

Carnegie Holding AB

Year-end report

1 January – 31 December, 2013

■ Financial data for the Group (operating income statement¹⁾)

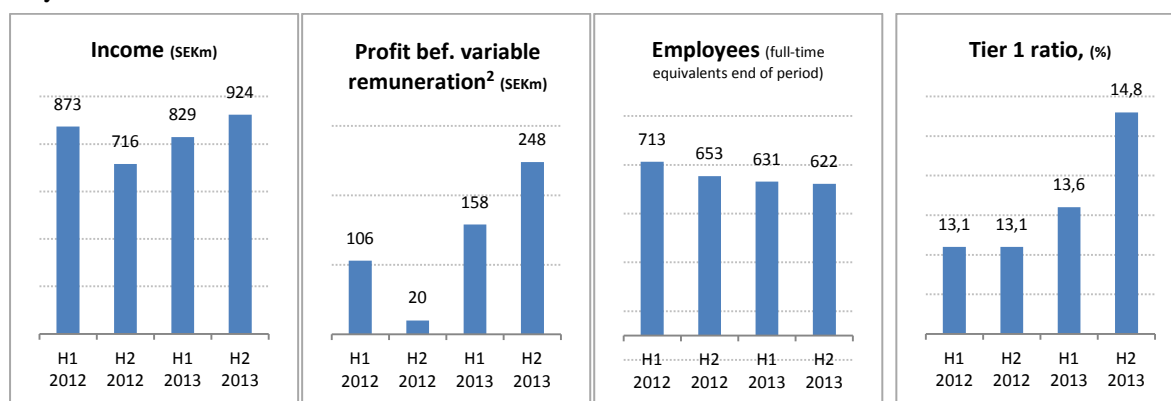
- Operating income amounted to SEK 1,753m (1,589).
- Profit before variable remuneration etc² amounted to SEK 406m (127).
- Items affecting comparability had a negative impact of SEK 13m (neg: 141) on earnings, which was primarily due to restructuring expenses.
- Net profit was SEK 194m (-283).
- The Group has a strong financial position, with equity totalling SEK 2.1bn, a Tier 1 ratio of 14.8 percent and a Capital ratio of 21.1 percent at year-end 2013.

■ Profitable operations with strong market position

- All business areas demonstrated profit for full-year 2013.
- Net inflows of SEK 6bn to Carnegie Fonder.
- Carnegie carried out the highest number of equity capital market transactions in the Nordic region during 2013, and had a leading role in five of 15 Nordic IPOs.
- Carnegie has Sweden's best analysts, according to the Financial Hearings annual survey.
- Growth-oriented recruitment to operations, mainly in Investment Banking & Securities.
- A new business area - Wealth Management - was created in order to increase coordination and to find new business opportunities in the area of savings. It includes the Fonder, Private Banking, Structured Finance and Investment Strategy units.
- Carnegie was named investment bank of the year in Denmark and Sweden by the publication Euromoney.
- Approximately 60 percent of the assets in Carnegie Fonder have been awarded five stars, the highest rating, by the independent fund evaluator Morningstar.

"Carnegie has returned to profit and is today a group that is experiencing positive trends in all segments, not least manifested in a strong inflow of advisory assignments, higher brokerage commissions, more active private clients and strong interest in our funds," says President and CEO Thomas Eriksson.

Key financial data



1) Based on the operating income statement; see page 4.

2) Before variable remuneration, financing expenses and Group-wide amortisation of intangible assets.

Carnegie returns to profit

President and CEO Thomas Eriksson's comments on earnings

After several tough years in the wake of the global financial crisis, 2013 was the year in which Carnegie returned to profit, both for the operating activities and on the bottom line. This is the consequence of a long-term project in which we have reduced our costs over a series of years, while revenues are now increasing. Carnegie is today a group that is experiencing positive trends in all segments, not least manifested in a strong inflow of advisory assignments, higher brokerage commissions, more active private clients and strong interest in our funds.

Investment Banking & Securities

The business climate has successively improved, and we conclude 2013 with a level of business activity that is higher than for many years. The influx of advisory assignments in ECM, DCM and M&A is high, and brokerage income has increased as a consequence of better stock market performance. Furthermore, IPOs have made a comeback and in 2013 Carnegie had a leading role in five of 15 Nordic IPOs, including Sanitec on the Stockholm Stock Exchange and Matas on the Copenhagen Stock Exchange. For 2014, we see good prospects for a continued high level of business activity.

Wealth Management

Our activities in the field of savings, Wealth Management, have also benefited from a rising stock market and increased business activity. In the second half of the year, a cautious trend for Private Banking was replaced by a positive pattern, mainly due to a high level of client activity and strong performance of our asset management products. Similarly, activity increased in the Fixed Income unit within Structured Finance, with several premiere issues of corporate bonds and preferred shares in the second half-year. In addition, both new issue volumes and the secondary market in structured instruments increased in 2013.

For 2013 we experienced a net inflow of SEK 6 billion to Carnegie Fonder, and the company thereby took market share in a growing fund market. A milestone occurred when the assets managed for the first time exceeded SEK 40 billion – a level that makes us one of the largest fund managers after the major banks. It is also gratifying to note that approximately 60 percent of the assets in Carnegie Fonder have been awarded five stars, the highest rating, by the independent fund evaluator Morningstar.

Equipped for the future

We continued to reduce our costs in 2013, mainly by further streamlining our support functions. At the same time, we made strategic recruitments on the operational side, particularly in Investment Banking & Securities, to capitalise on the opportunities now available in the market. Furthermore, a focus going forward is to increase the rate of growth in the savings market. As part of this work we formed the business area Wealth Management in 2013, including our operations in savings, in order to find synergies and new business opportunities.

Naturally, it is immensely satisfying to be able to demonstrate so clearly that the Carnegie Group is now on the right path and is operating in a favourable business climate. However, we maintain a high level of awareness that market conditions can change rapidly and we are respectful of the fact that our success is ultimately determined by how well we manage to serve our clients.

Thomas Eriksson

This is Carnegie

A leading bank of knowledge for financial services

Carnegie is a leading financial advisor and asset manager with a focus on the Nordic region. We are independent in order to secure optimal research and advice. We create added value for institutions, corporations and private individuals. Carnegie operates in seven countries and has approximately 620 employees. We conduct our operations within two business areas.

INVESTMENT BANKING & SECURITIES

Carnegie *Securities* addresses institutional clients and offers services within research, equity sales, sales trading and equity capital market transactions. Carnegie's top-ranked research and equity sales cover approximately 300 Nordic companies and enjoy a globally leading position in Nordic equities.

Carnegie *Investment Banking* offers professional advisory services in mergers and acquisitions (M&A) and equity capital market (ECM) transactions. Carnegie has a long-established local presence, with unique understanding and expertise concerning industries and equity markets in the Nordic region.

WEALTH MANAGEMENT

Carnegie *Private Banking* provides comprehensive financial advisory services to high net worth individuals, small businesses, institutions and foundations. The business area includes expertise in asset allocation, asset management, law, taxes, pensions and equity sales.

Carnegie *Structured Finance* is one of Sweden's leading arrangers of structured instruments for institutions and private individuals. Fixed Income also offers trading and research in interest-bearing bonds and assists companies with raising capital through corporate bonds.

Carnegie *Fonder* specialises in Swedish equities, Nordic bonds and equities on selected emerging markets. The clients are fund investors and institutions. The funds are invested in a limited number of attractively valued assets – an investment philosophy we name active value management. Approximately 60 percent of the managed assets are five-star rated by Morningstar.

Market

Carnegie's income is firmly linked to trends on the world's stock exchanges as well as the general business climate. The Nordic exchanges displayed a positive trend in 2013 despite lingering uncertainty about the macroeconomic outlook. Both volumes and the number of equity capital market (ECM) transactions increased significantly in the Nordic region compared to 2012, including IPOs on the stock markets. Furthermore, the volume of mergers and acquisitions (M&A) increased, while the number was more or less unchanged from 2012. Investment in funds rose sharply in 2013, mainly due to large deposits in December. New savings were greatest in balanced funds, followed by equity funds and money market funds.

Operative income statement Carnegie Holding Group

(SEKm)	Jan-Dec	
	2013	2012
Investment Banking & Securities	891	816
Wealth Management	861	773
Operative income	1 753	1 589
Personnel expenses before variable remuneration	-912	-951
Other expenses ¹	-435	-511
Expenses before variable remuneration etc	-1 347	-1 461
Profit/loss before variable remuneration etc	406	127
Variable remuneration, financing expenses and amortisation of intangible assets	-245	-182
Profit/loss before items affecting comparability	161	-55
Items affecting comparability	-13	-141
Profit/loss before credit losses	148	-196
Credit losses, net	25	30
Profit/loss before taxes	173	-166
Taxes ²	21	-117
Profit/loss for the year	194	-283
Average number of employees	631	704
Number of employees at year-end (FTE)	622	653

1) Before variable remuneration, financing expenses and Group-wide amortisation of intangible assets

2) Of which SEK 36m (-68) pertained to deferred tax on tax loss carryforwards and SEK - m (-25) pertained to the reversal of capitalized coupon tax due to the expiry of the possibility to utilize.

Financial performance by segment

Investment Banking & Securities

The Investment Banking & Securities business area reported income of SEK 891m (816) in 2013. Income in Securities increased markedly as a consequence of higher commission income and ECM fees. Income from advisory services was in line with the comparison period 2012.

During 2013, Carnegie acted as advisor in 15 company mergers and acquisitions as well as in 34 ECM transactions. In total, Carnegie thus became the firm that completed the highest number of ECM transactions in the Nordic region and the ninth largest M&A firm in terms of transaction volume. Carnegie also participated in five of the 15 Nordic IPOs completed during 2013. (All figures based on data from Thomson Reuters, January-December 2013.)

Wealth Management

Wealth Management is a newly formed business area comprising the units Fonder, Private Banking, Structured Finance and Investment Strategy (read more about the new business area on page 6). Income at Wealth Management totalled SEK 861m (773) in 2013.

Income for Carnegie Fonder increased significantly in 2013 compared to the previous year, due to a strong net inflow of SEK 6bn and good management outcomes in a number of funds. Corporate bond fund Carnegie Corporate Bond had the largest inflows, while funds with a focus on Swedish equities rose the most in value. Assets under management at year-end totalled SEK 43bn.

The Private Banking segment also showed increased income compared to 2012. A high level of client activity in the second half of the year, and good results for discretionary management in 2013, were some of the significant reasons. Income in Structured Finance was in line with the previous year.

Expenses

Expenses before variable remuneration, financing expenses and Group-wide amortisation totalled SEK 1,347m (1,461). The decrease was primarily attributable to reduced personnel expenses and other efficiency gains associated with the ongoing restructuring programme. In total, operating expenses amounted to SEK 1,592m (1,643). Items affecting comparability had a net impact on earnings of SEK -13m (-141).

Profit/loss

Profit before variable remuneration, financing expenses and Group-wide amortisation amounted to SEK 406m (127). Profit before items affecting comparability amounted to SEK 161m (-55). As stated above, items affecting comparability also affected earnings by SEK -13m (-141). Profit before credit provisions amounted to SEK 148m (-196). Loan recoveries impacted earnings positively by SEK 25m (30). The tax expense for the year was SEK 21m (-117), of which SEK 36m (-68) pertained to deferred tax on tax loss carryforwards. The net profit for the year was therefore SEK 194m (-283).

Important events during the year

Recruitments for growth

During the year, Carnegie made several strategic recruitments to the operations, mainly in the Investment Banking & Securities business area. Among other things, the brokerage operation was strengthened with a number of new employees focusing on sales of Nordic equities to institutions in continental Europe, and the Research department has been strengthened with recruitments in sectors including capital goods, oil and quantitative analysis. Furthermore, we have recruited new staff for the fast-growing Danish investment banking operations. The Norwegian investment banking team has been strengthened through the acquisition of NRP Securities, which increases Carnegie's presence in the oil and gas sectors. In Swedish Investment Banking, recruitments were made primarily to strengthen the M&A operations.

New business area created – Wealth Management

Carnegie aims to increase the growth pace in the savings area. The organisational coordination of operations in Fonder, Private Banking, Structured Finance and Investment Strategy (previously part of Private Banking) into one business area creates enhanced conditions for growth and for utilising knowledge and skills. President Thomas Eriksson is head of this newly created business area, called Wealth Management.

Management changes

Karin Söderqvist Lindoff took over in March 2013 as the new Head of Carnegie Private Banking in Sweden. She has more than 20 years of experience of asset management and advisory services and joined Carnegie from Swedbank, where she was Vice President of Private Banking.

In May 2013, *Brian Cordischi* became the new Chief Investment Officer (CIO) and Head of Investment Strategy. Brian has 20 years of experience in research, asset management and advisory operations from companies including Goldman Sachs and Barclays.

Helena Nelson has been the new Group Legal Counsel since April 2013 and is included in Carnegie's Group management. Helena previously worked at Swedbank as Group Compliance Officer and head of operational risk. Her previous experience includes Group Legal Counsel and company counsel at Skandia.

New legal structure for Carnegie in Denmark

Carnegie's Danish operations were transferred during the year from subsidiary Carnegie Bank A/S, regulated by the Danish Financial Supervisory Authority, to a newly established branch of Carnegie Investment Bank AB. This took place partly as a measure to streamline the management of liquidity and capital for Carnegie.

Changes in the Board of Directors

In February 2013, *Bo Magnusson* was elected as the new Chairman of the Board of Carnegie Holding AB. Bo is also Chairman of SBAB Bank, Fastighetsbolaget Norrporten and 4T, and was formerly the Deputy President and CEO of SEB.

In February 2013, *Fredrik Grevelius* was elected as a new member of Carnegie's Board of Directors. He is CEO of Investment AB Öresund and board member of, among others, Bilia and Öresund. Fredrik has previously had his own investment business, has been an asset manager at Öhman Kapitalförvaltning and a financial analyst in several financial companies, including Carnegie.

Awards

Five-star funds and fund manager of the year

At the start of 2013, Dagens Industri and Morningstar named Stefan Ericson of Carnegie Fonder as Fund Manager of the Year in the corporate bonds category. Carnegie Corporate Bond, the fund managed by Stefan Ericson, has also received the top rating, that is five stars, from the independent research company Morningstar. By the end of 2013, the Carnegie Sverigefond, Carnegie Sverige Select and Carnegie Rysslandsfond funds also were top-rated by Morningstar.

Structured products arranger of the year

Carnegie was named Structured Products Arranger of the Year by Söderberg & Partners in the firm's 2013 Traffic Light Report. The rationale for the award was a broad range of recommended products.

Sweden's best analysts

According to the Financial Hearings annual survey of equity houses in Sweden conducted in 2013, based on interviews with the largest institutional investors in the country, Sweden's three top analysts are at Carnegie. Top of the list is Peter Lagerlöf, for the fourth consecutive year. In addition, Carnegie was top ranked in 12 of the 20 research categories.

Investment bank of the year in Denmark and Sweden

Carnegie was named investment bank of the year in 2013 in Sweden and Denmark by Euromoney. The prize is awarded based on an overall assessment of a number of areas of expertise, such as advisory assignments performed in the form of mergers and acquisitions (M&A), equity capital market (ECM) transactions and debt capital markets (DCM).

Best corporate finance firm in Denmark

In November, Carnegie in Denmark was ranked as the best corporate finance firm in the Danish market by TNS Sifo Prospera. The ranking is based on assessments of a number of areas of expertise in the field of corporate finance, such as mergers and acquisitions (M&A), equity capital market (ECM) transactions and initial public offerings (IPO). The Swedish operations ended up in second place in the overall rankings, but ranked first place in the category of equity capital market (ECM) transactions.

On the list of top European investment banks

Carnegie was one of two Nordic firms in the top 20 in the Thomson Reuters annual review of investment banks in global equity markets. In 2013, Carnegie was placed at number 17 in terms of revenues from placed volumes in issues of equities and equity-related instruments in Europe, the Middle East and Africa (EMEA). Carnegie was ranked in 16th place in terms of issues of common stock in the same geographical area. This ranking places Carnegie first among the Nordic companies.

Sweden fund of the year and manager of the year

In January 2014, Simon Blecher, who manages the Carnegie Sverigefond fund, was named Fund Manager of the Year in the Sweden funds category by Morningstar and Dagens Industri. The award requires excellent management outcomes over several years. In addition, personal finance magazine Privata Affärer voted Carnegie Sverigefond as Sweden Fund of the Year.

Sweden's best private bank

In February 2014, Carnegie Private Banking was named the best private bank in Sweden for clients with net wealth of USD 1-10 million by Euromoney. The award is based on a survey in which the different private banks evaluate the services and products of their peers.

Risks and uncertainties

General information on risks and uncertainties

The business activities of Carnegie expose the Group to market, credit, liquidity and operational risks. Market risk is defined as the risk of loss due to the effect of, for example, changes in equity prices, interest rates or currency exchange rates. Credit risk is defined as the risk of loss due to a counterparty being unable to meet its obligations. Credit risk mainly arises as a consequence of loans to clients using shares as collateral. Liquidity risk is related to the need for liquidity in the day-to-day operations. Operational risk is the risk of loss resulting from inadequate and/or failed processes and systems, human error or external events. A more detailed description of risk management is presented in Carnegie's Annual Report for 2012, and on Carnegie's website at www.carnegie.se.

Capital requirement and capital ratio

The table below presents the capital requirement and capital ratio according to the Swedish Financial Supervisory Authority's directive FFFS 2007:5 regarding publication of information on capital adequacy. The capital ratio is calculated as the ratio between the capital base and capital requirement. The capital ratio must not fall below 1 according to the legal requirement.

In the financial companies group, meaning the Carnegie Holding Group, the capital quotient amounted to 2.6 and the Tier 1 capital quotient to 1.9 on 31 December 2013. This corresponds to capital ratio of 21.1 percent and Tier 1 capital ratio of 14.8 percent. A more detailed description of Carnegie's capital adequacy is provided in the Annual Report for 2012, as well as on Carnegie's website at www.carnegie.se.

Capital adequacy

(SEKm)	Carnegie Holding Group	
	31 Dec	
	2013	2012
Capital base ¹		
Equity capital	2 136	1 964
Deductions ²	-1 146	-1 118
Anticipated dividend	-22	-22
Equity capital in the capital base	969	824
Tier II capital (subordinated debt)	410	410
Total capital base	1 378	1 233
Capital requirement		
Credit risk (standardized method)	145	132
Trading Book	87	45
Currency risk	74	64
Operational risk (base method)	216	263
Total capital requirement	523	503
Surplus capital	856	730
Tier I capital quotient	1.9	1.6
Capital quotient	2.6	2.5
Tier 1 ratio %	14.8	13.1
Capital ratio %	21.1	19.6

1) Non audited profit is not included in the capital base

2) Intangible assets and deferred tax assets

Investments

The Group's investments in fixed assets amounted to SEK 16m (7) during the year.

Summary of Parent Company

Total income in the Parent Company for the year amounted to SEK 10m (28). A loss before tax of SEK 29 MSEK (loss: 34) was reported for the year, with interest expense on convertible debentures affecting earnings by SEK -21m (-21) and personnel expenses by SEK -12m (-30).

No investments in fixed assets occurred during the year (-). The Parent Company's liquidity, defined as cash and lending to credit institutions, amounted to SEK 8m (20) on 31 December 2013. Equity totalled SEK 2,270m (2,321) at 31 December 2013.

Liquidity

The Group's financing comprises equity, issued bonds and deposits from the public. Equity and bonds account for 29 percent of the balance-sheet total, deposits from the public for 51 percent and other liabilities for 20 percent.

At 31 December 2013, the liquidity reserve for the Carnegie Holding Group was SEK 3,509m and the composition was as follows:

- Bank balances: SEK 3,230m
- Covered bonds: SEK 279m

The liquidity reserve should always manage periods of market turbulence and must exceed the anticipated outflow of cash during a period of stress. The liquidity reserve on 31 December 2013 accounted for 33 percent of the balance-sheet total.

Consolidated statements of comprehensive income

(SEKm)	Jan-Dec	
	2013	2012
Commission income	1 948	1 673
Commission expenses	-337	-257
Net commission income	1 611	1 417
Interest income	111	151
Interest expenses	-68	-105
Net interest income	43	46
Other dividend income	1	0
Net profit from financial transactions	80	72
Total operating income	1 735	1 535
Personnel expenses	-1 098	-1 135
Other administrative expenses	-426	-521
Amortisation of intangible assets and depreciation of tangible fixed assets	-63	-75
Total operating expenses	-1 587	-1 731
Profit/loss before credit losses	148	-196
Credit losses, net	25	30
Profit/loss before tax	173	-166
Taxes	21	-117
Profit/loss for the period	194	-283
Other comprehensive income: <i>Items that may subsequently be reclassified to the income statement:</i>		
Translation of foreign operations	0	-20
Total comprehensive income for the period	194	-303

Consolidated statements of financial position

	31 Dec	31 Dec
(SEKm)	2013	2012
Assets		
Cash and bank deposits with central banks	993	721
Negotiable government securities	-	1 599
Loans to credit institutions ¹⁾	3 299	2 046
Loans to general public	2 849	2 815
Bonds and other interest-bearing securities	789	568
Shares and participations	439	301
Derivative instruments	47	33
Shares in associated companies	6	3
Intangible assets	705	734
Tangible fixed assets	74	85
Current tax assets	3	12
Deferred tax assets	503	451
Other assets	670	1 114
Prepaid expenses and accrued income	235	258
Total assets	10 613	10 741
Liabilities and shareholders' equity		
Liabilities to credit institutions	283	245
Deposits and borrowing from general public ¹⁾	5 507	5 742
Securities issued	935	935
Short positions, shares	43	22
Derivative instruments	27	79
Current tax liabilities	21	6
Deferred tax liabilities	72	73
Other liabilities	591	688
Accrued expenses and prepaid income	572	527
Other provisions	15	50
Subordinated debt	410	410
Shareholders' equity	2 136	1 964
Total liabilities and shareholders' equity	10 613	10 741
Pledged assets and contingent liabilities		
Pledged assets	753	1 180
Contingent liabilities	160	177

¹⁾ Whereof SEK 113m (121).

Consolidated statements of changes in equity

(SEKm)	Jan-Dec	
	2013	2012
Shareholders' equity - opening balance	1 964	2 189
Dividend paid	-22	-22
New share issue	-	100
Comprehensive income for the period	194	-303
Shareholders' equity - closing balance	2 136	1 964

Consolidated statements of cash flows

(SEKm)	Jan-Dec	
	2013	2012
Profit before taxes	173	-166
Adjustments for items not affecting cash flow	17	105
Paid tax	-10	-38
Cash flows from operations before changes in working capital	180	-100
Changes in working capital	-420	-1 675
Cash flows from operations	-240	-1 775
Acquisition of intangible and tangible fixed assets	-16	-7
Cash flows from investing activities	-16	-7
New share issue	-	100
Dividend paid ¹⁾	-22	-22
Cash flows from financing activities	-22	78
Cash flows for the period	-278	-1 704
Cash and cash equivalents at opening balance ²⁾	3 797	5 572
Exchangerate effects on cash and cash equivalents	51	-71
Cash and cash equivalents at closing balance ²⁾	3 570	3 797

1) Dividend paid to preference shares (Öresund/Creades).

2) Excluding cash pledged as collateral.

Income statement of Parent Company

(SEKm)	Jan-Dec	
	2013	2012
Net income	10	28
Other external expenses	-2	-6
Personnel expenses	-12	-30
Operating profit/loss	-4	-8
Interest income	1	1
Interest expenses	-21	-21
Result from investments in subsidiaries	-5 ¹⁾	-5 ¹⁾
Profit/loss from financial items	-25	-25
Profit/loss before tax	-29	-34
Taxes	0	0
Profit/loss for the period	-29	-33

Statement of comprehensive income

	Jan-Dec	
	2013	2012
Profit/loss for the period	-29	-33
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	-29	-33

1) Including a cost of SEK 50m (95) for additional purchase price to the National Debt Office (Riksgälden) and an anticipated dividend of SEK 45m (90) from Carnegie Investment Bank AB. Carnegie Investment Bank AB has an income of SEK 45m (90) from Valot Group AB attributable to its sale of Norrvidden. Accordingly, the effect in the Carnegie Holding Group is -5 (-5).

The comparison year 2012 also includes a dividend income of SEK 70m from Carnegie Fonder AB and a cost for write-down of shares in Carnegie Fonder AB of the same amount.

Balance sheet of Parent Company

(SEKm)	31 Dec	31 Dec
	2013	2012
Assets		
Shares and participations in Group companies	2 604	2 604
Deferred tax assets	1	1
Total financial non-current assets	2 605	2 605
Current receivables from Group companies	143	149
Other current receivables	6	94
Prepaid expenses and accrued income	0	1
Cash and bank	8	20
Total current assets	157	263
Total assets	2 762	2 867
Liabilities and shareholders' equity		
Shareholders' equity	2 270	2 321
Convertible debentures	410	410
Trade account payables	0	1
Other current liabilities	51	96
Accrued expenses and prepaid income	24	25
Pension provisions	5	3
Other provisions	3	12
Total liabilities and shareholders' equity	2 762	2 867
Pledged assets and contingent liabilities		
Pledged assets	-	-
Contingent liabilities	127	132

Accounting policies

This report was prepared in accordance with IAS 34, Interim Reporting, the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the Swedish Financial Supervisory Authority's regulations (FFFS 2008:25) for the Group. The Parent Company's financial statements were prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

The accounting policies and calculation methods applied in this report are the same as those used in the Annual Report for 2012, with the exception of those new standards and amendments detailed below.

IAS 1 Presentation of Financial Statements (revised)

From 2013, other comprehensive income in the statement of comprehensive income is distributed as components that will not be reclassified to profit or loss and components that will be reclassified to profit or loss.

IFRS 13 Fair Value Measurement

The new standard IFRS 13 defines fair value and provides guidance on the measurement of fair value. The standard replaces guidance pertaining to measurement of fair value previously contained in the respective IFRS standard. IFRS 13 also specifies new disclosure requirements which, through addition in IAS 34 - Interim Financial Reporting, must be disclosed in interim reports from 2013 onwards. The implementation of IFRS 13 has had no impact on the Group's measurement of fair value and, accordingly, no impact on the financial position and earnings. The disclosures to be made in each quarter are presented in Note 1.

IFRS 7 Financial Instruments: Disclosures (revised)

As of 2013, disclosure is required of information pertaining to financial assets and liabilities, for which the values are offset in the balance sheet or that are the subject of different legally binding master netting agreements or the like. See Note 2.

Note that rounding in the report may result in amounts in SEK millions not agreeing when summed. Unless otherwise specified, all comparison figures in the report refer to the corresponding period in 2012.

Note 1 Assets and liabilities measured at fair value

(SEKm)	31 Dec 2013			
	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non-observable inputs (Level 3)	Total
Assets				
Bonds and other interest-bearing securities	642	147	-	789
Shares and participations	416	23	-	439
Derivative instruments	42	5	-	47
Total	1 100	175	-	1 275
Liabilities				
Short positions, shares	43	-	-	43
Derivative instruments	26	0	-	27
Total	70	0	-	70

The above table presents the Group's financial assets and liabilities that are measured at fair value as of 31 December 2013. When the fair value is determined for financial instruments, various methods are used depending on the degree of observability of market data in the valuation and market activity. The valuation techniques and the Group's valuation process are described in more detail in the Annual Report for 2012.

No transfers were made between level 1 and level 2 during the period.

The fair value of other financial assets recognised at amortised cost is estimated to be the same as or close to the carrying amounts for these assets.

Note 2 Financial assets and liabilities subject to offsetting

(SEKm)	31 Dec 2013		
	Financial assets and liabilities subject to offsetting		
	Gross amounts	Offset	Net amounts in balance sheet
Assets			
Trade and client receivables ¹	2 519	-2 092	427
Liabilities			
Trade and client payable ²	2 412	-2 082	330

¹ Included in balance sheet item Other assets

² Included in balance sheet item Other liabilities

The above table presents the financial assets and liabilities that are recognised net in the balance sheet. Net accounting is applied for financial assets and liabilities in the balance sheet where Carnegie is legally entitled to offset transactions and has an intention to offset. At the closing date, these financial instruments comprised trade and client receivables and trade and client payables. Since the scope of financial assets and liabilities for which gross accounting is applied in the balance sheet but which are

subject to legally binding master netting agreements or the like, is marginal, these disclosures have been omitted.

Review report

This report has been reviewed by the company's auditors.

Certification

The Board of Directors and President hereby certify that the report provides a true and fair view of the operations, position and earnings of the Parent Company and the Group and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Carnegie Holding AB
Stockholm, 4 February 2014

Bo Magnusson
Chairman

Mårten Andersson
Board member

Fredrik Grevelius
Board member

Harald Mix
Board member

Fredrik Strömholm
Board member

Thomas Eriksson
President



**Report of Review of Interim Financial Information
(translated)**

We have reviewed this report for the period 1 January 2013 to 31 December 2013 for Carnegie Holding AB (org nr 556780-4983). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, 4 February 2014

PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant
Auditor in charge