



Q2

January – June 2017



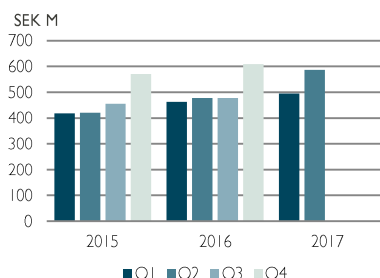
Total income increased in the first-half year 2017 by SEK 141 M, or 15% year-on-year, corresponding to an increase in operating profit of 15%. Over the last 12 months, we've increased assets under management by SEK 25 Bn, up 18% and in line with our growth strategy. Total assets under management remained unchanged on the first quarter, but with a significantly improved composition that generates higher fixed revenues and improved performance-based income.

KNUT PEDERSEN, CEO and President

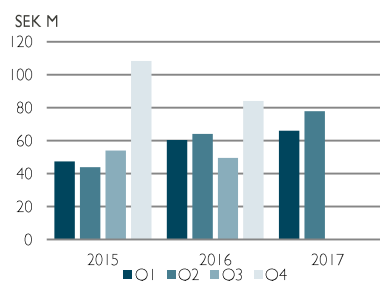
25 August 2017

The period in brief

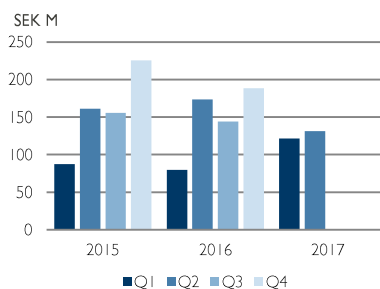
CONSOLIDATED TOTAL INCOME



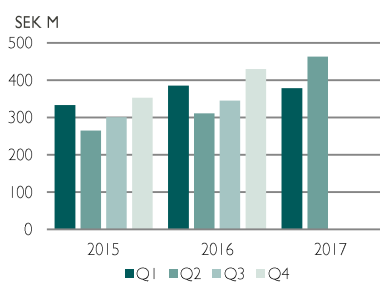
CONSOLIDATED OPERATING PROFIT/LOSS*



CORPORATE FINANCE TOTAL INCOME



ASSET MANAGEMENT AND BANKING TOTAL INCOME



The Group

SECOND QUARTER

- Total income SEK 587 M (478)
- Net sales SEK 586 M (475)
- Operating profit/loss SEK 78 M (64)
- Profit/loss before tax SEK 84 M (287, excl. Visa 67*)
- Profit for the period SEK 61 M (198, excl. Visa 50*), of which attributable to parent company shareholders SEK 33 M (182, excl. Visa 35*)
- Earnings per share** SEK 0.40 (2.23, excl. Visa 0.43*)
- Catella has issued a new five-year unsecured bond loan of SEK 500 M and listed the bond loan on Nasdaq Stockholm in the third quarter.

FIRST HALF-YEAR

- Total income SEK 1,081 M (940)
- Net sales SEK 1,079 M (926)
- Operating profit/loss SEK 144 M (125)
- Profit/loss before tax SEK 156 M (361, excl. Visa 142*)
- Profit for the period SEK 114 M (253, excl. Visa 106*), of which attributable to parent company shareholders SEK 66 M (199, excl. Visa 52*)
- Earnings per share** SEK 0.81 (2.44, excl. Visa 0.63*)
- Equity** SEK 1,577 M (1,484)
- Equity per share** SEK 19.27 (18.14)

Corporate Finance

SECOND QUARTER

- Total income SEK 131 M (174)
- Net sales SEK 130 M (172)
- Operating profit/loss SEK 2 M (36)
- Property transaction volumes SEK 15.3 Bn (20.0):
 - France SEK 1.8 Bn (5.8)
 - Sweden SEK 5.9 Bn (5.6)
 - Germany SEK 0.5 Bn (1.3)

FIRST HALF-YEAR

- Total income SEK 253 M (253)
- Net sales SEK 251 M (245)
- Operating profit/loss SEK 4 M (24)
- Property transaction volumes SEK 22.3 Bn (26.1):
 - France SEK 3.9 Bn (7.2)
 - Sweden SEK 8.0 Bn (8.8)
 - Germany SEK 0.7 Bn (1.7)

Asset Management and Banking

SECOND QUARTER

- Total income SEK 463 M (311)
- Net sales SEK 463 M (309)
- Operating profit/loss SEK 99 M (40)
- Assets under management SEK 163.1 Bn (137.9):
 - decrease SEK 0.4 Bn (2.2)
 - of which net outflows SEK 0.7 Bn (-0.9)

FIRST HALF-YEAR

- Total income SEK 842 M (697)
- Net sales SEK 840 M (689)
- Operating profit/loss SEK 175 M (122)
- Assets under management SEK 163.1 Bn (137.9):
 - increase SEK 7.5 Bn (-0.3)
 - of which net inflows SEK 4.2 Bn (-2.0)

ADDITIONAL INFORMATION

Equity, Hedge and Fixed Income Funds

- Total income SEK 228 M (163)
- Operating profit/loss SEK 91 M (47)

- Total income SEK 413 M (407)
- Operating profit/loss SEK 164 M (151)

Banking

- Total income SEK 106 M (94)
- Operating profit/loss SEK 0 M (-3)

- Total income SEK 222 M (185)
- Operating profit/loss SEK 3 M (-18)

Property Investment Management

- Total income SEK 130 M (54)
- Operating profit/loss SEK 8 M (-4)

- Total income SEK 208 M (106)
- Operating profit/loss SEK 8 M (-11)

* The sale of shares in Visa Europe generated non-recurring income of SEK 219 M before tax reported in net financial income and expense and SEK 147 M after tax in the second quarter 2016.

** Attributable to parent company shareholders.

Continuing to execute our growth strategy

Over the last 12 months, we've increased assets under management by SEK 25 Bn, corresponding to an increase of 18% and in line with our growth strategy in active alternative asset management, both for property-related products and equity, hedge and fixed income products. Total assets under management remained unchanged on the first quarter, but with a greatly improved composition that generates increased fixed revenues and enhances opportunities for performance-based income.

Total income increased in the first half year 2017 by SEK 141 M, or 15% year-on-year, corresponding to an increase in operating profit of 15%.

In **Equity, Hedge and Fixed Income**, assets under management continued to grow for the product Systematic Macro in the quarter, which now totals SEK 40.6 Bn, double last year's figure. At the same time as we're seeing the results of our focused distribution initiatives for Systematic Macro, we've also seen outflows from Systematic Equity. In terms of earnings, the outflows from Systematic Equity had less of an impact because of significantly lower fixed fees and the absence of performance-based remuneration. We'll continue to allocate most of the distribution resources to Systematic Macro. The situation was similar for Mutual Funds, with outflows from fixed income products and inflows to hedge products. Profit from fund management was very strong in the quarter, mainly in Mutual Funds, which contributed to doubling operating profit in year-on-year terms. Overall, we expect that the strong performance from managing our funds in recent quarters will contribute to inflows in Mutual Funds.

Despite net outflows in the business area, we succeeded in attracting inflows that generate a more favourable distribution of assets under management and future earnings. The business area's annualized profit from fixed income/fixed expenses was SEK 196 M at the end of the quarter.

Card and payment volumes and assets under management in the **Banking** business area increased in the quarter compared to the corresponding period in the previous year. We've confirmed that our offering in Wealth Management is attractive, as we saw continued inflows of SEK 1.5 Bn in the quarter. Assets under management increased by SEK 5.4 Bn, or 38%, over the past 12 months. The increase is the result of our initiatives aimed at creating relevant investment products in the property segment, but also alternative investment areas including private equity. In addition, the resources allocated to sales initiatives is yielding results, and we'll continue to actively evaluate opportunities to reach new customers. In card and payment services, we've focused on working on the product mix, which has hampered short term growth, although we're now seeing a gradual increase. We strongly believe in offering selected customer groups tailor-made products. The loan book didn't increase in the quarter as a result of the delayed launch of our deposit product in Sweden. We expect the product to gain approval from the Luxembourg supervisory authority shortly, with launch scheduled for this autumn. This gives us the opportunity to actively pursue financing of property-related activities in the Nordics, which will also generate positive synergies with other business areas in Catella.

In **Property Investment Management**, we're seeing the results of our investments in recent years in the form of increased assets under management and income. We're expecting continued profit growth from these initiatives, but will be investing selectively where relevant to complement existing platforms in the business area. One consequence of this is our establishment in the Netherlands in the third quarter 2017. We're clearly seeing that the product and geographical breadth of our offering increases our relevance to national and international investors alike. Assets under management are growing in both Property Funds and Property Asset Management, which generates more stable earnings looking ahead.

In the quarter, property volumes in Europe, excluding the UK, decreased by 21% and on two of **Corporate Finance's** key markets, Sweden and France, property volumes decreased by 49% and 64% respectively year-on-year. The volume decrease and a lower proportion of capital markets-related services affected income in the quarter, mainly in France and Sweden. Activity levels are high in the business area, although a number of transactions didn't complete until after the end of the quarter.

In June 2017, Catella issued an unsecured bond loan of SEK 500 M with a framework amount of SEK 750 M and a term of 5 years. Apart from the ability to redeem outstanding bonds this generates, it also provides us with scope for investments in growth and potential acquisitions.

As previously communicated, Catella will invest a proportion of equity in property-related activities where we can use multiple parts of our system to generate good returns and added value for the company. We're currently evaluating a number of promising opportunities where our demanding requirements in terms of added value, returns and risk profile can be met.

Catella has entered a strategic partnership with China Merchant Securities International relating to the distribution of products and services to the Chinese and other Asian markets. China Merchant Securities, and its main owner China Merchant Group, provide highly credible access to this market. Against the background of this collaboration and increased capital flows from the Asian markets to Europe, we'll be establishing a presence in Hong Kong in line with our London office.

We're continuing to execute our growth strategy and now have a platform and a product offering relevant to a larger group of customers and investors than ever. Looking ahead, a growing proportion of resources will be allocated to ensuring our distribution capacity.

KNUT PEDERSEN
CEO and President

Comments on the Group's progress

Catella is a leading specialist in property advisory services and investments, mutual funds and banking, with operations in twelve countries in Europe. 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

Second quarter 2017

The Group's total income was SEK 587 M (478) and net sales were SEK 586 M (475), of which SEK 130 M (172) relates to Corporate Finance and SEK 463 M (309) relates to Asset Management and Banking. Comments on the progress of each operating segment are on pages 7-10.

The Group's net financial income and expense was SEK 6 M (222). The comparative period for 2016 includes non-recurring income from the Visa transaction totalling SEK 219 M. Net financial income/expense also includes interest income of SEK 6 M (6), which mainly relate to loan portfolios, and interest expenses of SEK 4 M (3) relating to Catella's bond issue. Net financial income/expense for the period also includes a cost of SEK 2 M relating to early redemption of the bond loan 2012/2017. Fair value measurement of non-current securities and current investments resulted in a value adjustment of SEK 6 M (-6). Fair value of the shares in Nordic Light Fund and derivatives holdings increased by SEK 2 M and SEK 4 m respectively in the period. Closed currency forwards only generated marginal profit.

The Group's profit before tax was SEK 84 M (287, excluding Visa 67) and profit after tax was SEK 61 M (198, excluding Visa 50), of which SEK 33 M (182, excluding Visa 35) was attributable to parent company shareholders. This corresponds to Earnings per Share of SEK 0.40 (2.23, excluding Visa 0.43).

First halfyear 2017

The Group's total income was SEK 1,081 M (940) in the first half of the year and consolidated net sales were SEK 1,079 M (926).

The Group's net financial income and expense was SEK 12 M (237), of which interest income was SEK 11 M (12) and interest expenses SEK 7 M (5). Fair value measurement of non-current securities and current investments resulted in a value adjustment of SEK 5 M (2). Closed currency forwards intended to limit currency exposure generated gains of SEK 4 M.

The Group's profit before tax was SEK 156 M (361, excluding Visa; 142 and profit after tax was SEK 114 M (253, excluding Visa; 106), of which SEK 66 M (199, excluding Visa 52) was attributable to parent company shareholders. This corresponds to Earnings per Share of SEK 0.81 (2.44, excluding Visa; 0.63).

Significant events in the quarter

Annual General Meeting in Catella AB (publ)

The Annual General Meeting in Catella AB (publ) was held on Monday 29 May 2017. For more information about the AGM, go to Catella's website, catella.com.

Annual Report 2016

Catella published the Annual Report for the financial year 2016 on 28 April 2017, which is available for download on Catella's website, catella.com.

New unsecured bond loan

In September 2012, Catella issued a 5-year unsecured bond loan of SEK 200 M maturing in September 2017.

In June 2017, Catella issued a new 5-year unsecured bond loan of SEK 500 M, with a framework amount of SEK 750 M, with the purpose of refinancing the existing bond loan (including buy-back), providing additional capital for operating activities and continued expansion and enable potential future acquisitions. The bond carries floating rate interest of 3-month STIBOR plus 400 b.p.

Significant events after the end of the quarter

Early redemption of older bond loans

In July 2017, Catella utilised the right to early redemption of the bond loan maturing in September 2017. The bond was redeemed at an amount corresponding to 101% of the nominal amount plus accrued unpaid interest.

Listing of bond loan on Nasdaq Stockholm

In July 2017, Catella published a prospectus and applied for listing of the new bond loan on Nasdaq Stockholm. The first day of trading of the bond was 9 August 2017.

Catella established operations in the Netherlands

In July 2017, Catella has agreed to acquire the shares in the Dutch property advisor Panta Rhei Advisory B.V. Panta Rhei Advisory will change its name to Catella IM Benelux. The acquisition assumes approval from CSSF, the Luxembourg financial supervisory authority.

The acquisition means that Catella will strengthen its position in Property Investment Management on the European property market and increase the number of European countries with local representation from 12 to 13.

A preliminary acquisition analysis will be presented in connection with the Interim Report for the third quarter 2017.

INCOME STATEMENT BY OPERATING SEGMENT IN SUMMARY

	3 Months		6 Months		12 Months	
	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	Rolling 12 Months	2016 Jan-Dec
SEK M						
CORPORATE FINANCE						
Total income	131	174	253	253	585	586
Operating profit/loss	2	36	4	24	38	58
Operating margin, %	2	21	2	10	7	10
ASSET MANAGEMENT AND BANKING						
Total income	463	311	842	697	1,617	1,473
Operating profit/loss	99	40	175	122	307	255
Operating margin, %	21	13	21	18	19	17
Equity-, Hedge and Fixed Income Funds						
Total income *	228	163	413	407	754	748
Operating profit/loss	91	47	164	151	271	258
Operating margin, %	40	29	40	37	36	35
Banking						
Total income *	106	94	222	185	470	433
Operating profit/loss	0	-3	3	-18	15	-6
Operating margin, %	0	-3	1	-10	3	-1
Property Investment Management						
Total income *	130	54	208	106	397	295
Operating profit/loss	8	-4	8	-11	22	3
Operating margin, %	6	-8	4	-10	6	1
OTHER **						
Total income	-8	-7	-13	-10	-35	-31
Operating profit/loss	-23	-12	-35	-22	-68	-55
GROUP						
Total income	587	478	1,081	940	2,168	2,027
Operating profit/loss	78	64	144	125	278	258
Operating margin, %	13	13	13	13	13	13

* Includes internal income.

** Includes eliminations.

KEY FIGURES BY OPERATING SEGMENT**

	3 Months **		6 Months **		12 Months **	
	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	Rolling 12 Months	2016 Jan-Dec
GROUP						
Profit margin, %	10	41	11	27	10	18
Return on equity, % *	-	-	9	27	-	19
Equity/Asset ratio, %	-	-	32	31	-	31
Equity, SEK M *	-	-	1,577	1,484	-	1,563
No. of employees, at end of period	-	-	615	563	-	579
Earnings per share, SEK *	0.40	2.23	0.81	2.44	1.69	3.32
Equity per share, SEK *	-	-	19.27	18.14	-	19.10
CORPORATE FINANCE						
Profit margin, %	0	21	0	11	4	9
Return on equity, % *	-	-	11	37	-	22
Equity/Asset ratio, %	-	-	29	59	-	59
Equity, SEK M *	-	-	78	222	-	254
No. of employees, at end of period	-	-	225	213	-	203
Property transaction volume for the period, SEK Bn	15.3	20.0	22.3	26.1	51.7	55.5
ASSET MANAGEMENT AND BANKING						
Profit margin, %	16	56	16	34	15	23
Return on equity, % *	-	-	18	39	-	34
Equity/Asset ratio, %	-	-	23	21	-	22
Equity, SEK M *	-	-	941	789	-	859
No. of employees, at end of period	-	-	375	336	-	359
Asset under management at end of period, SEK Bn	-	-	163.1	137.9	-	155.7
net in-(+) and outflow(-) during the period, mdkr	-1.0	-0.9	3.9	-2.0	10.7	4.8
Card and payment volumes, SEK Bn	4.1	1.9	8.1	3.6	16.3	11.8

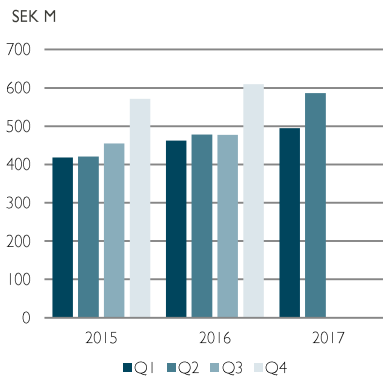
* Attributable to shareholders of the Parent Company.

** During the second quarter 2016, Asset Management and Banking received a non-recurring income of SEK 219 M resulting from Visa Inc.'s acquisition of Visa Europe.

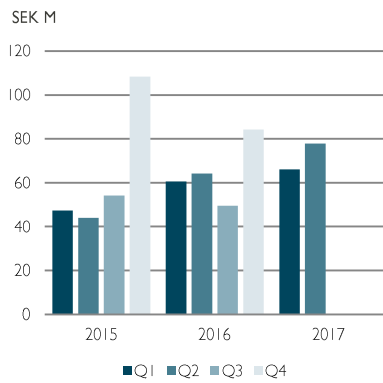
*** Definitions for the selected key figures are at the end of this document.

Group

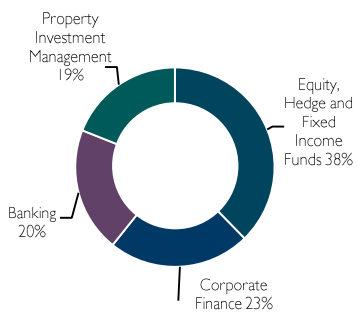
TOTAL INCOME



OPERATING PROFIT/LOSS

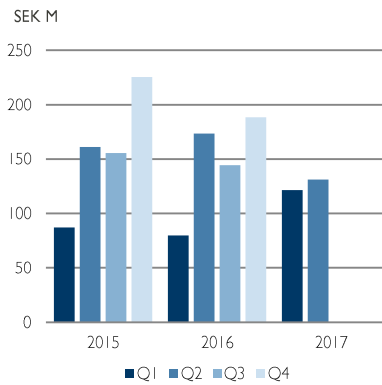


TOTAL INCOME BY BUSINESS AREA

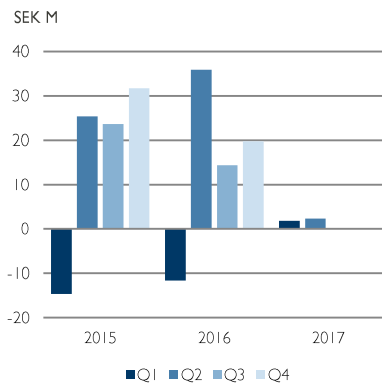


Corporate Finance

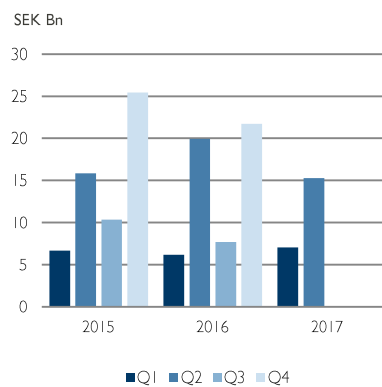
TOTAL INCOME



OPERATING PROFIT/LOSS

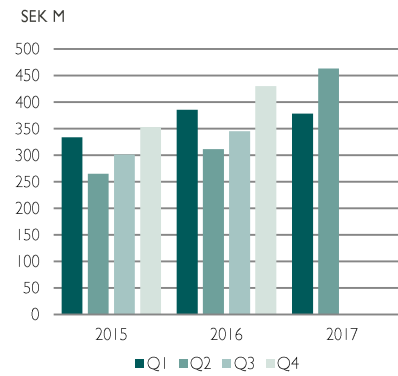


CATELLA'S PROPERTY TRANSACTION VOLUMES

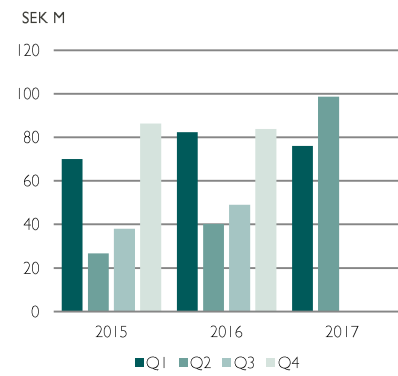


Asset Management and Banking

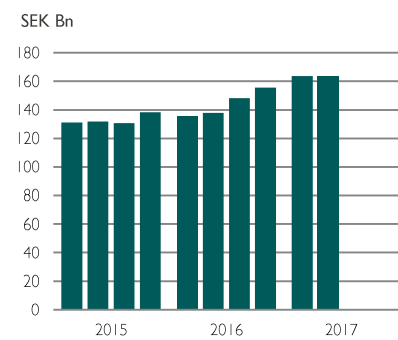
TOTAL INCOME



OPERATING PROFIT/LOSS



CATELLA'S ASSETS UNDER MANAGEMENT



Corporate Finance

Progress in the second quarter

The total commercial property transaction market in Europe, excluding the UK, totalled EUR 41.6 Bn (52.7) in the quarter, a reduction of 21% year-on-year. On two of Catella's key markets, Sweden and France, property volumes declined by 49% and 64% respectively year-on-year.

Property transactions where Catella served as an advisor totalled SEK 15.3 Bn (20.0) in the quarter. Of total transaction volumes in the quarter, Sweden provided SEK 5.9 Bn (5.6), France SEK 1.8 Bn (5.8) and Germany SEK 0.5 Bn (1.3).

Total income was SEK 131 M (174) and operating profit was SEK 2 M (36) in the quarter.

In the quarter, the proportion of value-adding services was low in year-on-year terms, which affected income and profit, mainly in the Nordics, while continental Europe was mainly influenced by the decrease in property volumes on the French market. The decrease in year-on-year income and profit was mainly driven by Sweden, France and Germany.

Progress in the first half-year

Transaction volumes in Europe, excluding the UK, were EUR 88.6 Bn (96.3) in the first half-year a decrease of 8% on the corresponding period of the previous year. Catella had transaction volumes of SEK 22.3 Bn (26.1) in the period.

Total income was SEK 253 M (253) and operating profit was SEK 4 M (24) in the period. Increased assignment costs of SEK 13 M attributable to French projects jointly invoiced with another advisor.

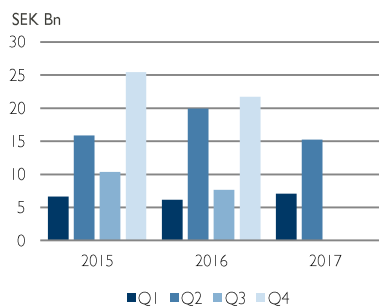
SEK M	3 Months		6 Months		12 Months	
	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	Rolling 12 Months	2016 Jan-Dec
Nordic *	76	106	138	137	299	299
Continental Europe *	55	68	114	116	285	286
Total income	131	174	253	253	585	586
Assignment expenses and commission	-19	-14	-32	-19	-77	-64
Operating expenses	-110	-123	-217	-210	-470	-463
Operating profit/loss	2	36	4	24	38	58

Key Figures

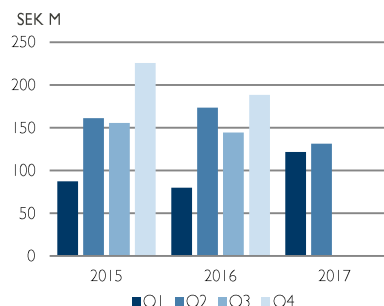
Operating margin, %	2	21	2	10	7	10
Property transaction volume for the period, SEK Bn	15.3	20.0	22.3	26.1	51.7	55.5
of which Nordic	12.9	12.5	16.7	16.6	30.2	30.0
of which Continental Europe	2.4	7.4	5.6	9.6	21.5	25.5
No. of employees, at end of period	-	-	225	213	-	203

* Includes internal income

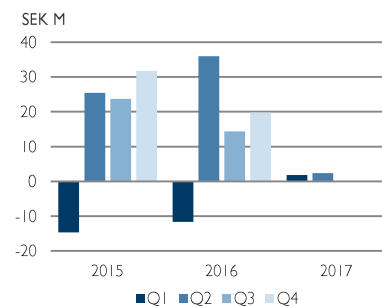
CATELLAS PROPERTY TRANSACTION VOLUMES



TOTAL INCOME



OPERATING PROFIT/LOSS



Equity, Hedge and Fixed Income Funds

Progress in the second quarter

New savings in mutual funds in Sweden was SEK 33.4 Bn in the quarter. All categories reported inflows although fixed income funds, mixed funds and equity funds provided the highest share of new savings. At the end of the quarter, Mutual Funds' share of Swedish fund volumes was 0.8% (1.2).

Catella's assets under management decreased by SEK 4.1 Bn (2.7) in the quarter, of which net outflows totalled SEK 0.7 Bn (-1.4) in Mutual Funds and net outflows of SEK 2.0 Bn (1.7) in Systematic Funds, mainly due to outflows from the product Systematic Equity and simultaneous inflows in the product Systematic Macro. Despite

net outflows for the business area, the distribution between assets under management is more favourable for Catella's future earnings.

Total income was SEK 228 M (163) in the quarter. Operating profit was SEK 91 M (47).

The increase in both income and profit on the previous year is mainly due to variable earnings in Mutual Funds and increased fixed earnings in Systematic Funds, which were in turn driven by increased assets under management.

Systematic Macro's and Systematic Equity's assets under management at the end of the period totalled SEK 40.6 Bn (21.0) and SEK 26.1 Bn (34.4). Income is mainly

derived from Systematic Macro and a majority of sales resources are allocated to this product.

Progress in the first half-year

In the period, total fund volumes in Sweden increased by SEK 249.7 Bn, of which new savings were SEK 59.5 Bn, amounting to SEK 3,817 Bn at the end of the period. Catella's assets under management decreased by SEK 1.7 Bn (-0.6) in the period, totalling SEK 97.2 Bn (92.5) at the end of the period, but with a more favourable distribution for future earnings.

Total income was SEK 413 M (407) and operating profit was SEK 164 M (151).

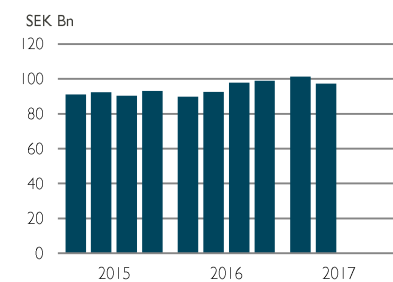
SEK M	3 Months		6 Months		12 Months	
	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	Rolling 12 Months	2016 Jan-Dec
Mutual Funds *	98	78	187	158	344	315
Systematic Funds *	130	86	226	249	410	433
Total income	228	163	413	407	754	748
Assignment expenses and commission	-38	-48	-76	-98	-160	-182
Operating expenses	-100	-69	-173	-158	-323	-308
Operating profit/loss	91	47	164	151	271	258

Key Figures

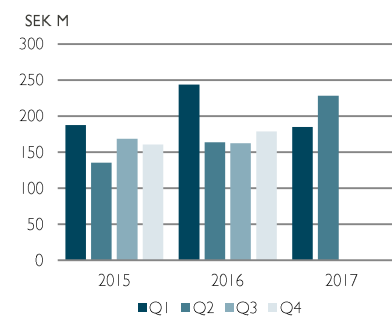
Operating margin, %	40	29	40	37	36	35
Asset under management at end of period, SEK Bn	-	-	97.2	92.5	-	98.9
net in-(+) and outflow(-) during the period, mdkr	-2.7	0.3	-2.8	-1.1	-4.2	-2.5
of which Mutual Funds	-	-	30.7	37.1	-	30.8
net in-(+) and outflow(-) during the period, mdkr	-0.7	-1.4	-1.3	-6.3	-9.5	-14.4
of which Systematic Funds	-	-	66.6	55.4	-	68.1
net in-(+) and outflow(-) during the period, mdkr	-2.0	1.7	-1.5	5.1	5.3	11.9
No. of employees, at end of period	-	-	84	79	-	78

* Includes internal income

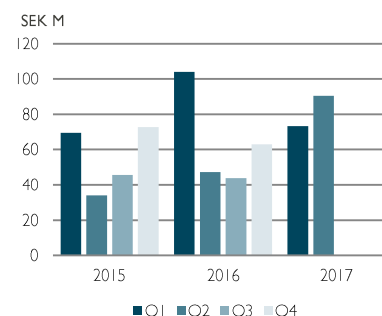
ASSETS UNDER MANAGEMENT



TOTAL INCOME



OPERATING PROFIT/LOSS



Banking

Progress in the second quarter

Volumes in the Cards and Payment Solutions operations were SEK 4.1 Bn (1.9) in the quarter.

Assets under management in Wealth Management increased by SEK 2.1 Bn (-0.2) and net inflows were SEK 1.5 Bn (0.1) in the quarter.

The loan portfolio increased by SEK 27 M in the second quarter totalling SEK 1.3 Bn (1.1) at the end of the period.

Total income was SEK 106 M (94) in the quarter. Operating profit was SEK 0 M (-3) in the quarter.

Earnings increased year-on-year and were evenly distributed between Cards

and Payment Solutions and Wealth Management. Fixed earnings increased year-on-year, and driven by increased assets under management and an expanded loan book, while variable earnings decrease mainly driven by Wealth Management which completed fewer capital raisings in the quarter. Higher volumes in the high margin segment increased year-on-year earnings in Cards and Payment Solutions. The sharp volume growth in the fourth quarter 2016 in Cards and Payment Solutions took place in the low margin segment and had a marginal impact on earnings in the second quarter, and will mainly ensure

future volume growth in the high margin segment.

Progress in the first half-year

Volumes in Cards and Payment Solutions totalled SEK 8.1 Bn (3.6) in the period.

Assets under management in Wealth Management increased by SEK 3.1 Bn (0.6) and net inflows were SEK 2.1 Bn (0.6) in the period, amounting to SEK 19.6 Bn (14.2) at the end of the period.

Total income was SEK 222 M (185) and operating profit was SEK 3 M (-18).

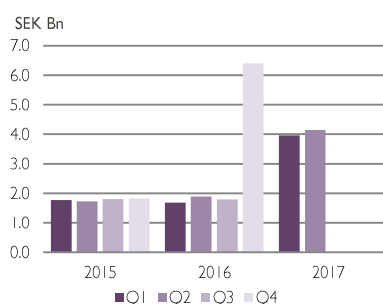
SEK M	3 Months		6 Months		12 Months	
	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	Rolling 12 Months	2016 Jan-Dec
Cards and Payment Solutions *	67	62	142	128	297	283
Wealth Management *	39	33	87	58	186	157
Total income	106	94	222	185	470	433
Assignment expenses and commission	-31	-19	-63	-46	-127	-110
Operating expenses	-74	-78	-156	-157	-328	-329
Operating profit/loss	0	-3	3	-18	15	-6

Key Figures

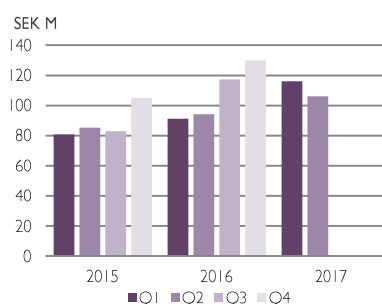
Operating margin, %	0	-3	1	-10	3	-1
Card and payment volumes, SEK Bn	4.1	1.9	8.1	3.6	16.3	11.8
Asset under management at end of period, SEK Bn	-	-	19.6	14.2	-	16.5
net in-(+) and outflow(-) during the period, mdlkr	1.3	-0.3	1.9	0.6	3.6	2.4
No. of employees, at end of period	-	-	175	170	-	176

* Includes internal income

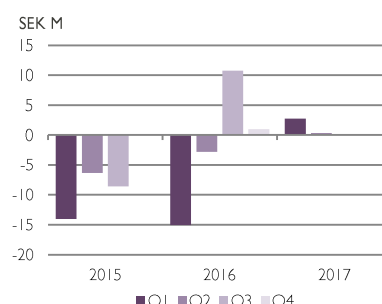
CARD AND PAYMENT VOLUMES



TOTAL INCOME



OPERATING PROFIT/LOSS



Property Investment Management

Progress in the second quarter

Assets under management increased by SEK 1.5 Bn (-0.3) and net inflows were SEK 0.5 Bn (-0.9) in the quarter, mainly attributable to residential property funds in Germany.

Total income was SEK 130 M (54) and income after assignment costs totalled SEK 67 M (39) in the quarter. Operating profit was SEK 8 M (-4). The increase in assignment costs was mainly due to Bouwfonds European Residential fund exceeding the level where the fund is allocated performance-based fees, which were recognised

in Property Funds and shared with a third party.

The focus on building a European platform continues, at the same time as both income and profit increased in year-on-year terms. The improvement is mainly driven by increased variable earnings from the Bouwfonds European Residential fund and increased assets under management of SEK 15.0 Bn compared to the corresponding period in the previous year. Fixed earnings increased in a majority of operations, although mainly in Property Funds and Property Asset Management in France.

The cost increase is mainly due to aggressive initiatives in residential property funds and Property Asset Management in Spain.

Progress in the first half-year

Assets under management increased by SEK 6.0 Bn (-0.3) and net inflows were SEK 4.8 Bn (-1.5) in the period, amounting to SEK 46.3 Bn (31.3) at the end of the period.

Total income was SEK 208 M (106) and operating profit was SEK 8 M (-11).

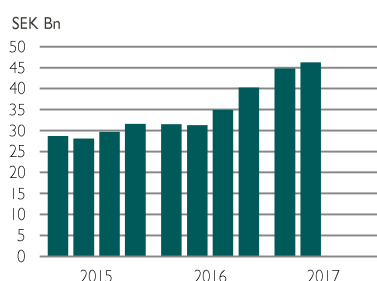
SEK M	3 Months		6 Months		12 Months	
	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	Rolling 12 Months	2016 Jan-Dec
Property Funds *	113	40	176	81	307	212
Property Asset Management *	19	15	37	27	105	95
Total income	130	54	208	106	397	295
Assignment expenses and commission	-63	-15	-84	-33	-135	-85
Operating expenses	-59	-43	-116	-83	-240	-207
Operating profit/loss	8	-4	8	-11	22	3

Key Figures

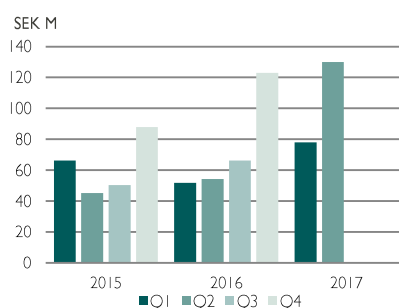
Operating margin, %	6	-8	4	-10	6	1
Asset under management at end of period, SEK Bn	-	-	46.3	31.3	-	40.3
net in-(+) and outflow(-) during the period, mdkr	0.5	-0.9	4.8	-1.5	11.3	4.9
of which Property Funds	-	-	31.2	21.5	-	25.6
net in-(+) and outflow(-) during the period, mdkr	0.5	0.4	4.6	0.4	7.4	3.2
of which Property Asset Management	-	-	15.1	9.7	-	14.7
net in-(+) and outflow(-) during the period, mdkr	0.0	-1.3	0.2	-1.9	3.8	1.7
No. of employees, at end of period	-	-	116	87	-	105

* Includes internal income.

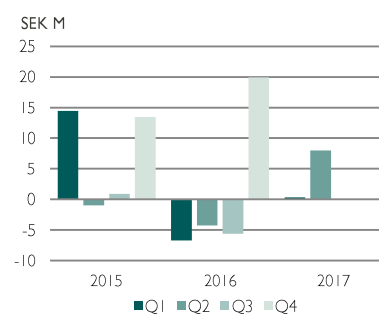
ASSETS UNDER MANAGEMENT



TOTAL INCOME



OPERATING PROFIT/LOSS



Other financial information

The Group's financial position

In the second quarter, the Group's total assets decreased by SEK 68 M, totalling SEK 5,451 M as of 30 June 2017. Total assets were affected by factors including dividends in the period of SEK 155 M.

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 96 M (SEK 97 M as of 31 December 2016), of which the majority consists of tax loss carry-forwards, which is based on an assessment of the Group's future earnings. The Group's total loss carry-forwards amount to some SEK 660 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 maturing in September 2017. In the Consolidated Statement of Financial Position as of 30 June 2017 this item was reported in current liabilities. The bond accrues variable interest at 3-month STIBOR plus 500 basis points.

In June 2017, Catella issued a new 5-year unsecured bond loan of SEK 500 M, with a framework amount of SEK 750 M, with the purpose of refinancing the existing bond loan (including buy-back), raise additional liquidity for Catella's operating activities and to continue expansion and enable potential future acquisitions. The issue proceeds were deposited in a blocked bank account which Catella was prohibited from disposing over until the buy-back of the existing bond loan, which took place on 20 July 2017. In the Consolidated Statement of Financial Position as of 30 June 2017, the new bond loan was net recognized at the unavailable issue proceeds, for more information see note 6. The new bond accrues variable interest at 3-month STIBOR plus 400 b.p.

The Group also has approved overdraft facilities totaling SEK 30 M, of which the unutilized part was SEK 30 M as of 30 June 2017.

The Group's equity decreased by SEK 74 M in the quarter, reaching SEK 1,717 M as of 30 June 2017. Apart from profit for the period of SEK 61 M and positive translation differences of SEK 14 M, equity was affected by a dividend payment to parent company shareholders of SEK 65 M and by dividends and other transactions with non-controlling interests totalling SEK 83 M. The Group's equity/assets ratio as of 30 June 2017 was 32% (31% as of 31 December 2016).

Consolidated cash flow

Second quarter 2017

Consolidated cash flow from operating activities before changes in working capital amounted to SEK 85 M (64).

Consolidated cash flow from operating activities was SEK 100 M (-72) of which changes in working capital for the period was SEK 15 M (-136). Of the changes in working capital, SEK 110 M is attributable to banking operations and SEK -95 M to other operations. The bank's working capital was positively affected mainly by increased deposits from credit institutes and settlement of customer receivables relating to customer purchases of mutual fund units.

Cash flow from investing activities was SEK -37 M (80), of which SEK -37 M relates to IPM's investments in proprietary funds. Cash flow from loan portfolios totalled SEK 5 M in the quarter.

Cash flow from financing operations was SEK -155 M (-111), of which SEK -65 M relates to dividends to parent company shareholders and SEK -90 M to dividends to non-controlling interests.

Cash flow for the period was SEK -92 M (-103) of which cash flow from banking operations was SEK 111 M (76) and cash flow from other operations was SEK -203 M (-179).

Cash and cash equivalents at the end of the period were SEK 2,371 M (2,522), of which cash and cash equivalents relating to the banking operations were SEK 1,931 M (1,922) and cash and cash equivalents relating to other activities were SEK 440 M (600).

First halfyear 2017

Consolidated cash flow from operating activities before changes in working capital amounted to SEK 137 M (84).

Consolidated cash flow from operating activities was SEK -202 M (-381), of which changes in working capital for the period was SEK -339 M (-465). Of the changes in working capital, SEK -148 M is attributable to banking operations and SEK -191 M to other operations.

Cash flow from investing activities was SEK -46 M (105), of which SEK -37 M relates to IPM's investments in proprietary funds, SEK -16 M relates to additional investments in associated company Nordic Seeding GmbH and SEK -9 M to other business-related investments. In addition, SEK 8 M was invested in intangible assets of which the majority relates to new fund management systems. Furthermore, holdings in proprietary funds under management were divested for SEK 13 M and SEK 4 M was received for terminated currency forwards. Cash flow from loan portfolios totalled SEK 10 M in the first half-year.

Cash flow from financing operations was SEK -153 M (-121), of which -155 M relates to dividend and SEK 2 M relates to capital contributions from non-controlling interests.

Cash flow for the period was SEK -401 M (-398), of which cash flow from the banking operations was SEK -142 M (-159) and cash flow from other activities SEK -259 M (-239).

Parent company

Second quarter 2017

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 3.0 M (2.1) and operating profit/loss was SEK -12.5 M (-10.9). The profit decrease on the previous year is mainly due to increased personnel costs.

In September 2012, Catella AB issued a 5-year unsecured bond loan of SEK 200 M maturing in September 2017.

In June 2017, Catella AB issued a new 5-year unsecured bond loan of SEK 500 M, partly with the purpose of refinancing the existing bond loan. The issue proceeds were deposited in a blocked bank account which Catella AB was prohibited from disposing over until the buy-back of the existing bond loan, which took place on 20 July 2017. In the Parent Company Balance Sheet as of 30 June 2017, the new bond loan was net recognised at the unavailable issue proceeds, for more information see note 6.

The Parent Company also reported financial items totalling SEK 84.2 M (-0.7), of which SEK 90 M relates to dividends from subsidiary Catella Holding AB, SEK 3.5 M relates to interest in bond loans and SEK 2.0 M relates to costs for early redemption of the bond loan 2012/2017.

Profit/loss before tax was SEK 71.6 M (-11.6), and profit/loss for the period was SEK 71.6 M (-11.6).

The Parent Company reported total loss carry-forwards of SEK 131.4 M. Catella's Balance Sheet includes a deferred tax asset of SEK 198 M (189) M as of 31 December 2016) 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 31.4 M, compared to SEK 31.3 M as of 31 December 2016.

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

First half year 2017

The Parent Company reported income of SEK 6.2 M (4.3) in the first half-year 2017. Operating profit/loss was SEK -23.5 M (-19.7) and profit before tax was SEK 58.3 M (-21.0).

Catella's principal investments

Catella has principal investments of SEK 346 M, which are reported under the 'Other' category in Note 3.

The 'Other' category also includes information on the Parent Company, other holding companies, acquisition and financing costs, Catella's brand and eliminations of intra-group transactions between the various operations.

Employees

The number of employees expressed as full-time equivalents was 615 (563) at the end of the period, of which 225 (213) in the Corporate Finance operating segment, 375 (336) in the Asset Management and Banking operating segment and 15 (14) in other functions.

Share capital

As of 30 June 2017, share capital was SEK 164 M (164) divided between 81,848,572 shares (81,848,572). 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 30 June 2017, 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 first half-year 2017 there were no transactions involving warrants.

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 20.60 (18.80) as of 30 June 2017. Total market capitalisation at the end of the period was SEK 1,696 M (1,542).

Shareholders

Catella had 7,175 (6,391) shareholders registered at the end of the period. As of 30 June 2017, 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 Swedbank Robur fonder with a holding of 6.1% (0.0) of the capital and 6.3% (0.0) of the votes.

Annual General Meeting and Annual Report

Catella AB's Annual General Meeting (AGM) was held on Monday 29 May 2017 in Stockholm, Sweden. Information on Catella's AGM is available at catella.com.

Catella's Annual Report for 2016 is available at the company's website,

catella.com and head office, Birger Jarlgatan 6, Stockholm, Sweden, from 28 April 2017.

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 in-creses, at least 50% of the Group's profit after tax will be transferred to shareholders over time.

For the financial year 2016 and 2015, the Parent Company paid dividend of SEK 0.80 and SEK 0.60 respectively per class A and B share to shareholders.

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 2016 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 that matures in November 2017.

Catella has investments in property development projects in Germany (see Note 3) through associated company Nordic Seeding GmbH. These projects are run by Catella's German subsidiary Catella Project Management GmbH. Through Nordic Seeding GmbH, Catella intends to invest in the early phases of projects, when concept and frameworks are determined, subsequently divesting projects and realising capital gains before construction begins and projects are completed. These investments include the risk that Nordic Seeding GmbH may encounter situations where the company is obliged to continue to invest in later stages of projects, pursue projects to completion or abandon projects and lose the associated invested capital.

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 I 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.

In the first quarter 2017, the SEK 67 M (42) holding in associated company Nordic Seeding GmbH, which invests in and operates property development projects in Germany, was reclassified from the Asset Management and Banking operating segment to Proprietary Investments under the "Other" category. Comparative figures from earlier periods were adjusted correspondingly. Collating completed and future proprietary investments in a dedicated category creates a structure for continued expansion and progress in this area.

From the first quarter 2017, acquisition-related items are no longer reported separately, as management does not judge the information to be essential.

The accounting policies that are most critical to the Group and Parent Company are stated in Catella's Annual Report for 2016. Figures in tables and comments may be rounded.

Related party transactions

In the first half-year 2017, Catella made additional investments of SEK 16 M in associated company Nordic Seeding GmbH, where the other shareholders are the Claesson & Anderzén Group and the management of Catella Project Management GmbH. As of 30 June 2017, Catella had invested SEK 67 M, of a total commitment of SEK 87 M, in Nordic Seeding GmbH. For more information, see Note 3 in this report and Notes 20 and 39 of the Annual Report 2016.

Forecast

Catella does not publish forecasts.

Audit

This Interim Report has not been subject to review by the company's auditors.

Financial calendar

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 catella.com

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 25 August 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, 25 August 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

Consolidated Income Statement

SEK M	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Net sales	586	475	1,079	926	2,007
Other operating income	1	3	2	15	20
Total income	587	478	1,081	940	2,027
Assignment expenses and commission	-147	-91	-247	-191	-417
Other external expenses	-116	-117	-233	-212	-441
Personnel costs	-226	-209	-431	-397	-878
Depreciation	-6	-4	-13	-9	-18
Other operating expenses	-13	7	-14	-7	-14
Operating profit/loss	78	64	144	125	258
Interest income	6	6	11	12	24
Interest expenses	-4	-3	-7	-5	-11
Other financial items	5	220	8	230	227
Financial items—net	6	222	12	237	239
Profit/loss before tax	84	287	156	361	497
Tax	-23	-89	-42	-108	-141
Net profit/loss for the period	61	198	114	253	357
Profit/loss attributable to:					
Shareholders of the Parent Company	33	182	66	199	272
Non-controlling interests	28	15	48	54	85
	61	198	114	253	357
Earnings per share attributable to shareholders of the Parent Company, SEK					
- before dilution	0.40	2.23	0.81	2.44	3.32
- after dilution	0.37	2.06	0.75	2.24	3.06
No. of shares at end of the period	81,848,572	81,848,572	81,848,572	81,848,572	81,848,572
Average weighted number of shares after dilution	88,648,572	88,348,572	88,648,572	89,069,548	88,775,608

Consolidated Statement of Comprehensive Income

SEK M	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Net profit/loss for the period	61	198	114	253	357
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	0
Items that will be reclassified subsequently to profit or loss:					
Fair value changes in financial assets available for sale	-0	0	3	0	3
Translation differences	14	19	10	26	36
Other comprehensive income for the period, net after tax	13	19	14	26	39
Total comprehensive income/loss for the period	74	216	128	279	395
Profit/loss attributable to:					
Shareholders of the Parent Company	46	201	80	225	310
Non-controlling interests	28	16	48	54	86
	74	216	128	279	395

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

Consolidated Statement of Financial Position—condensed

SEK M	Note	2017 30 Jun	2016 30 Jun	2016 31 Dec
ASSETS				
Non-current assets				
Intangible assets		413	369	412
Property, plant and equipment		25	24	26
Holdings in associated companies	3	59	44	51
Other non-current securities	3, 4, 5	427	388	382
Deferred tax receivables		96	89	97
Other non-current receivables		721	541	775
		1,742	1,454	1,743
Current assets				
Current loan receivables		656	564	577
Accounts receivable and other receivables		588	536	493
Current investments	3, 4, 5	93	82	88
Cash and cash equivalents *		2,371	2,522	2,750
		3,709	3,705	3,907
Total assets		5,451	5,159	5,651
EQUITY AND LIABILITIES				
Equity				
Share capital		164	164	164
Other contributed capital		253	250	253
Reserves		-97	-116	-107
Profit brought forward including net profit for the period		1,257	1,187	1,253
Equity attributable to shareholders of the Parent Company		1,577	1,484	1,563
Non-controlling interests		140	119	167
Total equity		1,717	1,604	1,730
Liabilities				
Non-current liabilities				
Borrowings		1	0	0
Long-term loan liabilities		0	200	0
Deferred tax liabilities		35	34	34
Other provisions		3	3	3
		39	236	37
Current liabilities				
Borrowings		224	47	260
Current loan liabilities		2,753	2,576	2,806
Accounts payable and other liabilities		647	593	739
Tax liabilities		71	104	79
		3,695	3,320	3,884
Total liabilities		3,734	3,556	3,921
Total equity and liabilities		5,451	5,159	5,651
* Of which pledged and blocked liquid funds		199	166	188

Information on financial position by operating segment is in Note 2.

Consolidated Statement of Cash Flows

SEK M	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Cash flow from operating activities					
Profit/loss before tax	84	287	156	361	497
Adjustments for non-cash items:					
Other financial items	-5	-220	-8	-230	-227
Depreciation	6	4	13	9	18
Impairment current receivables	2	2	3	4	12
Reported interest income from loan portfolios	-5	-5	-11	-12	-22
Acquisition expenses	0	0	0	0	1
Profit/loss from participations in associated companies	9	0	9	0	1
Capital gain/loss, financial assets	0	0	-	-6	-6
Personnel costs not affecting cash flow	8	18	16	14	35
Paid income tax	-15	-22	-41	-57	-126
Cash flow from operating activities before changes in working capital	85	64	137	84	184
Cash flow from changes in working capital					
Increase (-)/decrease (+) of operating receivables	53	1	-122	-340	-533
Increase (+) / decrease (-) in operating liabilities	-38	-137	-217	-125	212
Cash flow from operating activities	100	-72	-202	-381	-137
Cash flow from investing activities					
Purchase of property, plant and equipment	-3	-4	-4	-5	-10
Purchase of intangible assets	-4	-5	-8	-7	-42
Purchase of subsidiaries, after deductions for acquired cash and cash equivalents	-0	-39	-1	-39	-57
Purchase of associated companies	0	0	-16	-18	-25
Purchase of financial assets	-37	-67	-46	-86	-110
Sale of financial assets	1	190	19	201	227
Cash flow from loan portfolios	5	6	10	58	71
Dividends from investments	1	0	1	0	0
Cash flow from investing activities	-37	80	-46	105	55
Cash flow from financing activities					
Re-purchase of share warrants	0	-12	-	-22	-22
New share issue	0	1	-	1	1
Dividend	-65	-49	-65	-49	-49
Transactions with, and payments to, non-controlling interests	-89	-51	-88	-51	-56
Cash flow from financing activities	-155	-111	-153	-121	-126
Cash flow for the period	-92	-103	-401	-398	-208
Cash and cash equivalents at beginning of period	2,435	2,585	2,750	2,854	2,854
Exchange rate differences in cash and cash equivalents	28	40	22	67	104
Cash and cash equivalents at end of the period	2,371	2,522	2,371	2,522	2,750

SEK 1,931 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 2017	164	253	-107	1,253	1,563	167	1,730
Comprehensive income for January - June 2017:							
Net profit/loss for the period				66	66	48	114
Other comprehensive income, net of tax			10	3	14	0	14
Comprehensive income/loss for the period			10	70	80	48	128
Transactions with shareholders:							
Transactions with non-controlling interests				0	0	-75	-75
Dividend				-65	-65		-65
Closing balance at 30 June 2017	164	253	-97	1,257	1,577	140	1,717

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

** Non-controlling interests 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.

As of 30 June 2017, the Parent company had 7,000,000 warrants outstanding, of which 200,000 held in treasury. There were no transactions involving warrants in the first half year 2017. 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.

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 - June 2016:							
Net profit/loss for the period				199	199	54	253
Other comprehensive income, net of tax			26		26	1	26
Comprehensive income/loss for the period			26	199	225	54	279
Transactions with shareholders:							
Transactions with non-controlling interests				0	0	-53	-53
Re-purchase of warrants issued				-12	-12		-12
New share issue during registration	0			1	1		1
Dividend				-49	-49		-49
Closing balance at 30 June 2016	164	250	-116	1,187	1,484	119	1,604

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

As of 30 June 2016, the Parent Company had a total of 9,034,000 outstanding warrants of which 2,534,000 held in treasury. In the first half year 2016 1,440,000 warrants were repurchased on market terms from employees for 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 the first half year 2016, 120,000 warrants were utilized to subscribe for and equal number of newly issued shares at a price of SEK 11 per share. In the second quarter 2016 7,920,000 warrants matured without utilisation of which all were held in treasury.

Note I. Income Statement by operating segment

SEK M	Corporate Finance		Asset Management and Banking		Other		Group	
	2017 Apr-Jun	2016 Apr-Jun	2017 Apr-Jun	2016 Apr-Jun	2017 Apr-Jun	2016 Apr-Jun	2017 Apr-Jun	2016 Apr-Jun
Net sales	130	172	463	309	-7	-6	586	475
Other operating income	1	1	0	2	-1	-1	1	3
Total income	131	174	463	311	-8	-7	587	478
Assignment expenses and commission	-19	-14	-132	-81	4	5	-147	-91
Other external expenses	-33	-33	-78	-78	-5	-6	-116	-117
Personnel costs	-74	-89	-147	-116	-6	-5	-226	-209
Depreciation	-1	-1	-5	-3	-0	-0	-6	-4
Other operating expenses	-2	-1	-3	8	-8	1	-13	7
Operating profit/loss	2	36	99	40	-23	-12	78	64
Interest income	0	0	0	0	5	5	6	6
Interest expenses	-1	0	-0	-1	-3	-3	-4	-3
Other financial items	0	0	4	217	-0	3	5	220
Financial items—net	-0	1	4	217	2	5	6	222
Profit/loss before tax	2	36	103	257	-21	-6	84	287
Tax	-2	-1	-27	-83	6	-5	-23	-89
Net profit/loss for the period	0	36	76	174	-15	-12	61	198
Profit/loss attributable to shareholders of the Parent Company	0	36	48	158	-15	-12	33	182

SEK M	Corporate Finance			Asset Management and Banking			Other			Group		
	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Net sales	251	245	575	840	689	1,461	-12	-9	-29	1,079	926	2,007
Other operating income	2	8	11	2	8	11	-1	-1	-3	2	15	20
Total income	253	253	586	842	697	1,473	-13	-10	-31	1,081	940	2,027
Assignment expenses and commission	-32	-19	-64	-222	-177	-374	7	5	21	-247	-191	-417
Other external expenses	-71	-68	-129	-153	-134	-289	-9	-10	-22	-233	-212	-441
Personnel costs	-142	-138	-322	-277	-251	-532	-12	-8	-24	-431	-397	-878
Depreciation	-2	-2	-4	-10	-6	-13	-0	-0	-0	-13	-9	-18
Other operating expenses	-2	-2	-7	-4	-7	-9	-8	1	2	-14	-7	-14
Operating profit/loss	4	24	58	175	122	255	-35	-22	-55	144	125	258
Interest income	0	0	1	0	0	0	11	12	22	11	12	24
Interest expenses	-1	0	0	-1	-1	-1	-5	-5	-10	-7	-5	-11
Other financial items	1	0	1	8	221	216	-1	9	10	8	230	227
Financial items—net	-0	1	2	8	221	215	5	15	22	12	237	239
Profit/loss before tax	4	25	60	182	343	470	-31	-7	-33	156	361	497
Tax	-5	3	-10	-49	-106	-132	12	-4	1	-42	-108	-141
Net profit/loss for the period	-1	28	50	134	237	338	-19	-11	-31	114	253	357
Profit/loss attributable to shareholders of the Parent Company	-1	28	50	86	183	253	-19	-11	-31	66	199	272

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 Proprietary Investments 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. Any transactions are conducted on arm's length basis.

Historical earnings trend by quarter and operating segment

SEK M	Corporate Finance							
	2017 Apr-Jun	2017 Jan-Mar	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2015 Oct-Dec	2015 Jul-Sep
Net sales	130	121	187	142	172	73	222	155
Other operating income	1	1	2	2	1	6	4	0
Total income	131	121	188	144	174	80	226	156
Assignment expenses and commission	-19	-13	-19	-26	-14	-4	-10	-9
Other external expenses	-33	-38	-32	-29	-33	-36	-39	-30
Personnel costs	-74	-68	-112	-72	-89	-49	-144	-91
Depreciation	-1	-1	-1	-1	-1	-1	-1	-2
Other operating expenses	-2	-0	-4	-2	-1	-0	-1	-0
Operating profit/loss	2	2	20	14	36	-12	32	24
Interest income	0	0	0	0	0	0	0	0
Interest expenses	-1	-1	-0	0	0	0	-0	-0
Other financial items	0	0	-0	1	0	0	5	0
Financial items—net	-0	-0	-0	1	1	1	5	0
Profit/loss before tax	2	2	20	15	36	-11	37	24
Tax	-2	-3	-8	-4	-1	3	-4	-11
Net profit/loss for the period	0	-1	11	11	36	-8	32	13
Profit/loss attributable to shareholders of the Parent Company	0	-1	11	11	36	-8	32	13

SEK M	Asset Management and Banking							
	2017 Apr-Jun	2017 Jan-Mar	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2015 Oct-Dec	2015 Jul-Sep
Net sales	463	377	428	345	309	379	352	300
Other operating income	0	2	2	1	2	6	1	1
Total income	463	378	430	345	311	386	353	301
Assignment expenses and commission	-132	-90	-100	-98	-81	-96	-79	-84
Other external expenses	-78	-76	-90	-66	-78	-55	-67	-55
Personnel costs	-147	-130	-154	-126	-116	-135	-114	-119
Depreciation	-4	-4	-2	-2	-2	-2	-2	-2
Other operating expenses	-3	-1	2	-4	8	-15	-1	-2
Operating profit/loss	99	76	84	49	40	82	86	38
Interest income	0	0	0	0	0	0	0	0
Interest expenses	-0	-0	-0	-0	-1	-0	-0	-0
Other financial items	4	4	-3	-2	217	4	-0	1
Financial items—net	4	3	-4	-2	217	4	-0	1
Profit/loss before tax	103	80	80	47	257	86	86	39
Tax	-27	-21	-16	-10	-83	-24	-14	-11
Net profit/loss for the period	76	58	64	37	174	63	72	28
Profit/loss attributable to shareholders of the Parent Company	48	38	43	27	158	24	66	14

Note 2. Financial position by operating segment—condensed

SEK M	Corporate Finance			Asset Management and Banking			Other			Group		
	2017 30 Jun	2016 30 Jun	2016 31 Dec	2017 30 Jun	2016 30 Jun	2016 31 Dec	2017 30 Jun	2016 30 Jun	2016 31 Dec	2017 30 Jun	2016 30 Jun	2016 31 Dec
ASSETS												
Non-current assets												
Intangible assets	62	62	62	301	257	300	50	50	50	413	369	412
Property, plant and equipment	11	11	11	13	12	14	1	0	1	25	24	26
Holdings in associated companies	0	0	0	0	1	0	59	43	51	59	44	51
Other non-current securities	0	0	0	168	140	136	259	248	246	427	388	382
Deferred tax receivables	0	0	1	28	21	28	68	68	68	96	89	97
Other non-current receivables	6	5	5	716	536	771	-1	-0	-0	721	541	775
	81	79	79	1,226	966	1,249	435	409	416	1,742	1,454	1,744
Current assets												
Current loan receivables	0	0	0	656	564	577	0	0	0	656	564	577
Accounts receivable and other receivables	120	144	162	460	379	327	8	13	5	588	536	493
Current investments	0	0	0	65	53	59	28	29	29	93	82	88
Cash and cash equivalents	142	195	237	2,161	2,165	2,408	67	163	105	2,371	2,522	2,750
	263	338	399	3,342	3,162	3,370	104	205	138	3,709	3,705	3,907
Total assets	343	417	478	4,568	4,128	4,619	539	614	554	5,451	5,159	5,651
EQUITY AND LIABILITIES												
Equity												
Equity attributable to shareholders of the Parent Company	78	222	254	941	789	859	558	474	451	1,577	1,484	1,563
Non-controlling interests	21	24	27	119	95	139	-0	-0	-0	140	119	167
Total equity	99	246	281	1,060	884	998	558	474	451	1,717	1,604	1,730
Liabilities												
Non-current liabilities												
Borrowings	1	0	0	0	0	0	0	0	0	1	0	0
Long-term loan liabilities	0	0	0	0	0	0	0	200	0	0	200	0
Deferred tax liabilities	0	0	0	24	23	23	11	11	11	35	34	34
Other provisions	1	1	1	3	2	3	0	0	0	3	3	3
	1	1	1	28	25	25	9	210	11	39	236	37
Current liabilities												
Borrowings	0	0	0	224	47	260	0	0	0	224	47	260
Current loan liabilities	0	0	0	2,551	2,576	2,606	202	0	200	2,753	2,576	2,806
Accounts payable and other liabilities	231	152	176	634	515	678	-219	-74	-115	647	593	739
Tax liabilities	12	18	20	71	82	51	-12	4	8	71	104	79
	243	170	196	3,480	3,220	3,596	-28	-70	93	3,695	3,320	3,884
Total liabilities	244	171	197	3,508	3,244	3,621	-19	141	103	3,734	3,556	3,921
Total equity and liabilities	343	417	478	4,568	4,128	4,619	539	614	554	5,451	5,159	5,651

Note 3. Catella's principal investments

From an international perspective, it is important that, in specific circumstances, Catella is able to carry out investments alongside its customers in order to attract capital for the projects and products Catella is working with. Over the coming years, Catella intends to set aside capital for these investments, which are primarily in the property sphere.

The capital to be invested mainly relates to anticipated cash flows from or divestments of loan portfolios. Catella perceives significant potential in various projects and dedicated property products where Catella's active participation will contribute to

growth and credibility in addition to generating positive returns. The goal is for investments to generate minimum returns (IRR) of 20% over time.

Through associated company Nordic Seeding GmbH, Catella has investments in property development projects in Germany (For more information about the projects, see below). The projects are run by Catella's German subsidiary Catella Project Management GmbH. Through Nordic Seeding GmbH, Catella intends to invest in the early phases of projects, where the concept and framework is determined,

subsequently divesting projects and realizing capital gains before construction begins and projects are completed.

In order to structure its principal investment and support new property products, Catella will be establishing an investment committee whose task is to evaluate the respective investments or divestments of assets.

For more information about Catella's principal investments under the 'Other' category divided by Holdings in associated companies, Other non-current securities and Current investments, see below.

OTHER, SEK M	Holdings in associated companies	Other non-current securities	Current investments	Total
Nordic Seeding GmbH *	59	-	-	59
Loan portfolios	-	235	21	256
Nordic Light Fund	-	13	-	13
Other holdings	-	11	7	18
Total	59	259	28	346

Investment commitments

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* The investments include the risk that Nordic Seeding GmbH encounters a situation where it is forced to choose between continuing to invest in later phases of projects, run the projects to completion or abandon projects and the associated invested capital.

Nordic Seeding GmbH

Grand Central

Residential property development project located in Düsseldorf consisting of 1,000 apartments over a total of 38,075 m².

Living Lyon

Residential property development project located in Frankfurt consisting of 125 apartments and premises over a total of 4,258 m².

Loan portfolios

The loan portfolios consist of securitised European loans mainly exposed to residential property. The progress of the loan

portfolios is closely monitored, and revaluations are made on a continuous basis.

Forecasting is performed by French investment advisor Cartesia S.A.S. Book value in Catella's consolidated accounts is determined on the basis of forecast discounted cash flows mainly comprising interest payments, but also amortization.

A summary of Catella's loan portfolio as well as actual and forecast cash flows are presented in the relevant Note below.

Nordic Light Fund

Catella holds shares in the Luxembourg-based Nordic Light Fund, which has invested in loan portfolios and is managed by Catella Bank. The loan portfolios consist of

loans to small and medium-sized companies, mainly located in Germany and Spain. In addition, the portfolios include a diversified pool of loans to small and medium-sized companies in the Netherlands and Portugal, with residential mortgages as underlying security. Since the end of 2011, the fund is fully invested and is now repaying cash flows received and realised income on investments to fund holders in the form of quarterly repurchases of units.

Other holdings

Other holdings mainly consist of listed and unlisted shares in Swedish limited companies.

Summary of Catella's loan portfolios

SEK M		Forecast undiscouted cash flow *	Share of undiscouted cash flow	Forecast discounted cash flow	Share of discounted cash flow	Discount rate	Duration, years
Loan portfolio	Country						
Pastor 2	Spain	48.8	13.1%	42.7	16.9%	6.1%	2.2
Pastor 3 **	Spain	-	-	-	-	-	-
Pastor 4	Spain	32.9	8.9%	15.7	6.2%	11.1%	7.0
Pastor 5 ***	Spain	-	-	-	-	-	-
Lusitano 3	Portugal	84.0	22.6%	68.3	27.0%	6.1%	3.7
Lusitano 4 **	Portugal	-	-	-	-	-	-
Lusitano 5	Portugal	106.9	28.8%	64.4	25.5%	11.1%	5.2
Minotaure	France	46.8	12.6%	21.3	8.4%	11.1%	7.5
Ludgate ****	UK	51.9	14.0%	40.3	15.9%	11.1%	2.5
Sestante 2 **	Italy	-	-	-	-	-	-
Sestante 3 **	Italy	-	-	-	-	-	-
Sestante 4 **	Italy	-	-	-	-	-	-
Total cash flow ***		371.4	100.0%	252.7	100%	8.9%	4.5
Accrued interest				3.4			
Carrying amount in consolidated balance sheet				256.1			

* 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.

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 variations in 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 23 in the Annual Report for 2016.

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
Q1 2017	-	-	-	-	1.5	-	-	-	-	-	-	-	2.6	4.1	5.0	-0.9
Q2 2017	-	-	-	-	1.9	-	-	-	-	-	-	-	3.5	5.5	5.6	-0.1
Total	27.2	0.0	0.0	0.0	49.3	0.8	2.9	8.4	12.2	50.4	19.4	21.7	52.0	244.2	222.7	21.5

														Forecast		
														Quarter/	Acc.	
														Year		
Forecast																
Q3 2017	0.1	-	-	-	1.7	-							3.2	5.0	5.0	
Q4 2017	0.0	-	-	-	2.3	-							3.1	5.4	10.4	
Full year 2018	0.2	-	-	-	11.2	-							11.3	22.6	33.0	
Full year 2019	48.5	-	-	-	17.2	-							9.6	75.2	108.2	
Full year 2020	-	-	-	-	27.2	41.9							7.6	76.7	185.0	
Full year 2021	-	-	-	-	3.1	35.6							17.0	55.7	240.7	
Full year 2022	-	-	-	-	2.8	3.1							-	5.9	246.6	
Full year 2023	-	-	-	-	2.5	2.5						8.2	-	13.2	259.8	
Full year 2024	-	-	32.9	-	2.2	2.2						18.6	-	55.9	315.7	
Full year 2025	-	-	-	-	13.9	1.9						20.1	-	35.8	351.6	
Full year 2026	-	-	-	-	-	1.6						-	-	1.6	353.2	
Full year 2027	-	-	-	-	-	1.3						-	-	1.3	354.5	
Full year 2028	-	-	-	-	-	16.9						-	-	16.9	371.4	
Total	48.8	0.0	32.9	0.0	84.0	106.9	0.0	0.0	0.0	0.0	0.0	46.8	51.9	371.4		

* 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 4. Short and long-term investments

SEK M	30 June 2017
Loan portfolio and Nordic Light Fund *	272
Operation-related investments	200
Other securities	48
Total **	521

* of which Loan portfolios SEK 256 M.

** of which short-term investments SEK 93 M and long-term investments SEK 427 M.

Note 5. 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. Ob-

servable 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 measurement of

discounted cash flows to determine the fair value of financial instruments. For more information, see Note 3 in the Annual Report 2016.

The Group's assets and liabilities measured at fair value as of 30 June 2017 are stated in the following table.

SEK M	Tier 1	Tier 2	Tier 3	Total
ASSETS				
Derivative instruments		17		17
Financial assets available for sale		50		50
Financial assets measured at fair value through profit or loss	55	114	284	453
Total assets	55	181	284	521
LIABILITIES				
Derivative instruments		10		10
Total liabilities	0	10	0	10

No changes between levels occurred the previous year.

CHANGE ANALYSIS, FINANCIAL ASSETS, LEVEL 3 IN THE FIRST QUARTER 2017

	2017
as of 1 January	270
Purchases	9
Disposals	-1
Amortisation	-5
Gains and losses recognised through profit or loss	2
Capitalised interest income	6
Exchange rate differences	3
At 30 June	284

Note 6. Net recognition of assets and liabilities

Certain assets and liabilities are net recognized where conditions for net recognition apply, e.g. the right to offset, in accordance with Catella's accounting principles. The

following assets and liabilities were net recognized as of the respective reporting dates.

SEK M	2,017 30 Jun	2016 30 Jun	2016 31 Dec
Receivable on not yet available bond funds	495	0	0
Less: Debt attributable to unavailable funds	-495	0	0
	0	0	0

The above funds relate to the new 5-year unsecured bond loan. The funds became

available to Catella on 20 July 2017 and net recognition does not occur after that date.

Note 7. Pledged assets and contingent liabilities

Pledged assets

	2017	2016	2016
SEK M	30 Jun	30 Jun	31 Dec
Securities	0	0	0
Cash and cash equivalents	199	178	188
Other pledged assets	49	50	53
	248	228	241

Cash and cash equivalents include pledged cash funds. 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, funds that are to be accessible from time to time for regulatory reasons, as well as frozen funds for other purposes.

Contingent liabilities

	2,017	2016	2016
SEK M	30 Jun	30 Jun	31 Dec
Client funds managed on behalf of clients	40	552	42
Other contingent liabilities	9	12	20
	49	564	62

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

	2,017	2016	2016
SEK M	30 Jun	30 Jun	31 Dec
Unutilised credit facilities, granted by Catella Bank	2,662	2,054	2,366
Currency forwards	0	0	0
Investment commitments	24	0	48
Other commitments	7	0	7
	2,693	2,054	2,420

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

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

mainly relate to associated company Nordic Seeding GmbH.

Note 8. 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 Luxembourg. 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 2016.

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. 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	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Net sales	813	669	1,392
Other operating income	1	8	11
Total income	814	678	1,403
Assignment expenses & commission	-224	-177	-379
Income excl. direct assignment costs and commission	590	501	1,024
Operating expenses	-432	-393	-823
Operating profit/loss	158	108	201
Financial items—net	85	231	253
Profit/loss before tax	243	339	454
Appropriations	0	0	2
Tax	-38	-103	-122
Net profit/loss for the period	205	235	334
Profit/loss attributable to:			
Shareholders of the Parent Company	157	182	249
Non-controlling interests	48	54	85
	205	235	334
Employees at end of period	345	319	335

Financial position—condensed, consolidated financial situation

SEK M	2017 30 Jun	2016 30 Jun	2016 31 Dec
Non-current assets	1,650	1,376	1,672
Current assets	3,527	3,408	3,532
Total assets	5,177	4,783	5,204
Equity	1,581	1,385	1,497
Liabilities	3,595	3,398	3,707
Total equity and liabilities	5,177	4,783	5,204

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	2017 30 Jun	2016 30 Jun	2016 31 Dec
Core tier 1 capital	918	749	725
Other tier 1 capital	0	0	0
Tier 2 capital	0	0	0
Capital base	918	749	725
Total risk-weighted exposure	5,281	4,114	4,440
CAPITAL ADEQUACY AND BUFFERS			
Capital adequacy pillar 1	422	329	355
<i>of which capital adequacy requirement for credit risk</i>	227	171	196
<i>of which capital adequacy requirement for market risk</i>	69	62	64
<i>of which capital adequacy requirement for operational risk</i>	127	96	96
Capital adequacy pillar 2	141	94	100
Institution-specific buffer requirements	163	118	129
Internal buffer	53	41	44
Total capital adequacy and buffer requirement	780	582	629
Capital surplus after capital adequacy and buffers requirements	139	167	96
Capital surplus after regulatory required capital adequacy and buffers	191	208	141
CAPITAL RELATIONS, % OF TOTAL RISK-WEIGHTED EXPOSURE AMOUNT			
Core tier 1 capital ratio	17.4	18.2	16.3
Tier 1 capital ratio	17.4	18.2	16.3
Total capital ratio	17.4	18.2	16.3
CAPITAL ADEQUACY AND BUFFERS, % OF TOTAL RISK-WEIGHTED EXPOSURE AMOUNT			
Capital adequacy pillar 1	8.0	8.0	8.0
Capital adequacy pillar 2	2.7	2.3	2.3
Institution-specific buffer requirements	3.1	2.9	2.9
<i>of which requirement for capital conservation buffer</i>	2.5	2.5	2.5
<i>of which requirement for counter-cyclical capital buffer</i>	0.6	0.4	0.4
Internal buffer	1.0	1.0	1.0
Total capital adequacy and buffer requirement	14.8	14.1	14.2
Capital surplus after capital adequacy and buffers requirements	2.6	4.1	2.2
Capital surplus after regulatory required capital adequacy and buffers	3.6	5.1	3.2

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

	2017	2016	2016
Capital base, SEK M	30 Jun	30 Jun	31 Dec
<i>Core tier 1 capital</i>			
Share capital and share premium reserve	399	399	399
Retained earnings and other reserves	1,182	986	1,097
<i>Less:</i>			
Intangible assets	-318	-285	-317
Price adjustments	-28	-28	-27
Deferred tax receivables	-68	-88	-67
Positive results not yet verified by the Annual General Meeting	-205	-235	-334
Other deductions	-43	0	-27
Total core tier 1 capital	918	749	725
Other tier 1 capital	-	-	-
Tier 2 capital	-	-	-
Capital base	918	749	725

Specification of risk-weighted exposure amounts and capital adequacy requirement pillar 1, SEK M	2017		2016		2016	
	30 Jun		30 Jun		31 Dec	
	Risk-weighted exp.amount	Capital adequacy pillar 1	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	492	39	441	35	451	36
Exposures to corporates	747	60	425	34	852	68
Exposures to retail	3	0	202	16	123	10
Exposures secured by mortgages on real property	298	24	128	10	286	23
Exposures in default	275	22	226	18	277	22
Items associated with particular high risk	174	14	0	0	134	11
Exposures in the form of covered bonds	3	0	2	0	3	0
Exposures to collective investment undertakings (funds)	14	1	120	10	16	1
Equity exposures	128	10	79	6	129	10
Other items	701	56	512	41	175	14
	2,835	227	2,135	171	2,446	196
Market risk						
Interest risks	0	0	0	0	0	0
Exchange rate risks	857	69	780	62	795	64
	857	69	780	62	795	64
Operational risk according to basic method						
	1,589	127	1,199	96	1,199	96
Total	5,281	422	4,114	329	4,440	355

Parent Company Income Statement

SEK M	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Net sales	3.0	2.1	6.1	4.3	9.1
Other operating income	0.0	0.0	0.0	0.0	0.0
Total income	3.0	2.1	6.2	4.3	9.2
Other external expenses	-8.1	-7.2	-14.4	-12.9	-29.7
Personnel costs *	-7.4	-5.8	-15.2	-11.0	-30.4
Depreciation	-0.0	-0.0	-0.0	-0.0	-0.0
Other operating expenses	0.0	0.0	0.0	-0.0	-0.0
Operating profit/loss	-12.5	-10.9	-23.5	-19.7	-51.0
Profit/loss from participations in group companies	90.0	0.0	90.0	0.0	0.3
Interest income and similar profit/loss items	0.0	1.7	0.0	3.7	6.6
Interest expenses and similar profit/loss items	-5.9	-2.5	-8.2	-5.0	-9.8
Financial items	84.2	-0.7	81.8	-1.3	-3.0
Profit/loss before tax	71.6	-11.6	58.3	-21.0	-54.0
Appropriations	0.0	0.0	0.0	0.0	39.0
Tax on net profit for the year	0.0	0.0	0.9	0.0	0.0
Net profit/loss for the period	71.6	-11.6	59.2	-21.0	-15.0

* Personnel costs include directors' fees

Parent Company Statement of Comprehensive Income

SEK M	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Net profit/loss for the period	71.6	-11.6	59.2	-21.0	-15.0
Other comprehensive income					
Other comprehensive income for the period, net after tax	0.0	0.0	0.0	0.0	0.0
Total comprehensive income/loss for the period	71.6	-11.6	59.2	-21.0	-15.0

Parent Company Balance Sheet—condensed

SEK M	2017 30 Jun	2016 30 Jun	2016 31 Dec
Property, plant and equipment	0.1	0.1	0.1
Participations in Group companies	654.4	523.2	519.1
Deferred tax receivables	19.8	18.9	18.9
Current receivables from Group companies	14.9	145.2	164.9
Other current receivables	10.4	6.0	5.9
Cash and cash equivalents	31.4	31.2	31.3
Total assets	731.0	724.5	740.1
Equity	512.8	513.1	519.0
Non-current liabilities	0.0	199.3	0.0
Other current liabilities	218.2	12.2	221.0
Total equity and liabilities	731.0	724.5	740.1

There were no assets pledged or contingent liabilities as of 30 June 2017.

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 analysis 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.
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.
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		6 Months		12 Months	
	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	Rolling 12 Months	2016 Jan-Dec
Net profit/loss for the period, SEK M	61	198	114	253	218	357
Total income, SEK M	587	478	1,081	940	2,168	2,027
Profit margin, %	10	41	11	27	10	18
Equity, SEK M	-	-	1,717	1,604	-	1,730
Total assets, SEK M	-	-	5,451	5,159	-	5,651
Equity/Asset ratio, %	-	-	32	31	-	31
Net profit/loss for the period, SEK M *	33	182	66	199	139	272
No. of shares at end of the period	81,848,572	81,848,572	81,848,572	81,848,572	81,848,572	81,848,572
Earnings per share, SEK *	0.40	2.23	0.81	2.44	1.69	3.32
Equity, SEK M *	-	-	1,577	1,484	-	1,563
No. of shares at end of the period	-	-	81,848,572	81,848,572	-	81,848,572
Equity per share, SEK *	-	-	19.27	18.14	-	19.10

GROUP	2017	2017	2016	2016	2016	2016	2015	2015	2015	2015	2014	2014	2014	2014	2013	2013
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net profit/loss for the period, SEK M *	33	33	37	35	182	17	122	38	48	35	96	21	85	15	-4	10
Equity, SEK M *	1,577	1,597	1,563	1,534	1,484	1,333	1,319	1,233	1,177	1,151	1,164	1,041	1,027	920	904	888
Return on equity, %	9	19	19	26	27	18	20	19	18	22	21	12				

Calculation of performance measures for the Corporate Finance operating segment

CORPORATE FINANCE	3 Months		6 Months		12 Months	
	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	Rolling 12 Months	2016 Jan-Dec
Net profit/loss for the period, SEK M	0	36	-1	28	21	50
Total income, SEK M	131	174	253	253	585	586
Profit margin, %	0	21	0	11	4	9
Equity, SEK M	-	-	99	246	-	281
Total assets, SEK M	-	-	343	417	-	478
Equity/Asset ratio, %	-	-	29	59	-	59

CORPORATE FINANCE	2017	2017	2016	2016	2016	2016	2015	2015	2015	2015	2014	2014	2014	2014	2013	2013
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net profit/loss for the period, SEK M *	0	-1	11	11	36	-8	32	13	16	-15	42	5	16	-9	4	17
Equity, SEK M *	78	177	254	237	222	206	213	183	171	187	206	144	143	138	287	284
Return on equity, %	11	26	22	34	37	28	24	31	28	30	30	8				

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

ASSET MANAGEMENT AND BANKING	3 Months		6 Months		12 Months	
	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	Rolling 12 Months	2016 Jan-Dec
Net profit/loss for the period, SEK M	76	174	134	237	235	338
Total income, SEK M	463	311	842	697	1,617	1,473
Profit margin, %	16	56	16	34	15	23
Equity, SEK M	-	-	1,060	884	-	998
Total assets, SEK M	-	-	4,568	4,128	-	4,619
Equity/Asset ratio, %	-	-	23	21	-	22

ASSET MANAGEMENT AND BANKING	2017	2017	2016	2016	2016	2016	2015	2015	2015	2015	2014	2014	2014	2014	2013	2013
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net profit/loss for the period, SEK M *	48	38	43	27	158	24	66	14	18	44	26	5	20	19	-8	-5
Equity, SEK M *	941	898	859	855	789	649	620	686	660	676	639	651	575	545	436	473
Return on equity, %	18	33	34	38	39	19	22	15	15	15	12	7				

* Attributable to shareholders of the Parent Company.



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