



## Catella divests Card Issuing operations in Luxembourg to Advanzia Bank and completes strategic review

Catella Bank S.A, a fully owned subsidiary of Catella AB (publ), has entered an agreement to divest its Card Issuing operations in Luxembourg to Advanzia Bank S.A. as part of the previously announced strategic review. The fixed consideration amounts to approx. SEK 120 Million with an additional earn-out structure with a maximum potential of approx. SEK 240 Million.

Divesting the Card Issuing operations in Luxembourg is an important step for Catella in order to exit the consolidated situation due to the extensive regulatory framework and inefficient capital-structure it entails. In the process it has been important to find a counterparty who can understand and meet our customers' demands. Catella has evaluated various options and found the optimal conditions, for both customers and employees, in Advanzia Bank.

Advanzia Bank S.A. was founded in 2005 in Luxembourg and is a European online direct bank specialising in credit cards and payment solutions. Advanzia has a strong record of servicing private banks and financial institutions with turnkey credit card programs. With 1.2 million credit card customers, the bank achieved a turnover of EUR 2.3 billion in 2017.

*"Advanzia Bank is a strong and credible actor within the credit card operations and I feel confident our customers will be in good hands. Catella recently announced different solutions for the Wealth Management operations in both Luxembourg and Sweden. With this transaction Catella takes another important step towards a more efficient capital-structure and less extensive regulatory framework,"* says Knut Pedersen, CEO of Catella Group.

*"Acquiring Catella's credit card portfolio in Luxembourg is a perfect fit for us, as it not only complements our existing business lines, but also enables us to expand our market share,"* comments Roland Ludwig, CEO of Advanzia Bank.

The balance sheet total of Catella Group will be reduced by approx. SEK 350 Million as both assets and liabilities will be transferred to Advanzia Bank due to the transaction. The fixed consideration will be paid during Q1 2019 and the additional earn-out before year end 2019.

Given the divestment of the Card Issuing-operations to Advanzia Bank, the strategic review is completed and Catella's banking operation is expected to cease during 2019. In conjunction with the interim report for the third quarter of 2018, Catella communicated the Banking business area as Disposal group held for sale and the equity in Banking, as of 30 September 2018, amounted to SEK 437 million. Catella expects a net result from the divestments and costs related to restructuring, within the framework of the strategic review, where the latest communicated equity in Banking is secured alternatively exceeds the SEK 437 million given the outcome on the above mentioned additional earn out. Catella intends to return as to how the strategic review affects the

# PRESS RELEASE



*Stockholm, 18 December 2018*

Group's consolidated situation, capital requirements and regulation, as soon as this can be concretized.

For more information, please contact:

Knut Pedersen  
Chief Executive Officer  
+46 8 463 33 10  
[knut.pedersen@catella.se](mailto:knut.pedersen@catella.se)

Press contact:

Jonas Burvall  
Head of Group Communications  
+46 8 463 33 05, +46 766 27 97 55  
[jonas.burvall@catella.se](mailto:jonas.burvall@catella.se)

*This information is information that Catella AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 14.00 CET on 18<sup>th</sup> of December 2018.*