



CATELLA



JANUARY
– DECEMBER
2016

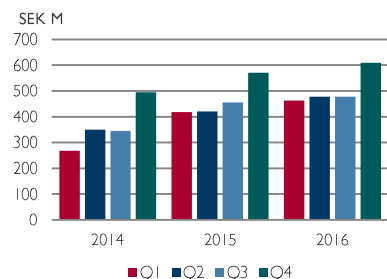


In the fourth quarter, Catella's total income increased by 7% to SEK 610 M (571) year on year. The growth is mainly due to increased assets under management and an increase in transactions in Property Funds and Wealth Management. The Group's operating profit was SEK 84 M (110) in the quarter and the reduction in operating profit is mainly due to lower variable earnings. Even if variable earnings were down, Catella's fixed earnings increased, both in the quarter and for the year.

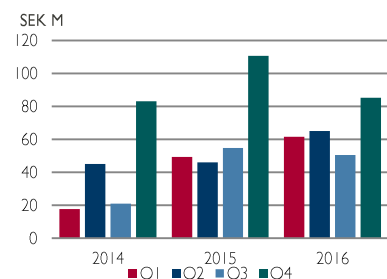
KNUT PEDERSEN
CEO and President
21 February 2017

The period in brief

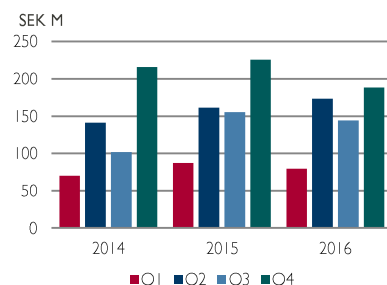
CONSOLIDATED TOTAL INCOME



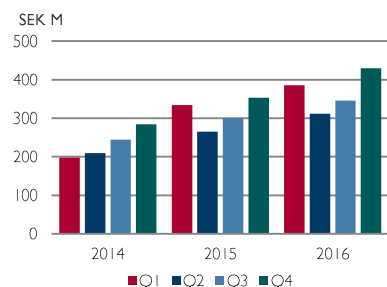
CONSOLIDATED OPERATING PROFIT/LOSS*



CORPORATE FINANCE TOTALA INCOME



ASSET MANAGEMENT AND BANKING TOTAL INCOME



* Before acquisition-related items.

** Attributable to parent company shareholders.

The Group

FOURTH QUARTER

- Total income SEK 610 M (571)
- Net sales SEK 607 M (566)
- Operating profit/loss* SEK 85 M (111)
- Operating profit/loss SEK 84 M (110)
- Profit/loss before tax SEK 80 M (128)
- Profit for the period SEK 58 M (128), of which attributable to parent company shareholders SEK 37 M (123)
- Earnings per share** SEK 0.45 (1.50)

FULL YEAR 2016

- Total income SEK 2,027 M (1,866)
- Net sales SEK 2,007 M (1,853)
- Operating profit/loss* SEK 263 M (261)
- Operating profit/loss SEK 258 M (254)
- Profit/loss before tax SEK 497 M (306)
- Profit for the period SEK 356 M (272), of which attributable to parent company shareholders SEK 271 M (243)
- Earnings per share** SEK 3.32 (2.97)
- Equity** SEK 1,563 M (1,319)
- Equity per share** SEK 19.09 (16.14)
- The Board of Directors is proposing a dividend of SEK 0.80 (0.60) per class A and B share for 2015

Corporate Finance

FOURTH QUARTER

- Total income SEK 188 M (226)
- Net sales SEK 187 M (222)
- Operating profit/loss* SEK 20 M (31)
- Property transaction volumes SEK 21.7 Bn (25.4):
 - France SEK 11.1 Bn (8.5)
 - Sweden SEK 6.7 Bn (10.5)
 - Germany SEK 0.6 Bn (1.8)

FULL YEAR 2016

- Total income SEK 586 M (630)
- Net sales SEK 575 M (623)
- Operating profit/loss* SEK 58 M (66)
- Property transaction volumes SEK 55.5 Bn (58.3):
 - France SEK 21.6 Bn (19.2)
 - Sweden SEK 18.9 Bn (25.1)
 - Germany SEK 2.6 Bn (3.6)

Asset Management and Banking

FOURTH QUARTER

- Total income SEK 430 M (353)
- Net sales SEK 428 M (352)
- Operating profit/loss* SEK 85 M (89)
- Assets under management SEK 155.7 Bn (138.3):
 - increase SEK 7.4 Bn (7.5)
 - of which net inflows SEK 2.7 Bn (5.1)

FULL YEAR 2016

- Total income SEK 1,472 M (1,253)
- Net sales SEK 1,461 M (1,245)
- Operating profit/loss* SEK 259 M (228)
- Assets under management SEK 155.7 Bn (138.3):
 - increase SEK 17.4 Bn (15.8)
 - of which net inflows SEK 4.8 Bn (14.4)

ADDITIONAL INFORMATION

Equity, Hedge and Fixed Income Funds

- Total income SEK 179 M (161)
- Operating profit/loss* SEK 64 M (75)

Banking

- Total income SEK 130 M (105)
- Operating profit/loss* SEK 1 M (0)

Property Investment Management

- Total income SEK 123 M (88)
- Operating profit/loss* SEK 20 M (13)

- Total income SEK 748 M (651)
- Operating profit/loss* SEK 262 M (228)

- Total income SEK 433 M (354)
- Operating profit/loss* SEK -6 M (-28)

- Total income SEK 295 M (249)
- Operating profit/loss* SEK 3 M (28)

Clear focus on continued growth

In the fourth quarter, Catella's total income increased by 7% to SEK 610 M (571) year on year. The growth is mainly due to increased assets under management and an increase in transactions in Property Funds and Wealth Management. Assets under management were SEK 155.7 Bn at the end of the quarter, up 5%, or SEK 7.4 Bn, on the preceding quarter.

The Group's operating profit was SEK 84 M (110) in the quarter. The reduction in operating profit is mainly due to lower profit in Mutual Funds, largely because of a decrease in variable earnings, and lower profit in the Corporate Finance operations in continental Europe. Even if variable earnings were down, Catella's fixed earnings increased, both in the quarter and for the year.

Equity, Hedge and Fixed Income Funds

It's pleasing to conclude that our new fund management team in Mutual Funds has been successful in managing the funds initially. Several funds outperformed their respective benchmarks in the quarter. We're continuing to allocate resources to Mutual Funds in order to develop relevant products, strengthen relationships with our distributors and their end customers, and develop our direct distribution to institutional clients. A number of products are already well positioned, and we're working on developing even more focused niche products.

For some time now, we've seen global capital shifting away from systematically managed funds in the hedge fund segment. However, Catella's Systematic Funds increased its assets under management which, coupled with our successful management has benefitted us in the year. Systematic Funds' assets under management grew by SEK 19.6 Bn in the full year 2016, corresponding to an increase of 40%. A majority of the inflows were invested in our Macro Strategy product, which also generated a high proportion of income for the year. This

product is scalable and has good potential to attract further capital. We will continue to extend our geographical reach and improve distribution on existing markets. Our initiative in London will play a key role in these efforts.

The business area's asset under management were SEK 98.9 Bn at the end of the quarter, SEK 1.1 Bn up on the previous quarter and SEK 5.8 Bn up on last year. Assets under management provide a stable base for business area earnings and annualized profit from fixed earnings/fixed costs was SEK 195 M (90) at year end.

Banking

The positive trend in Wealth Management continued throughout 2016. Assets under management of SEK 16.5 Bn grew by 21% in the year, corresponding to SEK 2.9 Bn, while the customer base became more diversified. The focus remains on growing assets under management and offering increasingly attractive and unique products in collaboration with the rest of Catella. During the year and the quarter, the collaboration between Wealth Management and Corporate Finance on property transactions has evidenced a more integrated Catella. Even if it takes time, the bank is becoming more relevant and is creating customer value throughout other parts of Catella, mainly in capital raisings and debt finance for property projects in line with our strategy.

The previously announced non-recurring income from Visa Inc.'s acquisition of Visa Europe strengthened Catella Banks capital base with SEK 150 M and creates opportunities for continued growth of the loan book. The loan book expanded by SEK 0.2 Bn in the fourth quarter, totalling SEK 1.3 (0.8) Bn at year end. The increase in 2016 was SEK 0.5 Bn, or 67%. Most of the lending was destined for commercial properties in the Nordics, where we see continued growth potential.



Volumes increased sharply in Cards and Payment Solutions in the fourth quarter, reaching SEK 6.4 (1.8) Bn, which is part of the process of achieving a balanced product mix in accordance with the requirements stipulated by Visa and MasterCard, and in order to enable growth in high margin segments. The volume increase has only a modest impact on earnings but is strategically important for future profitable growth.

Income increased by SEK 25 M to SEK 130 M (105) in the quarter, while operating profit was in line with last year at SEK 1 M (0).

Property Investment Management

We're rapidly establishing Property Asset Management operations in Europe where we combine a local presence and entrepreneurship with our European reach. This makes us an attractive counterparty for international investors channelling capital to the property sector in Europe, and are looking for investment expertise with a strong local connection. At the same time, we're creating a parallel structure encompassing European fund operations focused on property investments, which also has access to our European investment team. We're now starting to see the results of this combined business initiative. Although our investments in establishing operations in Norway, Germany and Spain have a negative profit impact in the short term, they also generate significant business potential. In the quarter, we've seen synergies between the two service areas, where the residential fund operations acquired properties in Spain and Denmark with the assistance of the local Property Asset Management operations. The geographical breadth we've achieved in the business area, alongside our establishment in London, means that Catella is well positioned as an attractive collaboration partner for a wider group of investors.

We're now starting to see the results of our efforts in the business area in the form of increased assets under management, which were SEK 8.7 Bn for the full year and SEK 5.4 Bn in the fourth quarter. The increase is mainly derived from our Property Asset Management operations in France, and the new residential property funds in Germany. Business area assets under management totalled SEK 40.3 Bn (31.6) at the end of the quarter.

As a result of the transactions, total income increased by 40% to SEK 123 M (88) in the quarter, and operating profit rose by 47% to SEK 20 M (13).

Corporate Finance

So far, in the Nordics, we've seen evidence that the strategy of increasing the proportion of value adding and capital markets related services in the property sector is successful. Catella's property transaction volumes declined slightly in the Nordics on the previous year, while income increased as a result of a more favourable product mix. In Continental Europe, we're established as a qualified property advisor with strong local knowledge. Our position is strong in France and Spain, although we still need to increase the number of employees and make changes to the product mix in Germany in order to achieve the desired market position.

Transaction volumes for commercial properties in Europe, excluding the UK, were in line with the previous year. However, Catella's property transaction volumes fell to SEK 21.7 BN, or SEK 3.7 Bn down on the fourth quarter 2015, a result of our focus on capital markets related services in the Nordics.

Operating profit in the business area was SEK 20 M (31) in the quarter which, adjusted for the terminated Consumer business, corresponds to a decrease of SEK 3 M.

We continue to see significant potential for increasing our reach to attract global capital finding its way to Europe. We are continuously investing in product development and distribution to create added value for our customers and generate good returns for our shareholders. Apart from all the steps we've taken in the various business areas, we also completed the planned change of listing to Mid Cap on Nasdaq Stockholm. This is positive from a shareholder and investor perspective, and illustrates the quality of Catella as a company and organization.

KNUT PEDERSEN
CEO and President

Comments on the Group's progress

Catella is a leading specialist in property investments, mutual funds and banking, with operations in twelve countries in Europe. The Group has a well-diversified customer base that includes private and commercial customers. Catella is listed on Mid Cap on Nasdaq Stockholm.

Amounts are in SEK M unless otherwise indicated. Figures in tables and comments may be rounded.

Net sales and results of operations

Fourth quarter 2016

The Group's total income was SEK 610 M (571) and net sales were SEK 607 M (566), of which SEK 187 M (222) relates to Corporate Finance and SEK 428 M (352) to Asset Management and Banking. Comments on the progress of each operating segment are on pages 8-11.

The Group's net financial income and expense was SEK -4 M (18). Net financial income/expense also includes interest income of SEK 5 M (7), which mainly relate to loan portfolios, and interest expenses of SEK 3 M (3) relating to Catella's bond issue. Fair value measurement of non-current securities and current investments resulted in a value adjustment of SEK -1 M (8). Fair value of the loan portfolio and derivatives holdings was SEK -2 M and SEK 3 M respectively, and reversals of earlier write-ups of divested shares in Nordic Light Fund were SEK -2 M.

Sales of shares in Nordic Light Fund realized profit of SEK 2 M and closed currency forwards, intended to limit currency exposure, realized profit/loss of SEK -9 M in the fourth quarter 2016.

The Group's profit before tax was SEK 80 M (128). Profit for the period after tax was SEK 58 M (128), of which SEK 37 M (123) was attributable to parent company shareholders. This corresponds to Earnings per Share of SEK 0.45 (1.50).

Full year 2016

The Group's total income was SEK 2,027 M (1,866) and net sales were SEK 2,007 M (1,853).

The Group's net financial income and expense was SEK 239 M (53), of which SEK 224 M relates to profit from the Visa transaction. Net financial income/expense also includes interest income of SEK 24 M (26) and interest expense of SEK 11 M (12). Fair value measurement of non-current securities and current investments resulted in a value adjustment of SEK -6 M (21). Catella's sales of shares in Nordic Light Fund and IPM Systematic Macro Fund generated a positive

contribution of SEK 16 M (11) and SEK 1 M (0) respectively. Realized profit/loss on derivatives was SEK -12 M (0).

The Group's profit before tax was SEK 497 M (306) and profit after tax was SEK 356 M (272), of which SEK 271 M (243) was attributable to parent company shareholders, corresponding to Earnings per Share of SEK 3.32 (2.97).

The Group's profit before tax and profit after tax, excluding the Visa transaction, was SEK 274 M (306) and SEK 206 M (272) respectively, of which SEK 121 M (243) was attributable to parent company shareholders, corresponding to Earnings per Share of SEK 1.48 (2.97).

Significant events in the quarter

Listing on Nasdaq Stockholm

Main Market

Catella was listed on Nasdaq Stockholm Main Market on 19 December, 2016.

Significant events after the end of the quarter

There were no significant events after the end of the quarter.

INCOME STATEMENT BY OPERATING SEGMENT IN SUMMARY

	3 Months		12 Months	
	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
SEK M				
CORPORATE FINANCE				
Total income	188	226	586	630
Operating profit/loss before acquisition-related items	20	31	58	66
Operating margin, % **	10	14	10	11
ASSET MANAGEMENT AND BANKING				
Total income	430	353	1,472	1,253
Operating profit/loss before acquisition-related items	85	89	259	228
Operating margin, % **	20	25	18	18
Equity-, Hedge and Fixed Income Funds				
Total income *	179	161	748	651
Operating profit/loss before acquisition-related items	64	75	262	228
Operating margin, % **	36	47	35	35
Banking				
Total income *	130	105	433	354
Operating profit/loss before acquisition-related items	1	0	-6	-28
Operating margin, % **	1	0	-1	-8
Property Investment Management				
Total income *	123	88	295	249
Operating profit/loss before acquisition-related items	20	13	3	28
Operating margin, % **	16	15	1	11
OTHER ***				
Total income	-9	-7	-31	-17
Operating profit/loss before acquisition-related items	-19	-10	-55	-33
GROUP				
Total income	610	571	2,027	1,866
Operating profit/loss before acquisition-related items	85	111	263	261
Operating margin, % *	14	19	13	14

* Includes internal income.

** Before acquisition-related items.

*** Includes eliminations.

KEY FIGURES BY OPERATING SEGMENT ***

	3 Months		12 Months	
	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
GROUP				
Profit margin, %	10	22	18	15
Return on equity, % **	-	-	19	20
Equity/Asset ratio, %	-	-	31	29
Equity, SEK M *	-	-	1,563	1,319
No. of employees, at end of period	-	-	579	539
Earnings per share, SEK *	0.45	1.50	3.32	2.97
Equity per share, SEK *	-	-	19.10	16.14
CORPORATE FINANCE				
Profit margin, %	6	14	9	7
Return on equity, % **	-	-	22	24
Equity/Asset ratio, %	-	-	59	53
Equity, SEK M *	-	-	254	213
No. of employees, at end of period	-	-	203	211
Property transaction volume for the period, SEK Bn	21.7	25.4	55.5	58.3
ASSET MANAGEMENT AND BANKING				
Profit margin, %	15	21	23	14
Return on equity, % **	-	-	33	22
Equity/Asset ratio, %	-	-	21	17
Equity, SEK M *	-	-	859	620
No. of employees, at end of period	-	-	359	314
Asset under management at end of period, SEK Bn	-	-	155.7	138.3
net in-(+) and outflow(-) during the period, mdkr	2.7	5.1	4.8	14.4
Card and payment volumes, SEK Bn	6.4	1.8	11.8	7.1

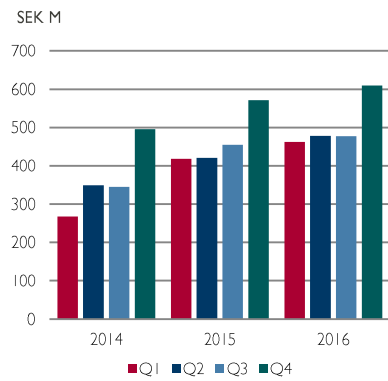
* Attributable to shareholders of the Parent Company.

** Return on equity, %: Sum of profit after tax for the four most recent quarters divided by average equity for the five most recent quarters.

*** Definitions for the selected key figures are at the end of this document.

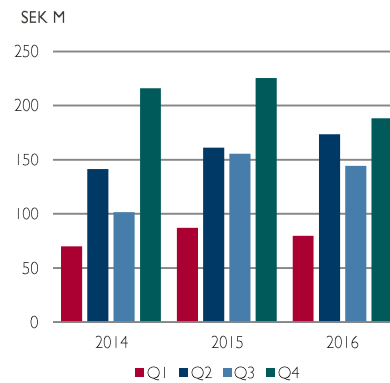
Group

TOTAL INCOME



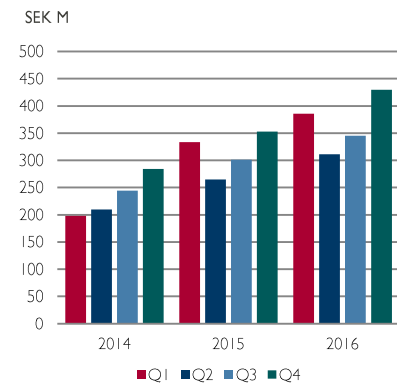
Corporate Finance

TOTAL INCOME

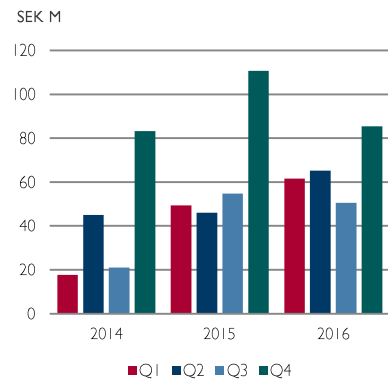


Asset Management and Banking

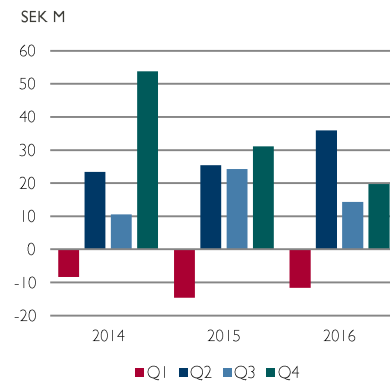
TOTAL INCOME



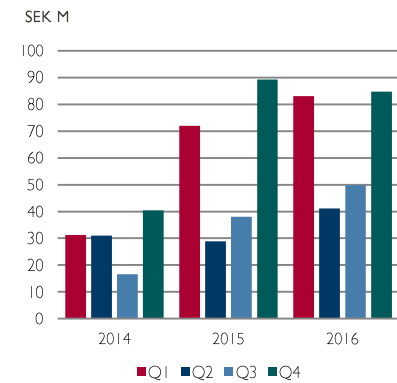
OPERATING PROFIT/LOSS*



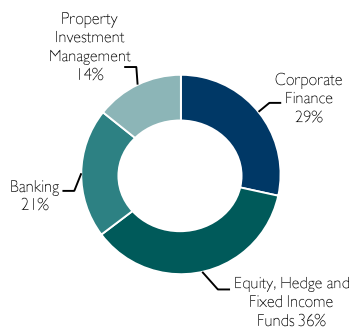
OPERATING PROFIT/LOSS*



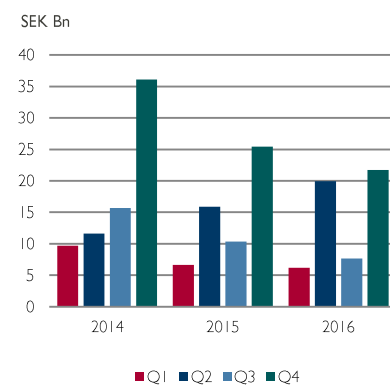
OPERATING PROFIT/LOSS*



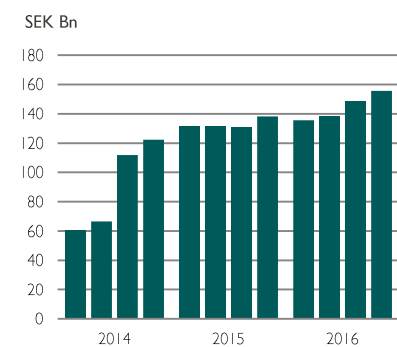
TOTAL INCOME BY BUSINESS AREA



CATELLA'S PROPERTY TRANSACTION VOLUMES



CATELLA'S ASSETS UNDER MANAGEMENT



* Before acquisition-related items.

Corporate Finance

Catella provides advice in the property sector focusing on value-adding and capital markets-related services, and has a leading position with a strong local presence in Europe.

Progress in the fourth quarter

The total property transaction market in Europe, excluding the UK, totalled EUR 41.9 Bn (42.9) in the quarter, a reduction of 2% year on year.

Property transactions where Catella served as an advisor totalled SEK 21.7 Bn (25.4) in the quarter. Of total transaction volumes in the quarter, France provided SEK 11.1 Bn (8.5), Sweden SEK 6.7 Bn (10.5) and Germany SEK 0.6 Bn (1.8).

Total income was SEK 188 M (226) and operating profit was SEK 20 M (31) in the quarter adjusted for the terminated Consumer operations, corresponding to a decrease of SEK 3 M.

The profit decrease was mainly due to continental Europe. The Nordics made a positive profit contribution as a result of a more favourable product mix.

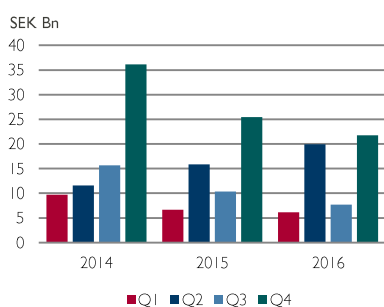
Full year 2016

Transaction volumes in Europe, excluding the UK, were EUR 124.4 Bn (146.1) for the full year, down 15% year on year. Catella's transaction volumes were SEK 55.5 Bn (58.3) in the period.

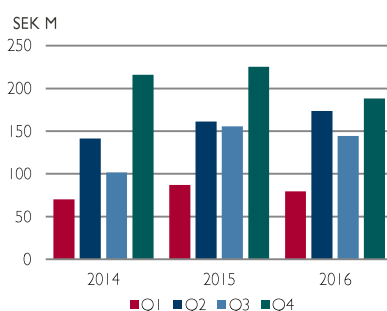
Total income was SEK 586 M (630) and operating profit was SEK 58 M (66) in the period, adjusted for the terminated Consumer operations, corresponding to an increase of SEK 18 M.

SEK M	3 Months		12 Months	
	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Nordic *	82	100	299	305
Continental Europe *	106	126	286	325
Total income	188	226	586	630
Assignment expenses and commission	-19	-10	-64	-37
Operating expenses	-150	-185	-463	-527
Operating profit/loss before acquisition-related items	20	31	58	66
Key Figures				
Operating margin, % **	10	14	10	11
Property transaction volume for the period, SEK Bn	21.7	25.4	55.5	58.3
<i>of which Nordic</i>	9.4	14.4	30.0	33.9
<i>of which Continental Europe</i>	12.3	11.0	25.5	24.4
No. of employees, at end of period	-	-	203	211

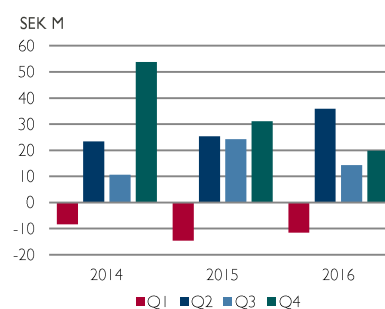
CATELLA'S PROPERTY TRANSACTION VOLUMES



TOTAL INCOME



OPERATING PROFIT/LOSS**



* Includes internal income.

** Before acquisition-related items.

Equity, Hedge and Fixed Income Funds

Catella is a leading independent fund manager focusing on Nordic assets. In Systematic Funds, the company is the global leader in the niche systematic macro and equity strategies.

Progress in the fourth quarter

New savings in mutual funds in Sweden was SEK 42.6 Bn in the quarter, of which PPM amounted to SEK 35.5 Bn. Equity funds represented the majority of new savings, totalling SEK 28.7 Bn, while money market funds and hedge funds experienced outflows. All months in the quarter saw net inflows with the exception of November. At the end of the quarter, Catella's share of Swedish fund volumes was 0.9% (1.2).

Catella's assets under management increased by SEK 1.1 Bn (2.8) in the quarter, of which net outflows of SEK 4.3 Bn (-1.4) in Mutual Funds and net inflows of SEK 0.6 Bn (1.3) in Systematic Funds.

Total income was SEK 179 M (161) in the quarter. Operating profit was SEK 64 M (75). The decrease in operating profit is mainly due to reduced profit in Mutual Funds, largely as a result of lower variable earnings.

Full year 2016

In the period total assets under management in Sweden increased by SEK 322 Bn, of which new savings were SEK 53.2 Bn, amounting to SEK 3,568 Bn at the end of the period. Catella's assets under management increased by SEK 5.8 Bn (10.6) in the period, reaching SEK 98.9 Bn (93.1) at the end of the period.

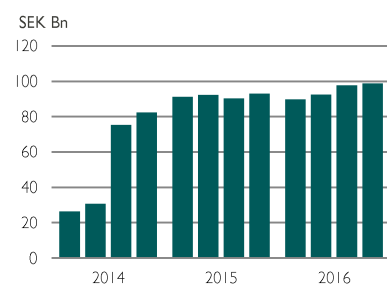
Total income was SEK 748 M (651) and operating profit was SEK 262 M (228).

SEK M	3 Months		12 Months	
	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Mutual Funds *	72	121	315	433
Systematic Funds *	106	40	433	218
Total income	179	161	748	651
Assignment expenses and commission	-39	-35	-182	-158
Operating expenses	-76	-50	-304	-265
Operating profit/loss before acquisition-related items	64	75	262	228

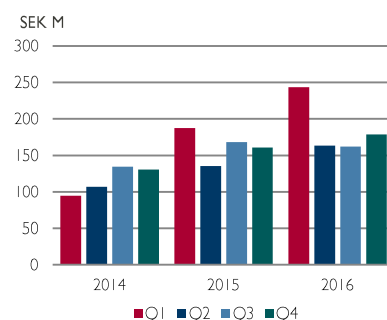
Key Figures

Operating margin, % **	36	47	35	35
Asset under management at end of period, SEK Bn	-	-	98.9	93.1
net in-(+) and outflow(-) during the period, mdkr	-3.7	-0.1	-2.5	8.2
of which Mutual Funds	-	-	30.8	44.6
net in-(+) and outflow(-) during the period, mdkr	-4.3	-1.4	-14.4	5.3
of which Systematic Funds	-	-	68.1	48.5
net in-(+) and outflow(-) during the period, mdkr	0.6	1.3	11.9	2.9
No. of employees, at end of period	-	-	78	73

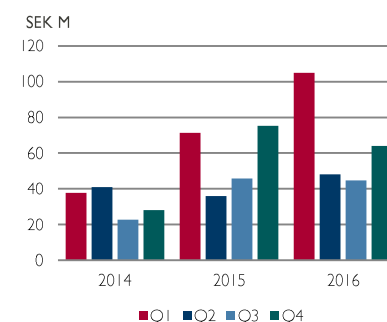
ASSETS UNDER MANAGEMENT



TOTAL INCOME



OPERATING PROFIT/LOSS**



* Includes internal income.

** Before acquisition-related items.

Banking

Catella Bank is an international bank with its registered office in Luxemburg that offers customized solutions in wealth management, card and payment solutions and banking services.

Progress in the fourth quarter

Volumes in the Cards and Payment Solutions operations were SEK 6.4 Bn (1.8) in the quarter. The increase is a step towards achieving a balanced product mix in accordance with requirements placed by Visa and MasterCard, and to enable growth in the high margin segment. Although the volume increase has only a modest effect on earnings, it is strategically important to ensure future profitable growth.

Assets under management in Wealth Management increased by SEK 0.9 Bn (2.8) and net inflows were SEK 1.1 Bn (2.7) in the quarter.

The loan portfolio expanded by SEK 0.2 Bn in the fourth quarter totalling SEK 1.3 Bn (0.8) at year end.

Total income was SEK 130 M (105) in the quarter.

Operating profit was SEK 1 M (0) in the quarter. The increase in both income and profit is mainly due to variable earnings in Wealth Management.

Full year 2016

Volumes in Cards and Payment Solutions totalled SEK 11.8 Bn (7.1) in the period.

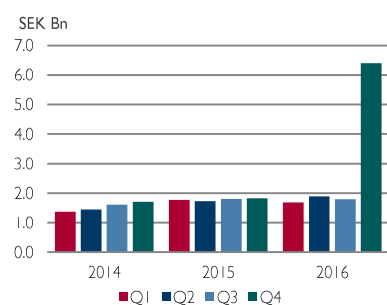
Assets under management in Wealth Management increased by SEK 2.9 Bn (2.9) and net inflows were SEK 2.4 Bn (3.1) in the period, reaching SEK 16.5 Bn (13.6) at the end of the period.

Total income was SEK 433 M (354) and operating profit was SEK -6 M (-28).

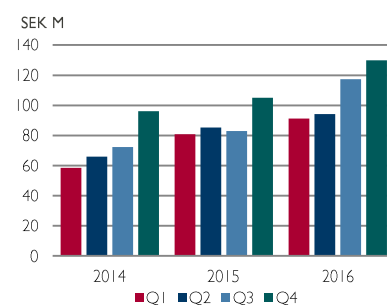
SEK M	3 Months		12 Months	
	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Cards and Payment Solutions *	80	73	283	254
Wealth Management *	56	32	157	100
Total income	130	105	433	354
Assignment expenses and commission	-34	-24	-110	-89
Operating expenses	-94	-81	-329	-293
Operating profit/loss before acquisition-related items	1	0	-6	-28

Key Figures				
Operating margin, % **	1	0	-1	-8
Card and payment volumes, SEK Bn	6.4	1.8	11.8	7.1
Asset under management at end of period, SEK Bn	-	-	16.5	13.6
net in-(+) and outflow(-) during the period, mdkr	1.1	2.7	2.4	3.1
No. of employees, at end of period	-	-	176	163

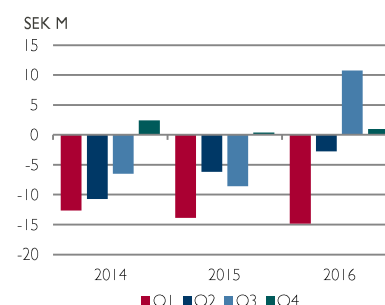
CARD AND PAYMENT VOLUMES



TOTAL INCOME



OPERATING PROFIT/LOSS **



* Includes internal income.
 ** Before acquisition-related items.

Property Investment Management

Catella is a leading specialist in property investments with a strong local presence in Europe. The company handles all the phases of the value creation process for properties.

Progress in the fourth quarter

Assets under management increased by SEK 5.4 Bn (1.9) and net inflows were SEK 5.3 Bn (2.5) in the quarter, mainly attributable to the new residential property funds in Germany and Property Asset Management operations in France.

Total income was SEK 123 M (88) in the quarter.

Operating profit was SEK 20 M (13). The profit increase is mainly driven by a number of transactions in Property Funds and Property Asset Management in Spain.

Full year 2016

Assets under management increased by SEK 8.7 Bn (2.3) and net inflows were

SEK 4.9 Bn (3.0) in the period, reaching SEK 40.3 Bn (31.6) at the end of the period.

Total income was SEK 295 M (249) and operating profit was SEK 3 M (28).

SEK M	3 Months		12 Months	
	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Property Funds *	82	49	212	166
Property Asset Management *	48	39	95	85
Total income	123	88	295	249
Assignment expenses and commission	-28	-21	-85	-71
Operating expenses	-75	-54	-207	-150
Operating profit/loss before acquisition-related items	20	13	3	28

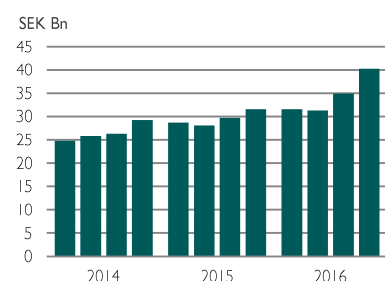
Key Figures

Operating margin, % **	16	15	1	11
Asset under management at end of period, SEK Bn	-	-	40.3	31.6
net in-(+) and outflow(-) during the period, mdkr	5.3	2.5	4.9	3.0
of which Property Funds	-	-	25.6	20.2
net in-(+) and outflow(-) during the period, mdkr	2.5	0.7	3.2	1.0
of which Property Asset Management	-	-	14.7	11.3
net in-(+) and outflow(-) during the period, mdkr	2.8	1.9	1.7	2.1
No. of employees, at end of period	-	-	105	78

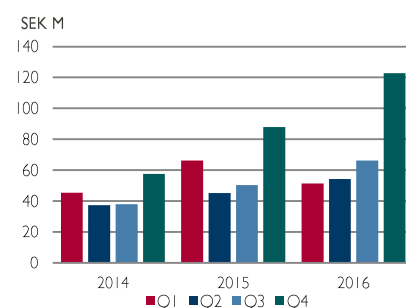
* Inkluderar interna intäkter

** Före förvärsrelaterade poster.

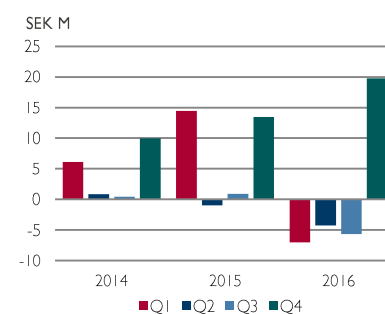
ASSETS UNDER MANAGEMENT



TOTAL INCOME



OPERATING PROFIT/LOSS*



OTHER FINANCIAL INFORMATION

The Group's financial position

In the fourth quarter, the Group's total assets increased by SEK 352 M, totalling SEK 5,651 M as of 31 December 2016. The increase is due to factors including the bank's increased lending and investments in intangible assets.

Catella conducted impairment tests on assets with indefinite useful lives. 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 and forecasts approved by management and the Board of Directors. The impairment tests confirmed that there was no need to impair book values.

In accordance with IAS 12 Income Tax, a deferred tax asset attributable to loss carry-forwards is recognised to the extent that it is probable that future taxable profit will be available. In accordance with this standard, Catella is recognising a deferred tax asset of SEK 97 M (SEK 108 M as of 31 December 2015), of which the majority consists of tax loss carry-forwards, which is based on an assessment of the Group's future earnings. Reported deferred tax receivables as of 31 December 2016 decreased on year end, mainly as a result of Catella Bank's utilisation of loss carry-forwards resulting from the Visa transaction. The Group's total loss carry-forwards amount to some SEK 645 M. Essentially, the loss carry-forwards relate to operations in Sweden and have indefinite useful lives.

In September 2012, Catella AB (publ) issued a five-year unsecured bond of SEK 200 M. In the Consolidated Statement of Financial Position as of 31 December 2016, this item was reported as current liabilities. The bond has a nominal amount of SEK 300 M and accrues variable interest at three-month Stibor plus 500 basis points. The Group also has granted overdraft facilities totalling SEK 30 M, of which the un-utilised portion was SEK 30 M as of 31 December 2016.

The Group's equity increased by SEK 54 M in the fourth quarter, reaching SEK 1,730 M as of 31 December 2016. Apart from profit for the period of SEK 58 M and negative translation differences of

SEK 9 M, equity was affected by transactions in non-controlling holdings totalling SEK 5 M. The Group's equity/assets ratio as of 31 December 2016 was 31% (29% as of 31 December 2015).

Consolidated cash flow**Fourth quarter 2016**

Consolidated cash flow from operating activities before changes in working capital amounted to SEK 62 M (116).

Consolidated cash flow from operating activities was SEK 96 M (992), of which changes in working capital for the period was SEK 35 M (876) and tax paid was SEK 49 M (12).

Cash flow from investing activities was SEK -44 M (-30), of which SEK -31 M comprises investments in taking over fund management of the European Student Housing Fund and in new banking and fund management systems. Furthermore, follow-on investments totalling SEK 7 M have also been made in associated company Nordic Seeding GmbH and a bond holding was divested and replaced with a different bond at a corresponding amount. In addition, acquisitions by non-controlling shareholders of Catella Corporate Finance Gothenburg totalling SEK 4 M were also made as a result of restructuring of operations. Cash flow from loan portfolios totalled SEK 8 M and sales of shares in Nordic Light Fund generated deposits of SEK 3 M in the quarter.

Cash flow from financing operations were SEK -4 M (-1), of which dividends to non-controlling holdings totalled SEK -5 M.

Cash flow for the period was SEK 48 M (961), of which cash flow from the banking operations was SEK -8 M (825) and cash flow from other activities SEK 56 M (136).

Cash and cash equivalents at the end of the period were SEK 2,750 M (2,854), of which cash and cash equivalents relating to the banking operations were SEK 2,052 M (2,022), and cash and cash equivalents relating to other operations were SEK 698 M (832).

Full year 2016

Consolidated cash flow from operating activities before changes in working capital amounted to SEK 184 M (247).

Consolidated cash flow from operating activities was SEK -137 M (549), of which changes in working capital totalled SEK -321 M (302) and tax paid totalled SEK 126 M (58).

Cash flow from investing activities was SEK 55 M (-50) with the largest transactions comprising cash purchase considerations of SEK 167 M for the shares in Visa Europe and cash flow from loan portfolios totalling SEK 71 M, of which SEK 46 M related to the Gems clean-up call. Major payments consisted of IPM's net investments of SEK 68 M in proprietary managed funds, and SEK 25 M in additional investments in associated company Nordic Seeding GmbH which carries out property development projects in Germany, and investments of SEK 23 M associated with taking over management of the European Student Housing Fund. Catella also paid an additional purchase consideration of SEK 25 M for shares in IPM, and SEK 14 M was paid in connection with acquisitions from holders of non-controlling interest in Catella Nordic Fixed Income and SEK 13 M was paid net of acquired cash and cash equivalents associated with the acquisition of new asset management operations in Norway.

Cash flow from financing activities was SEK -126 M (-88), and mainly relates to repurchase of outstanding warrants totalling SEK 22 M (31) and dividends to parent company shareholders and to non-controlling holdings totalling SEK 49 M (16) and SEK 56 M (41) respectively.

Cash flow for the full year was SEK -208 M (411), of which cash flow from banking operations amounted to SEK -62 M (184) and cash flow from other operations was SEK -146 M (227).

Parent company**Fourth quarter 2016**

Catella AB (publ) is the Parent Company of the Group. Group management and other central Group functions are integrated in the Parent Company.

The Parent Company reported income of SEK 2.8 M (1.2) and operating profit/loss was SEK -18.8 M (-8.5). The profit decrease on the previous year is mainly due to increased costs of SEK 3.1 M arising from the company's change of listing in December 2016 and increased personnel costs. Profit/loss before tax was SEK -19.7 M (-11.3)

The Parent Company reported total appropriations of SEK 39.0 M (29.4) in the fourth quarter, relating to a group contribution received from subsidiary Catella Fondförvaltning.

The Parent Company reported total loss carry-forwards of SEK 95.7 M. Catella's Balance Sheet includes a deferred tax asset of SEK 18.9 M (SEK 18.9 M as of 31 December 2015) mainly relating to these loss carry-forwards. The amount is based on an estimate of the company's future utilization of loss carry-forwards.

Cash and cash equivalents on the reporting date were SEK 31.3 M, compared to SEK 31.3 M as of 31 December 2015.

The number of employees of the Parent Company expressed as full-time equivalents was 9 (7).

Full year 2016

The Parent Company reported income of SEK 9.2 M (5.1). Operating profit/loss was SEK -51.0 M (-29.8) and was subject to costs associated with the change of listing and consulting costs totalling SEK 9.1 M. Profit/loss before tax was SEK -54.0 M (-33.9) and profit/loss for the period was SEK -15.0 M (-4.1).

Employees

The number of employees expressed as full-time equivalents was 579 (539) at the end of the period, of which 203 (211) in the Corporate Finance operating segment, 359 (314) in the Asset Management and Banking operating segment and 17 (14) in other functions.

Share capital

As of 31 December 2016, share capital amounted to SEK 164 M (163) divided between 81,848,572 shares (81,728,572). The quotient value per share is 2. Share capital is divided between two share classes with different voting rights. 2,530,555 class A shares with 5 votes per share, and

79,318,017 class B shares with 1 vote per share.

As of 31 December 2016, the parent company had a total of 7,000,000 outstanding warrants, of which 200,000 were held in treasury. On full utilisation of the 7,000,000 warrants, dilution of Catella's capital and votes would be 7.9% and 7.1% respectively. In the fourth quarter, 2,034,000 warrants expired without being utilized. Accordingly, a total of 9,954,000 warrants expired without being utilized in 2016, of which all were held in treasury. Earlier in 2016, Catella repurchased 1,440,000 outstanding warrants from employees at a total purchase price of SEK 11.9 M. Repurchases of warrants are reported as equity in the consolidated accounts as Other additional capital where classified as non-restricted equity, and as Retained earnings where classified as residual amounts. Furthermore, 120,000 warrants were utilised in 2016 to subscribe for an equivalent amount of newly issued shares at a price of SEK 11 per share, and 300,000 warrants held in treasury were sold to a key executive for a purchase price of SEK 3.1 M.

Shares

Catella is listed on Mid Cap on Nasdaq Stockholm, trading under the ticker symbols CAT A and CAT B. The price of Catella's Class B share was SEK 22.90 (21.50) as of 30 December 2016. Total market capitalisation at the end of the period was SEK 1,875 M (1,755).

Shareholders

Catella had 6,350 (6,352) shareholders registered at the end of the period. As of 31 December 2016, the single largest shareholders were the Claesson & Anderzén group, with a holding of 49.8% (49.9) of the capital and 49.1% (49.1) of the votes, followed by Bure Equity AB (publ) with a holding of 10.7% (10.8) of the capital and 11.1% (11.1) of the votes.

Annual General Meeting and Annual Report

Catella AB's Annual General Meeting (AGM) will be held on Monday 29 May 2017 at 2 p.m. at Summit/GT30, Grev

Turegatan 30, Stockholm, Sweden. Information on Catella's AGM is available at www.catella.com/koncern.

Catella's Annual Report for 2016 will be available at the company's head office, Birger Jarlgatan 6, Stockholm, Sweden, by 28 April 2017.

The Nomination Committee for the AGM 2017 has the following members: Magnus Strömer, appointed by Handelsbanken Fonder and Chairman of the Nomination Committee, Johan Claesson, appointed by CA Plusinvest AB and Chairman of Catella AB and Thomas Andersson Borstam, appointed by TAB Holding AB on the basis of private ownership.

Dividend

Catella's target is to transfer the Group's profit after tax to shareholders to the extent it is not considered necessary for developing the Group's operating activities, and considering the company's strategy and financial position. Adjusted for profit-related unrealized value increases, at least 50% of the Group's profit after tax will be transferred to shareholders over time.

Considering the number of growth opportunities in existing and new businesses, which are expected to generate long-term shareholder value, the Board of Directors is proposing a dividend of SEK 0.80 per class A and B share to shareholders for the financial year 2016. A dividend of SEK 0.60 per class A and B share was paid to shareholders for the financial year 2015.

Risks and uncertainties

Catella is affected by progress on the financial markets. The Corporate Finance operation is affected by the market's willingness to execute transactions, which in turn, is determined by the macroeconomic environment and the availability of debt finance.

Asset Management is affected by market progress on Nordic stock exchanges and progress on the property market. The banking operations are exposed to particularly significant operating risks. The bank's real time system contains substantial volumes/transactions that require 24-hour availability.

Several companies in the Catella Group conduct licensable operations, regulated by the financial supervisory authorities of the relevant countries of fiscal domicile. Existing regulatory structures and the rapid evolution of these structures are generally complex, and particularly for Catella's banking operations. These regulations set stringent, and in the future, still more stringent standards on licensable operations, as well as on liquidity and capital reserves. Compliance with these regulatory structures is a pre-requisite for licensable operations. Catella works continuously to ensure compliance with current regulatory structures, and prepares for compliance with forthcoming regulatory changes.

The preparation of financial statements requires the Board of Directors and Group management to make estimates and judgments of the value of loan portfolios, goodwill, trademarks and brands, as well as assumptions concerning revenue recognition. The estimates and judgments affect the Consolidated Income Statement and financial position, and disclosures on contingent liabilities, for example. See Note 4 in the Annual Report 2015 for significant estimates and judgments. Actual outcomes may differ from these estimates and judgments due to other circumstances or other conditions.

IPM Informed Portfolio Management AB is currently consolidated as a subsidiary of Catella on the basis of Catella's ownership in combination with the terms of a shareholder agreement relating to the subsidiary which can be terminated in November 2017. If the shareholder agreement is not extended, IPM Informed Portfolio Management AB would not be subsequently consolidated as a subsidiary.

Seasonal variations

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

Accounting principles

This Interim Report has been prepared in compliance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The Consolidated Financial Statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as endorsed by the EU, the Annual Accounts Act and RFR 1 Complementary Accounting Rules for Groups issued by RFR, the Swedish Financial Reporting Board.

The Parent Company's financial statements are prepared in compliance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities issued by RFR. The information provided in Note 8 regarding the consolidated situation, relating to parts of Catella's operations, has been prepared in accordance with the Group's accounting policies and the Annual Accounts for Credit Institutions and Securities Companies Act.

The accounting policies that are most critical to the Group and Parent Company are stated in Catella's Annual Report for 2015. Figures in tables and comments may be rounded.

Related party transactions

In the second and fourth quarter, Catella completed follow-on investments totaling SEK 18 M and SEK 7 M in associated company Nordic Seeding GmbH (name changed from CA Seeding GmbH), whose other shareholders are the Claesson & Anderzén group and the management of Catella Project Management GmbH. As of 31 December 2016, Catella has invested SEK 51 M, of a total undertaking of SEK 86 M, in Nordic Seeding GmbH. For more information, see note 39 of the Annual Report 2015.

300,000 warrants with a total value of SEK 3 M were sold to a key executive in the third quarter. The acquisition was financed with a loan from Group company Catella Holding AB on market terms.

In the first quarter, Johan Nordenfalk, COO, used 120,000 warrants to subscribe for an equal number of newly issued shares at a price of SEK 11 per share.

Forecast

Catella does not publish forecasts.

Financial calendar

Annual Report 2016

28 April 2017

Interim Report January – March 2017

12 May 2017

Annual General Meeting 2017

The Annual General Meeting in Catella AB (publ) will be held on 29 May 2017, Stockholm, Sweden. Shareholders wishing to make nominations to the Nomination Committee must do so in writing before 24 February 2017.

Interim Report January – June 2017

25 August 2017

Interim Report January – September 2017

14 November 2017

Year-end Report 2017

23 February 2018

For further information

Knut Pedersen, CEO and President
Tel. +46 (0)8 463 33 10

More information on Catella and all financial reports are available at www.catella.com/koncern.

The information in this Report is mandatory for Catella AB to publish in accordance with the EU's Market Abuse Regulation and the Swedish Securities

Markets Act. This information was submitted to the market, through the agency of the above contact, for publication on 21 February 2017 at 07:00 a.m. CET.

The undersigned certify that this Interim report gives a true and fair view of the Parent Company's and the Group's operations, financial position and results of operations, and describes the material risks and uncertainties facing the Parent Company and companies included in the Group.

Stockholm, Sweden,

21 February 2017

Catella AB (publ)

Johan Claesson, Chairman of the Board

Johan Damne, Board member

Joachim Gahm, Board member

Anna Ramel, Board member

Jan Roxendal, Board member

Knut Pedersen, CEO and President

Audit Review

Auditor's review report for interim financial information in summary (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

Introduction

We have reviewed the condensed interim financial information (interim report) of Catella AB (company ID-number 556079-1419) as of 31 December 2016 and the twelve-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, Sweden, 21 February 2017

PricewaterhouseCoopers AB

Patrik Adolfson

Authorized Public Accountant

Consolidated Income Statement

SEK M	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net sales	607	566	2,007	1,853
Other operating income	3	5	20	13
Total income	610	571	2,027	1,866
Assignment expenses and commission	-113	-86	-417	-347
Other external expenses	-130	-107	-441	-392
Personnel costs	-276	-262	-878	-846
Depreciation	-3	-3	-14	-13
Other operating expenses	-2	-2	-14	-8
Operating profit/loss before acquisition-related items	85	111	263	261
Amortisation of acquisition-related intangible assets	-1	-1	-4	-7
Operating profit/loss	84	110	258	254
Interest income	5	7	24	26
Interest expenses	-3	-3	-11	-12
Other financial items	-6	13	227	38
Financial items—net	-4	18	239	53
Profit/loss before tax	80	128	497	306
Tax	-22	0	-141	-34
Net profit/loss for the period	58	128	357	272
Profit/loss attributable to:				
Shareholders of the Parent Company	37	123	272	243
Non-controlling interests	21	5	85	29
	58	128	357	272
Earnings per share attributable to shareholders of the Parent Company, SEK				
- before dilution	0.45	1.50	3.32	2.97
- after dilution	0.42	1.35	3.06	2.63
No. of shares at end of the period	81,848,572	81,728,572	81,848,572	81,728,572
Average weighted number of shares after dilution	88,648,572	91,044,299	88,775,608	92,171,461

Consolidated Statement of Comprehensive Income

SEK M	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net profit/loss for the period	58	128	357	272
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Value change in defined benefit pension plans	0	0	0	0
Items that will be reclassified subsequently to profit or loss:				
Fair value changes in financial assets available for sale	0	0	3	0
Translation differences	-9	-25	36	-33
Other comprehensive income for the period, net after tax	-8	-24	39	-33
Total comprehensive income/loss for the period	50	104	395	239
Profit/loss attributable to:				
Shareholders of the Parent Company	29	99	310	210
Non-controlling interests	21	5	86	29
	50	104	395	239

Information on Income Statement by operating segment is in Note 1.

Consolidated Statement of Financial Position—condensed

SEK M	Note	2016 31 Dec	2015 31 Dec
ASSETS			
Non-current assets			
Intangible assets	8	412	363
Property, plant and equipment		26	24
Holdings in associated companies		51	27
Other non-current securities	3, 4, 5, 6	382	274
Deferred tax receivables		97	108
Other non-current receivables		775	253
		1,743	1,048
Current assets			
Current loan receivables		577	542
Accounts receivable and other receivables		493	449
Current investments	3, 4, 5, 6	88	118
Cash and cash equivalents *		2,750	2,854
		3,907	3,963
Total assets		5,651	5,011
EQUITY AND LIABILITIES			
Equity			
Share capital		164	163
Other contributed capital		253	250
Reserves		-107	-142
Profit brought forward including net profit for the period		1,253	1,048
Equity attributable to shareholders of the Parent Company		1,563	1,319
Non-controlling interests		167	117
Total equity		1,730	1,436
Liabilities			
Non-current liabilities			
Borrowings		0	0
Long-term loan liabilities		0	200
Deferred tax liabilities		34	21
Other provisions		3	28
		37	248
Current liabilities			
Borrowings		260	50
Current loan liabilities		2,806	2,577
Accounts payable and other liabilities		739	634
Tax liabilities		79	65
		3,884	3,326
Total liabilities		3,921	3,575
Total equity and liabilities		5,651	5,011
* Of which, cash and cash equivalents in frozen accounts.		188	166 **

** Adjusted for the funds deposited with the central bank in Luxembourg, which are not classified as restricted cash, compared to previously reported amounts.

Information on financial position by operating segment is in Note 2

Consolidated Statement of Cash Flows

SEK M	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Cash flow from operating activities				
Profit/loss before tax	80	128	497	306
Adjustments for non-cash items:				
Other financial items	6	-13	-227	-38
Depreciation	5	4	18	20
Impairment current receivables	6	2	12	5
Change in provisions	0	0	0	0
Reported interest income from loan portfolios	-5	-7	-22	-25
Acquisition expenses	1	0	1	0
Profit/loss from participations in associated companies	0	-0	1	-5
Capital gain/loss, property, plant and equipment	0	0	0	0
Capital gain/loss, financial assets	-0	-4	-6	-4
Personnel costs not affecting cash flow	18	19	35	46
Paid income tax	-49	-12	-126	-58
Cash flow from operating activities before changes in working capital	62	116	184	247
Cash flow from changes in working capital				
Increase (-)/decrease (+) of operating receivables	-268	-169	-533	-272
Increase (+) / decrease (-) in operating liabilities	303	1,046	212	574
Cash flow from operating activities	96	992	-137	549
Cash flow from investing activities				
Purchase of property, plant and equipment	-4	-4	-10	-9
Purchase of intangible assets	-31	-4	-42	-15
Purchase of subsidiaries, after deductions for acquired cash and cash equivalents	-5	-1	-57	-1
Sale of subsidiaries, net of cash disposed	0	13	0	13
Purchase of associated companies	-7	-3	-25	-25
Purchase of financial assets	-14	-49	-110	-76
Sale of financial assets	8	14	227	36
Cash flow from loan portfolios	8	4	71	22
Dividends from investments	0	0	0	5
Cash flow from investing activities	-44	-30	55	-50
Cash flow from financing activities				
Re-purchase of share warrants	0	-1	-22	-31
Proceeds from share warrants issued	0	0	0	0
New share issue	0	0	1	0
Dividend	0	0	-49	-16
Transactions with, and payments to, non-controlling interests	-4	0	-56	-41
Cash flow from financing activities	-4	-1	-126	-88
Cash flow for the period	48	961	-208	411
Cash and cash equivalents at beginning of period	2,711	1,957	2,854	2,532
Exchange rate differences in cash and cash equivalents	-9	-64	104	-89
Cash and cash equivalents at end of the period	2,750	2,854	2,750	2,854

SEK 2,052 M of the Group's cash and cash equivalents relate to Catella Bank, and in compliance with the instructions and regulations that Catella Bank is subject to, the rest of the Group does not have access to Catella Bank's liquidity.

Consolidated Statement of Changes in Equity

Equity attributable to shareholders of the Parent Company

SEK M	Share capital	Other contributed capital *	Translation reserve	Profit brought forward incl. net profit/loss for the period	Total	Non-controlling interests **	Total equity
Opening balance as of 1 January 2016	163	250	-142	1,048	1,319	117	1,436
Comprehensive income for January - December 2016:							
Net profit/loss for the period				272	272	85	357
Other comprehensive income, net of tax			35	3	38	1	39
Comprehensive income/loss for the period			35	274	310	86	395
Transactions with shareholders:							
Transactions with non-controlling interests				-9	-9	-37	-46
Warrants issued		3			3		3
Re-purchase of warrants issued				-12	-12		-12
New share issue	0			1	1		1
Dividend				-49	-49		-49
Closing balance as of 31 December 2016	164	253	-107	1,253	1,563	167	1,730

* Other capital contributed pertains to reserve funds in the Parent Company.

** Non-controlling holdings are attributable to minority holdings in subsidiaries in Systematic Funds and Property Funds, and a number of subsidiaries in Property Asset Management and Corporate Finance. In 2016, the Swedish Corporate Finance operations were restructured from a limited partnership by transferring operations at market value to a limited company controlled by Catella, in which the employees own 40% of the shares.

As of 31 December 2016, the Parent Company has a total of 7,000,000 warrants outstanding, of which 200,000 held in treasury. In the fourth quarter of 2016, 2,034,000 warrants expired without being utilized. Accordingly, a total of 9,954,000 warrants expired without being utilized in 2016, of which all were held in treasury. Earlier in 2016, Catella repurchased 1,440,000 warrants at market value from employees, at a total purchase consideration of SEK 11.9 M. Repurchases of warrants are reported in the consolidated accounts as Other additional capital where classified as non-restricted equity, and as Retained earnings where classified as residual amounts. Furthermore, in 2016 Catella utilised 120,000 warrants to subscribe for an equal number of newly issued shares at a price of SEK 11 per share, and 300,000 warrants held in treasury were sold to an employee for a purchase price of SEK 3.1 M.

Equity attributable to shareholders of the Parent Company

SEK M	Share capital	Other contributed capital *	Translation reserve	Profit brought forward incl. net profit/loss for the period	Total	Non-controlling interests	Total equity
Opening balance as of 1 January 2015	163	273	-110	837	1,164	88	1,252
Comprehensive income for January - December 2015:							
Net profit/loss for the period				243	243	29	272
Other comprehensive income, net of tax			-32		-32	-1	-33
Comprehensive income/loss for the period			-32	243	210	29	239
Transactions with shareholders:							
Transactions with non-controlling interests				0	0	0	0
Warrants issued		3			3		3
Re-purchase of warrants issued		-26		-16	-42		-42
New share issue	0			0	0		0
Dividend				-16	-16		-16
Closing balance as of 31 December 2015	163	250	-142	1,048	1,319	117	1,436

* Other capital contributed pertains to reserve funds in the Parent Company.

The Parent Company has a total of 17,074,000 outstanding warrants. In 2011 – 2015, warrants were repurchased on market terms from employees. In the fourth quarter 2015 Catella repurchased 3,667,000 warrants, and earlier in the year 7,500,000 warrants were repurchased for a total purchase consideration of SEK 41.9 M. Repurchases of warrants are reported in the consolidated accounts as Other additional capital where classified as non-restricted equity, and as Retained earnings where classified as residual amounts. Furthermore, in the year 30,000 warrants were utilized to subscribe for and equal number of newly issued shares at a price of SEK 11 per share and 900,000 warrants held in treasury were sold to members of Catella's management and key executives. As of 31 December 2015, Catella has 9,014,000 warrants held in treasury.

Note I. Income Statement by operating segment

SEK M	Corporate Finance		Asset Management and Banking		Other		Group	
	2016	2015	2016	2015	2016	2015	2016	2015
	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec
Net sales	187	222	428	352	-8	-7	607	566
Other operating income	2	4	2	1	-0	-0	3	5
Total income	188	226	430	353	-9	-7	610	571
Assignment expenses and commission	-19	-10	-100	-79	6	3	-113	-86
Other external expenses	-32	-39	-90	-67	-7	-1	-130	-107
Personnel costs	-112	-144	-154	-114	-9	-5	-276	-262
Depreciation	-1	-1	-2	-2	-0	-0	-3	-3
Other operating expenses	-4	-1	2	-1	0	0	-2	-2
Operating profit/loss before acquisition-related items	20	31	85	89	-19	-10	85	111
Amortisation of acquisition-related intangible assets	0	0	-1	-1	0	0	-1	-1
Operating profit/loss	20	31	84	88	-19	-10	84	110
Interest income	0	0	0	0	5	7	5	7
Interest expenses	-0	-0	-0	-0	-3	-3	-3	-3
Other financial items	-0	5	-3	-0	-3	9	-6	13
Financial items—net	-0	5	-4	-0	-1	13	-4	18
Profit/loss before tax	20	36	80	88	-20	4	80	128
Tax	-8	-4	-16	-15	3	19	-22	0
Net profit/loss for the period	11	32	64	73	-17	23	58	128
Profit/loss attributable to shareholders of the Parent Company	11	32	43	68	-17	23	37	123

SEK M	Corporate Finance		Asset Management and Banking		Other		Group	
	2016	2015	2016	2015	2016	2015	2016	2015
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Net sales	575	623	1,461	1,245	-29	-16	2,007	1,853
Other operating income	11	6	11	7	-2	-1	20	13
Total income	586	630	1,472	1,253	-31	-17	2,027	1,866
Assignment expenses and commission	-64	-37	-374	-317	21	7	-417	-347
Other external expenses	-129	-138	-289	-245	-22	-8	-441	-392
Personnel costs	-322	-383	-532	-447	-24	-17	-878	-846
Depreciation	-4	-4	-9	-8	-0	-0	-14	-13
Other operating expenses	-7	-1	-9	-8	2	1	-14	-8
Operating profit/loss before acquisition-related items	58	66	259	228	-55	-33	263	261
Amortisation of acquisition-related intangible assets	0	0	-4	-7	0	0	-4	-7
Operating profit/loss	58	66	255	221	-55	-33	258	254
Interest income	1	1	0	0	22	25	24	26
Interest expenses	0	-2	-1	-0	-10	-10	-11	-12
Other financial items	1	5	216	2	10	31	227	38
Financial items—net	2	4	215	3	22	46	239	53
Profit/loss before tax	60	70	469	223	-32	13	497	306
Tax	-10	-24	-132	-51	1	41	-141	-34
Net profit/loss for the period	50	46	337	172	-31	54	357	272
Profit/loss attributable to shareholders of the Parent Company	50	46	252	143	-31	54	272	243

The operating segments reported above, Corporate Finance and Asset Management and Banking, are consistent with internal reporting submitted to management and the Board of Directors and thus represent the Group's operating segments in accordance with IFRS 8, Operating Segments. The Parent Company, other holding companies and Treasury Management, are recognized in the "Other" category. Acquisition and financing expenses and Catella's brand are also recognized in this category. "Other" also includes the elimination of intra-group transactions between the various operating segments. Transactions between the operating segments are limited and are mainly financial transactions and certain re-invoicing of expenses. Limited transactions for rendering services to external customers occur. Any transactions are conducted on arm's length basis.

Historical earnings trend by quarter and operating segment

SEK M	Corporate Finance							
	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2015 Oct-Dec	2015 Jul-Sep	2015 Apr-Jun	2015 Jan-Mar
Net sales	187	142	172	73	222	155	160	86
Other operating income	2	2	1	6	4	0	1	1
Total income	188	144	174	80	226	156	161	87
Assignment expenses and commission	-19	-26	-14	-4	-10	-9	-11	-7
Other external expenses	-32	-29	-33	-36	-39	-30	-33	-36
Personnel costs	-112	-72	-89	-49	-144	-91	-91	-58
Depreciation	-1	-1	-1	-1	-1	-1	-1	-1
Other operating expenses	-4	-2	-1	-0	-1	-0	-0	0
Operating profit/loss before acquisition-related items	20	14	36	-12	31	24	25	-15
Amortisation of acquisition-related intangible assets	0	0	0	0	0	0	0	0
Operating profit/loss	20	14	36	-12	31	24	25	-15
Interest income	0	0	0	0	0	0	0	0
Interest expenses	-0	0	0	0	-0	-0	-1	-1
Other financial items	-0	1	0	0	5	0	-0	-0
Financial items—net	-0	1	1	1	5	0	-1	-1
Profit/loss before tax	20	15	36	-11	36	24	25	-15
Tax	-8	-4	-1	3	-4	-11	-9	0
Net profit/loss for the period	11	11	36	-8	32	13	16	-15
Profit/loss attributable to shareholders of the Parent Company	11	11	36	-8	32	13	16	-15

SEK M	Asset Management and Banking							
	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2015 Oct-Dec	2015 Jul-Sep	2015 Apr-Jun	2015 Jan-Mar
Net sales	428	345	309	379	352	300	264	329
Other operating income	2	1	2	6	1	1	1	5
Total income	430	345	311	386	353	301	265	334
Assignment expenses and commission	-100	-98	-81	-96	-79	-84	-74	-79
Other external expenses	-90	-66	-78	-55	-67	-55	-62	-60
Personnel costs	-154	-126	-116	-135	-114	-119	-96	-117
Depreciation	-2	-2	-2	-2	-2	-2	-2	-2
Other operating expenses	2	-4	8	-15	-1	-2	-2	-3
Operating profit/loss before acquisition-related items and items	85	50	41	83	89	38	29	72
Amortisation of acquisition-related intangible assets	-1	-1	-1	-1	-1	-2	-2	-2
Operating profit/loss	84	49	40	82	88	36	27	70
Interest income	0	0	0	0	0	0	0	0
Interest expenses	-0	-0	-1	-0	-0	-0	-0	-0
Other financial items	-3	-2	217	4	-0	1	1	-0
Financial items—net	-4	-2	217	4	-0	1	1	-0
Profit/loss before tax	80	47	257	86	88	37	28	70
Tax	-16	-10	-83	-24	-15	-11	-8	-18
Net profit/loss for the period	64	37	174	62	73	27	20	52
Profit/loss attributable to shareholders of the Parent Company	43	27	158	24	68	12	18	44

Note 2. Financial position by operating segment—condensed

SEK M	Corporate Finance		Asset Management and Banking		Other		Group	
	2016 31 Dec	2015 31 Dec	2016 31 Dec	2015 31 Dec	2016 31 Dec	2015 31 Dec	2016 31 Dec	2015 31 Dec
ASSETS								
Non-current assets								
Intangible assets	62	61	300	252	50	50	412	363
Property, plant and equipment	11	12	14	11	1	0	26	24
Holdings in associated companies	0	0	51	1	1	26	51	27
Other non-current securities	0	0	136	29	246	245	382	274
Deferred tax receivables	1	1	28	39	68	68	97	108
Other non-current receivables	5	5	771	248	-0	-0	775	253
	79	81	1,300	580	365	387	1,744	1,048
Current assets								
Current loan receivables	0	0	577	542	0	0	577	542
Accounts receivable and other receivables	162	180	327	285	5	-16	493	449
Current investments	0	0	59	52	29	66	88	118
Cash and cash equivalents	237	220	2,408	2,513	105	120	2,750	2,854
	399	400	3,370	3,392	138	170	3,907	3,963
Total assets	478	481	4,670	3,973	503	558	5,651	5,011
EQUITY AND LIABILITIES								
Equity								
Equity attributable to shareholders of the Parent Company	254	213	859	620	451	486	1,563	1,319
Non-controlling interests	27	43	139	75	-0	-0	167	117
Total equity	281	256	998	695	451	486	1,730	1,436
Liabilities								
Non-current liabilities								
Borrowings	0	0	0	0	0	0	0	0
Long-term loan liabilities	0	0	0	0	0	200	0	200
Deferred tax liabilities	0	8	23	10	11	3	34	21
Other provisions	1	1	3	2	0	25	3	28
	1	9	25	12	11	227	37	248
Current liabilities								
Borrowings	0	0	260	50	0	0	260	50
Current loan liabilities	0	0	2,606	2,577	200	0	2,806	2,577
Accounts payable and other liabilities	176	193	729	606	-166	-165	739	634
Tax liabilities	20	23	51	33	8	9	79	65
	196	216	3,646	3,266	42	-155	3,884	3,326
Total liabilities	197	225	3,672	3,278	53	72	3,921	3,575
Total equity and liabilities	478	481	4,670	3,973	503	558	5,651	5,011

Note 3. Summary of Catella's loan portfolios

SEK M		Forecast undiscounted cash flow *	Share of undiscounted cash flow	Forecast discounted cash flow	Share of discounted cash flow	Discount rate	Duration, years
Loan portfolio	Country						
Pastor 2	Spain	48.3	12.9%	41.0	16.5%	6.2%	2.7
Pastor 3 **	Spain	-	-	-	-	-	-
Pastor 4	Spain	33.6	9.0%	15.2	6.1%	11.2%	7.5
Pastor 5 **	Spain	-	-	-	-	-	-
Lusitano 3	Portugal	87.1	23.3%	70.2	28.3%	6.2%	3.8
Lusitano 4 **	Portugal	-	-	-	-	-	-
Lusitano 5	Portugal	102.0	27.3%	59.0	23.7%	11.2%	5.6
Minotaure	France	46.6	12.5%	19.9	8.0%	11.2%	8.0
Ludgate ****	UK	56.2	15.0%	43.1	17.4%	11.2%	2.6
Sestante 2 **	Italy	-	-	-	-	-	-
Sestante 3 **	Italy	-	-	-	-	-	-
Sestante 4 **	Italy	-	-	-	-	-	-
Sestante 4 AI	Italy	0.0	0.0%	0.0	0.0%	4.7%	0.3
Total cash flow ***		373.7	100.0%	248.4	100%	8.9%	4.8
Accrued interest				3.3			
Carrying amount in consolidated balance sheet				251.7			

* The forecast was produced by investment advisor Cartesia S.A.S.

** These investments were assigned a value of SEK 0.

*** The discount rate recognised in the line "Total cash flow" is the weighted average interest of the total discounted cash flow.

**** Ludgate was revalued during the second quarter of 2014 having historically been assigned a value of SEK 0.

Method and assumptions for cash flow projections and discount rates

The cash flow for each loan portfolio is presented in the table on the next page and the discount rates by portfolio are stated above. There is more information on Catella's loan portfolio on the website.

Cash flow projections

The portfolio is valued according to the fair value method, as defined in IFRS. In the absence of a functional and sufficiently liquid market for essentially all investments and comparable subordinated investments, valuation is performed using the mark-to-model method. This method is based on projecting cash flow until maturity for each investment using market-based credit assumptions. Projected cash flows have been produced by the external investment advisor Cartesia. The credit assumption used by Cartesia is based on the historical performance of each investment and a broad selection of comparable transactions. Projected cash

flows include assumptions of potential deterioration of credit variables. They do not include the full effect of a scenario of low probability and high potential negative impact, such as a dissolution of the Eurozone, where one of the countries in which EETI has underlying investments leaves the European Monetary Union, or similar scenarios. Adjustments of cash flows affect this value and are stated in a sensitivity analysis on Catella's website.

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 are also set 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 related assumptions, combined with the market pricing of other assets for possible adjustment of the discount rates in

addition to variation of the index. Adjustments to discount rates affect this value and are stated in a sensitivity analysis on Catella's website.

Risks and uncertainties relating to loan portfolios

Most of the investments consist of holdings in and/or financial exposure to securities that are subordinate in terms of payment and are ranked lower than securities that are secured or represent ownership of the same asset class. Some investments also include structural features by which more highly ranked securities that are secured or represented by ownership of the same asset class are prioritised in instances of default or if the loss exceeds predetermined levels. This could result in interruptions in the income flow that Catella has assumed from its investment portfolio. For more information, see Note 22 in the Annual Report for 2015.

Note 4. Actual and forecast cash flow from the loan portfolio*

SEK M		Spain				Portugal		Italy	Netherlands		Germany		France	UK	Outcome	Forecast	Diff
Loan portfolio	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis**	Shield**	Gems**	Semper**	Minotaure	Ludgate				
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	
Q1 2014	-	-	-	-	1.6	-	0.1	-	-	0.1	-	-	0.0	1.9	1.0	0.8	
Q2 2014	-	-	-	-	0.7	-	0.1	-	-	0.1	-	-	2.6	3.5	0.3	3.3	
Q3 2014	-	-	-	-	2.2	-	0.1	-	-	0.1	-	-	5.2	7.7	5.9	1.8	
Q4 2014	0.3	-	-	-	2.2	-	0.1	-	-	0.1	-	-	5.2	7.9	5.7	2.2	
Q1 2015	0.0	-	-	-	1.1	-	0.1	-	-	0.1	-	-	4.3	5.6	5.8	-0.2	
Q2 2015	0.0	-	-	-	1.0	-	0.1	-	-	0.1	-	-	4.5	5.7	5.9	-0.2	
Q3 2015	0.0	-	-	-	0.7	-	0.1	-	-	0.1	-	-	5.1	6.0	6.1	-0.1	
Q4 2015	-	-	-	-	1.0	-	0.1	-	-	0.1	-	-	3.1	4.3	5.4	-1.2	
Q1 2016	-	-	-	-	1.7	-	0.1	-	-	46.7	-	-	3.9	52.4	51.3	1.1	
Q2 2016	0.1	-	-	-	2.0	-	0.1	-	-	-	-	-	4.0	6.2	5.4	0.9	
Q3 2016	-	-	-	-	0.9	-	0.1	-	-	-	-	-	3.4	4.5	5.0	-0.5	
Q4 2016	-	-	-	-	3.7	-	0.1	-	-	-	-	-	3.4	7.2	5.2	2.1	
Total	27.2	0.0	0.0	0.0	45.9	0.8	2.9	8.4	12.2	50.4	19.4	21.7	45.9	234.7	212.1	22.5	

														Forecast		
														Quarter/	Acc.	
														Year		
Q1 2017	0.0	-	-	-	1.7	-	0.0					-	3.3	5.0	5.0	
Q2 2017	0.0	-	-	-	2.2	-						-	3.2	5.4	10.4	
Q3 2017	0.0	-	-	-	1.7	-						-	3.1	4.8	15.2	
Q4 2017	0.0	-	-	-	3.0	-						-	2.9	6.0	21.2	
Full year 2018	0.1	-	-	-	15.4	-						-	11.3	26.9	48.0	
Full year 2019	48.0	-	-	-	20.3	-						-	9.5	77.7	125.7	
Full year 2020	-	-	-	-	18.4	48.9						-	7.3	74.6	200.4	
Full year 2021	-	-	-	-	3.1	24.3						-	15.7	43.1	243.5	
Full year 2022	-	-	-	-	2.8	3.1						-	-	5.9	249.4	
Full year 2023	-	-	-	-	2.5	2.3						6.3	-	11.1	260.6	
Full year 2024	-	-	33.6	-	2.2	2.1						20.0	-	57.9	318.5	
Full year 2025	-	-	-	-	13.8	1.8						20.3	-	35.8	354.3	
Full year 2026	-	-	-	-	-	1.5						-	-	1.5	355.8	
Full year 2027	-	-	-	-	-	1.3						-	-	1.3	357.1	
Full year 2028	-	-	-	-	-	16.7						-	-	16.7	373.7	
Total	48.3	0.0	33.6	0.0	87.1	102.0	0.0	0.0	0.0	0.0	0.0	46.6	56.2	373.7		

* The forecast was produced by investment advisor Cartesia S.A.S.

** Shield was divested in Q4 2011, Memphis in Q2 2012 and Semper in Q2 2013. Gems was re-purchased in Q1 2016 by the issuer.

Note 5. Short and long-term investments

SEK M	31 December 2016
Loan portfolio and Nordic Light Fund *	266
Operation-related investments	156
Other securities	48
Total **	470

* of which Loan portfolios SEK 252 M.

** of which short-term investments SEK 88 M and long-term investments SEK 382 M.

Note 6. The Group's assets and liabilities measured at fair value

In accordance with IFRS 7, financial instruments are recognised on the basis of fair value hierarchically with three different levels. Classification is based on the input data used for measuring instruments. Quoted prices on an active market on the reporting date are applied for level 1. Observable market data for the asset or

liability other than quoted prices are used in level 2. Fair value is determined with the aid of valuation techniques. For level 3, fair value is determined on the basis of valuation techniques based on non-observable market data. Specific valuation techniques used for level 3 are the meas-

urement of discounted cash flows to determine the fair value of financial instruments. For more information, see Note 3 in the Annual Report 2015.

The Group's assets and liabilities measured at fair value as of 31 December 2016 are stated in the following table.

SEK M	Tier 1	Tier 2	Tier 3	Total
ASSETS				
Derivative instruments		11		11
Financial assets available for sale		45		45
Financial assets measured at fair value through profit or loss	57	87	270	414
Total assets	57	143	270	470
LIABILITIES				
Derivative instruments		7		7
Total liabilities	0	7	0	7

No changes between levels occurred the previous year.

CHANGE ANALYSIS, FINANCIAL ASSETS, LEVEL 3 IN THE FULL YEAR 2016

	2016
as of 1 January	320
Purchases	4
Disposals	-26
Amortisation	-61
Gains and losses recognised through profit or loss	9
Capitalised interest income	12
Exchange rate differences	13
As of 31 December	270

Note 7. Pledged assets and contingent liabilities

Pledged assets

SEK M	2016 31 Dec	2015 * 31 Dec
Cash and cash equivalents	188	166
Other pledged assets	53	46
	241	212

Cash and cash equivalents include pledged cash funds in frozen accounts. These funds are used as collateral in the Asset Management and Banking operating segment for ongoing transactions.

Cash and cash equivalents also include cash funds in accordance with minimum retention requirements of Catella Bank's card operations.

* Adjusted for the funds deposited with the central bank in Luxembourg, which are not classified as restricted cash, compared to previously reported amounts.

Contingent liabilities

SEK M	2,016 31 Dec	2015 31 Dec
Client funds managed on behalf of clients	42	232
Other contingent liabilities	20	78
	62	310

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

office under a third-party name. Other contingent liabilities mainly relate to guarantee commitments primarily provided for rental contracts with landlords.

Commitments

SEK M	2,016 31 Dec	2015 31 Dec
Unutilised credit facilities, granted by Catella Bank	2,366	2,015
Investment commitments	46	0
Other commitments	7	2
	2,419	2,017

Unutilized credit facilities relate to the credit commitments issued by Catella Bank to its clients. Customers can utilize

these facilities under certain circumstances, depending on what collateral they can provide.

Note 8. Changes in intangible assets

	Goodwill	Trademarks and brands	Contractual customer	Software licenses	Total
Financial year 2015					
Opening balance	278	50	11	18	356
Purchases				15	15
Cost in acquired companies	6				6
Disposals					0
Depreciation			-6	-6	-12
Exchange rate differences	-3			-0	-3
Closing balance	282	50	5	27	363
As of 31 December 2015					
Cost	282	50	32	121	484
Accumulated depreciation (TANGIBLE ASSETS), Accumulated amortisation (INTANGIBLE ASSETS),			-26	-94	-121
Book value	282	50	5	27	363
Financial year 2016					
Opening balance	282	50	5	27	363
Purchases			23	18	42
Cost in acquired companies	8		2	2	12
Disposals					0
Depreciation			-2	-6	-8
Exchange rate differences	3		0	1	4
Closing balance	292	50	28	42	412
As of 31 December 2016					
Cost	292	50	36	144	522
Accumulated depreciation (TANGIBLE ASSETS), Accumulated amortisation (INTANGIBLE ASSETS),			-8	-102	-109
Book value	292	50	28	42	412

Note 9. Capital adequacy—consolidated financial situation

Catella AB and those subsidiaries that conduct operations regulated by Swedish or foreign financial supervisory authorities constitute a financial corporate group, known as a consolidated financial situation. The consolidated financial situation is governed by CSSF in Luxemburg from 31 March 2016 onwards. Catella Bank S.A is the reporting entity and responsible institute. Discussions are underway with CSSF regarding reporting and other matters that apply to the consolidated financial situation.

The consolidated financial situation complies with the EU's and the Council's statute (EU) no. 575/32013 (CRR). Group companies currently included in / excluded from the consolidated financial situation are shown in Note 20 of Catella's Annual Report 2015.

The Annual Accounts for Credit Institutions and Investment Firms Act (1995:1559), ÅRKL, stipulates that consolidated accounts shall be prepared for a consolidated financial situation. Catella complies with this requirement by supplying the information contained in this

note on the consolidated financial situation's accounts in accordance with ÅRKL, as final reporting under CSSF has not yet been clarified by the authority. The accounting principles indicated in Other financial information have been applied when preparing these financial statements, and are consistent with ÅRKL. Otherwise, please refer to Catella AB's consolidated accounts.

The following tables state extracts from the accounts for the consolidated financial situation.

Income Statement—condensed, consolidated financial situation

SEK M	2016 Jan-Dec	2015 Jan-Dec
Net sales	1,392	1,198
Other operating income	11	3
Total income	1,403	1,201
Assignment expenses & commission	-379	-317
Income excl. direct assignment costs and commission	1,024	884
Operating expenses	-819	-687
Operating profit/loss before acquisition-related items	205	196
Amortisation of acquisition-related intangible assets	-4	-7
Items affecting comparability	0	0
Operating profit/loss	201	189
Financial items—net	253	16
Profit/loss before tax	454	205
Appropriations	2	-18
Tax	-122	-8
Net profit/loss for the period	334	179
Profit/loss attributable to:		
Shareholders of the Parent Company	249	150
Non-controlling interests	85	30
	334	179
Employees at end of period	335	291

Financial position—condensed, consolidated financial situation

SEK M	2016 31 Dec	2015 31 Dec
Non-current assets	1,672	970
Current assets	3,532	3,610
Total assets	5,204	4,579
Equity	1,497	1,211
Liabilities	3,707	3,368
Total equity and liabilities	5,204	4,579

Capital adequacy—consolidated financial situation

The company Catella AB is a parent financial holding company in the Catella Group, and publishes disclosures on capital adequacy for the consolidated financial situation below.

SEK M	2016 31 Dec	2015 31 Dec
Core tier 1 capital	725	645
Other tier 1 capital	0	0
Tier 2 capital	0	0
Capital base	725	645
Total risk-weighted exposure	4,440	3,486
CAPITAL ADEQUACY AND BUFFERS		
Capital adequacy pillar 1	355	279
<i>of which capital adequacy requirement for credit risk</i>	196	152
<i>of which capital adequacy requirement for market risk</i>	64	49
<i>of which capital adequacy requirement for operational risk</i>	96	77
Capital adequacy pillar 2	100	94
Institution-specific buffer requirements	129	93
Internal buffer requirements	44	35
Total capital adequacy and buffer requirement	629	501
Capital surplus after capital adequacy and buffers requirement	96	144
CAPITAL RELATIONS, % OF TOTAL RISK-WEIGHTED EXPOSURE AMOUNT		
Core tier 1 capital ratio	16.3	18.5
Tier 1 capital ratio	16.3	18.5
Total capital ratio	16.3	18.5
CAPITAL ADEQUACY AND BUFFERS, % OF TOTAL RISK-WEIGHTED EXPOSURE AMOUNT		
Capital adequacy pillar 1	8.0	8.0
Capital adequacy pillar 2	2.3	2.7
Institution-specific buffer requirements	2.9	2.7
<i>of which requirement for capital conservation buffer</i>	2.5	2.5
<i>of which requirement for counter-cyclical capital buffer</i>	0.4	0.2
Internal buffer requirements	1.0	1.0
Total capital adequacy and buffer requirement	14.2	14.4
Capital surplus after capital adequacy and buffers requirement	2.2	4.1

Catella AB's consolidated financial situation satisfies the minimum capital base requirement.

	2016 31 Dec	2015 31 Dec
Capital base, SEK M		
<i>Core tier 1 capital</i>		
Share capital and share premium reserve	399	399
Retained earnings and other reserves	1,097	812
Reviewed results, net of any foreseeable charge or dividend	-	-
<i>Less:</i>		
Intangible assets	-317	-279
Price adjustments	-27	-32
Deferred tax receivables	-67	-76
Positive results not yet verified by the Annual General Meeting	-334	-179
Other deductions	-27	0
Total core tier 1 capital	725	645
Other tier 1 capital	-	-
Tier 2 capital	-	-
Capital base	725	645

Specification of risk-weighted exposure amounts and capital adequacy requirement pillar 1, SEK M	2016 31 Dec		2015 31 Dec	
	Risk-weighted exp.amount	Capital adequacy pillar 1	Risk-weighted exp.amount	Capital adequacy pillar 1
Credit risk according to standardised method				
Exposures to institutions	451	36	460	37
Exposures to corporates	852	68	785	63
Exposures to retail	123	10	241	19
Exposures secured by mortgages on real property	286	23	60	5
Exposures in default	277	22	253	20
Items associated with particular high risk	134	11	-	-
Exposures in the form of covered bonds	3	0	2	0
Exposures to collective investment undertakings (funds)	16	1	58	5
Equity exposures	129	10	38	3
Other items	175	14	10	1
	2,446	196	1,906	152
Market risk				
Interest risks	0	0	0	0
Exchange rate risks	795	64	614	49
	795	64	614	49
Operational risk according to basic method	1,199	96	966	77
Total	4,440	355	3,486	279

Parent Company Income Statement

SEK M	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net sales	2.7	1.2	9.1	5.1
Other operating income	0.0	-0.0	0.0	0.0
Total income	2.8	1.2	9.2	5.1
Other external expenses	-9.8	-4.2	-29.7	-14.0
Personnel costs *	-11.7	-5.5	-30.4	-20.8
Depreciation	0.0	0.0	-0.0	-0.0
Other operating expenses	-0.0	0.0	-0.0	0.0
Operating profit/loss	-18.8	-8.5	-51.0	-29.8
Profit/loss from participations in group companies	0.0	-2.3	0.3	-2.3
Interest income and similar profit/loss items	1.4	2.1	6.6	8.9
Interest expenses and similar profit/loss items	-2.4	-2.6	-9.8	-10.7
Financial items	-0.9	-2.7	-3.0	-4.1
Profit/loss before tax	-19.7	-11.3	-54.0	-33.9
Appropriations	39.0	29.4	39.0	29.4
Tax on net profit for the year	0.0	0.4	0.0	0.4
Net profit/loss for the period	19.3	18.5	-15.0	-4.1

* Personnel costs include directors' fees

Parent Company Statement of Comprehensive Income

SEK M	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net profit/loss for the period	19.3	18.5	-15.0	-4.1
Other comprehensive income	-	-	-	-
Other comprehensive income for the period, net after tax	0.0	0.0	0.0	0.0
Total comprehensive income/loss for the period	19.3	18.5	-15.0	-4.1

Parent Company Balance Sheet—condensed

SEK M	2016 31 Dec	2015 31 Dec
Property, plant and equipment	0.1	0.1
Participations in Group companies	519.1	523.2
Deferred tax receivables	18.9	18.9
Current receivables from Group companies	164.9	212.6
Other current receivables	5.9	4.7
Cash and cash equivalents	31.3	31.3
Total assets	740.1	790.8
Equity	519.0	581.8
Non-current liabilities	0.0	199.0
Current liabilities	221.0	10.1
Total equity and liabilities	740.1	790.8

Contingent liabilities totalled SEK 6.5 M as of 31 December 2016. There were no assets pledged as of 31 December 2016.

Application of key performance indicators not defined by IFRS

The Consolidated Accounts of Catella are prepared in accordance with IFRS. See above for more information regarding accounting principles. IFRS defines only a limited number of performance measures. From the second quarter 2016, Catella applies the European Securities and Markets Authority's (ESMA) new guidelines for alternative performance measures. In summary, an alternative

performance measure is a financial measure of historical or future profit progress, financial position or cash flow not defined by or specified under IFRS. In order to assist corporate management and other stakeholders in their analysis of Group progress, Catella presents certain performance measures not defined under IFRS. Corporate management considers that this information facilitates the analy-

sis of the Group's performance. This additional information is complementary to the information provided by IFRS and does not replace performance measures defined in IFRS. Catella's definitions of measures not defined under IFRS may differ from other companies' definitions. All of Catella's definitions are presented below. The calculation of all performance measures corresponds to items in the Income Statement and Balance Sheet.

Definitions

Non-IFRS performance measures	Description	Reason for using the measure
Equity per share attributable to parent company shareholders *	Equity attributable to parent company shareholders divided by the number of shares at the end of the period.	Provides investors with a view of equity as represented by a single share.
Return on equity *	Total profit in the period for the most recent four quarters divided by average equity in the most recent five quarters.	The company considers that the performance measure provides investors with a better understanding of return on equity.
Operating margin	Operating profit excluding amortization of acquisition-related intangible assets divided by total income for the period.	Provides investors with a view of the company's profitability.
Equity/assets ratio *	Equity divided by total assets.	Catella considers the measure to be relevant to investors and other stakeholders wishing to assess Catella's financial stability and long-term viability.
Dividend per share	Dividend divided by the number of shares.	Provides investors with a view of the company's dividend over time.
Profit margin *	Profit for the period divided by total income for the period.	The measure illustrates profitability regardless of the rate of corporation tax.
Other Non-IFRS performance measures	Description	Reason for using the measure
Property transaction volumes in the period	Property transaction volumes in the period constitutes the value of underlying properties at the transaction dates.	An element of Catella's income in Corporate Finance is agreed with customers on the basis of the underlying property value of the relevant assignments. Provides investors with a view of what drives parts of the income.
Assets under management at year end	Assets under management constitutes the value of Catella's customers' deposited/invested capital.	An element of Catella's income in Asset Management and Banking is agreed with customers on the basis of the value of the underlying invested capital. Provides investors with a view of what drives parts of the income.
Card and payment volumes	Card and payment volumes are the value of the underlying card transactions processed by Catella.	Card and payment volumes are a value driver for Catella's income in Card & Payment Solutions. Provides investors with a view of what drives an element of Catella's income.

* See next page for basis of calculation

Calculation of performance measures for the Group

GROUP	3 Months		12 Months	
	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net profit/loss for the period, SEK M	58	128	357	272
Total income, SEK M	610	571	2,027	1,866
Profit margin, %	10	22	18	15
Equity, SEK M	-	-	1,730	1,436
Total assets, SEK M	-	-	5,651	5,011
Equity/Asset ratio, %	-	-	31	29
Net profit/loss for the period, SEK M *	37	123	272	243
No. of shares at end of the period	81,848,572	81,728,572	81,848,572	81,728,572
Earnings per share, SEK *	0.45	1.50	3.32	2.97
Equity, SEK M *	-	-	1,563	1,319
No. of shares at end of the period	-	-	81,848,572	81,728,572
Equity per share, SEK *	-	-	19.10	16.14

GROUP	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2015 Oct-Dec	2015 Jul-Sep	2015 Apr-Jun	2015 Jan-Mar	2014 Oct-Dec	2014 Jul-Sep	2014 Apr-Jun	2014 Jan-Mar	2013 Oct-Dec	2013 Jul-Sep	2013 Apr-Jun	2013 Jan-Mar
Net profit/loss for the period, SEK M *	37	35	182	17	123	37	48	35	96	21	85	15	-4	10	11	-39
Equity, SEK M *	1563	1534	1484	1333	1319	1232	1177	1151	1164	1041	1027	920	904	888	887	844
Return on equity, %	19	26	27	18	20	19	18	22	21	12	11	4				

Calculation of performance measures for the Corporate Finance operating segment

CORPORATE FINANCE	3 Months		12 Months	
	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net profit/loss for the period, SEK M	11	32	50	46
Total income, SEK M	188	226	586	630
Profit margin, %	6	14	9	7
Equity, SEK M	-	-	281	256
Total assets, SEK M	-	-	478	480
Equity/Asset ratio, %	-	-	59	53

CORPORATE FINANCE	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2015 Oct-Dec	2015 Jul-Sep	2015 Apr-Jun	2015 Jan-Mar	2014 Oct-Dec	2014 Jul-Sep	2014 Apr-Jun	2014 Jan-Mar	2013 Oct-Dec	2013 Jul-Sep	2013 Apr-Jun	2013 Jan-Mar
Net profit/loss for the period, SEK M *	11	11	36	-8	32	13	16	-15	42	5	16	-9	4	17	3	-23
Equity, SEK M *	254	237	222	206	213	184	171	187	206	144	143	138	287	284	272	267
Return on equity, %	22	33	37	28	24	32	28	30	30	8	13	6				

Calculation of performance measures for the Asset Management and Banking operating segment

ASSET MANAGEMENT AND BANKING	3 Months		12 Months	
	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net profit/loss for the period, SEK M	64	73	337	172
Total income, SEK M	430	353	1,472	1,253
Profit margin, %	15	21	23	14
Equity, SEK M	-	-	998	695
Total assets, SEK M	-	-	4,670	3,973
Equity/Asset ratio, %	-	-	21	17

ASSET MANAGEMENT AND BANKING	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2015 Oct-Dec	2015 Jul-Sep	2015 Apr-Jun	2015 Jan-Mar	2014 Oct-Dec	2014 Jul-Sep	2014 Apr-Jun	2014 Jan-Mar	2013 Oct-Dec	2013 Jul-Sep	2013 Apr-Jun	2013 Jan-Mar
Net profit/loss for the period, SEK M *	43	27	158	24	68	12	18	44	26	5	20	19	-8	-5	11	-2
Equity, SEK M *	859	855	788	648	620	685	660	676	639	651	575	545	436	473	481	480
Return on equity, %	33	39	39	19	22	15	15	15	12	7	5	4				

* Attributable to shareholders of the Parent Company.



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