
Less: long-term portion	–197.8	–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 two covenants based on financial position and liquidity, namely: group equity must not fall below SEK 800 M, and the parent company's cash and cash equivalents may not fall below 7% of outstanding borrowing. These covenants were satisfied in the year and as of 31 December 2013. The bond was listed on NASDAQ OMX Stockholm in July 2013.

NOTE 58 ACCRUED EXPENSES AND DEFERRED INCOME

SEK M	2013	2012
Holiday pay liability	0.8	0.8
Accrued salaries	1.6	0.5
Social security expenses	0.9	0.4
Accrued interest expenses	0.4	0.4
Accrued audit fees	0.2	0.2
Accrued consulting fees	–	2.3
Other items	0.1	0.1
Total	**4.1**	**4.7**

NOTE 59 PLEDGED ASSETS AND CONTINGENT LIABILITIES

As of 31 December 2013, there were no pledged assets or contingent liabilities.

NOTE 60 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 2013, several transactions took place between the Parent Company and subsidiaries. Catella AB (publ) has rendered a number of intragroup services to most subsidiaries, at market price and the Parent Company continues to provide funding on market terms to its subsidiary Catella Holding AB. In addition, the Parent Company received group contributions from the subsidiary Catella Capital AB, the holding company of Catella Fondförvaltning AB.

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 on pledged assets and contingent liabilities coincident with the balance sheet and in Note 59.

NOTE 61 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's assets largely comprise shares in subsidiairies and receivables from group subsidiaries. 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 2013.

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 declare 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 19 May 2014.

As stated above, the Annual Accounts and the Consolidated Accounts were approved for issue by the Board and Chief Executive Officer on 25 April 2014.

Johan Claesson
Chairman of the Board

Johan Damne
Board member

Viveka Ekberg
Board member

Petter Stillström
Board member

Jan Roxendal
Board member

Knut Pedersen
Chief Executive Officer

Our Audit Report was presented on 25 April 2014.

PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant

Audit Report

To the Annual General Meeting of Catella AB (publ)

Corporate identity number 556079-1419

Report on the Annual Accounts and Consolidated Annual Accounts

We have audited the Annual Accounts and the Consolidated Accounts of Catella AB for 2013. 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 2013 and its financial performance and cash flows for the year in accordance with the Annual Accounts Act. 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 2013 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 2013.

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, 25 April 2014
PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant

CATELLA

Catella AB (publ)
P.O. Box 5894, SE-102 40 Stockholm, Sweden | Visitors: Birger Jarlsgatan 6
Corp. ID no. 556079-1419 | Registered office: Stockholm, Sweden
Tel. +46 8 463 33 10 | info@catella.se

catella.com