CARNEGIE HOLDING AB

Ideas, knowledge and capital

ANNUAL REPORT 2016

Contents

The English version of Carnegie's Annual Report is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.

Carnegie is the leading Nordic

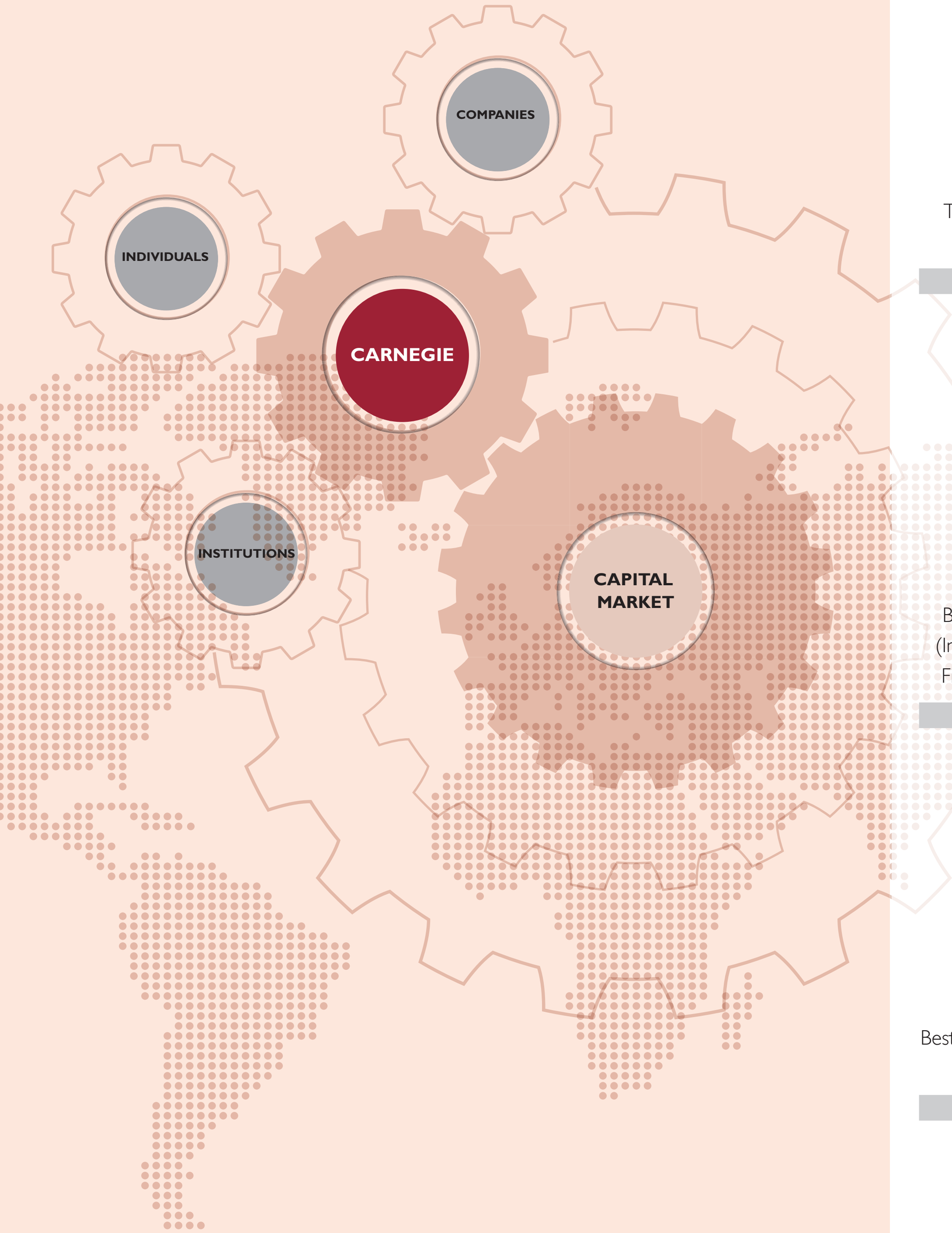
In 1803, David Carnegie founded a trading house in Gothenburg.

Today, Carnegie has grown to be the leading investment bank in the Nordic region and a meeting place between knowledge and capital.

Carnegie brings investors, entrepreneurs, companies, institutions and private individuals together to create innovative products, new jobs, private wealth and social progress.

With leading research capacity in the Nordics, top-ranked corporate advisory services and wealth planning, Carnegie serves a central function in the Nordic capital market.

investment and private bank



1 in Investment Banking

Top advisor in corporate transactions
(TNS Sifo Prospera, Euromoney)

1 in Securities

Best Nordic equity research and sales
(Institutional Investors All-Europe, Extel, Financial Hearings, TNS Sifo Prospera)

1 in Private Banking

Best advisor in private wealth management
(TNS Sifo Prospera, Euromoney)

Carnegie at a glance

Carnegie is the Nordic market leader in Investment Banking, Securities and Private Banking. Along with some 620 extremely knowledgeable and committed employees, we are building a value-creating bank of knowledge where focus is always on the client.

Investment Banking

Carnegie Investment Banking offers professional advisory services in mergers and acquisitions (M&A) and equity capital market (ECM) transactions. The Debt Capital Markets (DCM) unit provides advisory services in capital acquisition via corporate bonds and fixed income instruments. With strong local presence, profound experience and unique understanding of sectors and capital markets in the Nordic region, Carnegie is a leading Nordic advisor in corporate finance.

Operations in Denmark, Finland, Norway and Sweden.

Best advisor in corporate finance

- Best Swedish Investment Bank in M&A, ECM and DCM according to the annual Euromoney survey
- Top ranked advisor in corporate transactions according to Nordic companies in the annual TNS Sifo Prospera survey

Securities

Carnegie Securities offers institutional clients several services within research, equity sales and equity capital market transactions (ECM). The Fixed Income unit offers bond research and sales. Carnegie's top-ranked research and equity sales enjoy a globally leading position in Nordic equities.

Securities operates in Denmark, Finland, Norway, Sweden, the UK and the US.

Best in Europe at Nordic equity research and sales

- Number one Nordic equity research team according to major institutions in the US and Europe in the global survey Institutional Investors All-Europe 2016 and 2017
- Best research and sales in Nordic equities according to global investors in the Extel 2016 survey
- Best research house in Sweden in the annual Financial Hearings survey
- Top ranking in equity research and brokerage services by Swedish institutions in the annual TNS Sifo Prospera survey

Private Banking

Carnegie Private Banking provides comprehensive financial advisory services to high net worth individuals, small businesses, institutions and foundations. The staff includes experts in areas such as asset allocation, asset management, law, tax management, pensions and trading in securities and fixed-income bonds.

Operations in Denmark, Luxembourg and Sweden.

Best private bank in Sweden

- According to the annual Euromoney surveys in 2016 and 2017, Carnegie is the best Private Banking provider in Sweden, both overall and in services for the client net worth category of USD 5-30 million.
- Best private bank in Sweden according to the TNS Sifo Prospera 2016 client survey

2016 in summary

- The strong full year result for 2016 solidifies Carnegie's long-term positive development, driven by strengthened market positions in several of Carnegie's core business areas.
- The growth was distinct in individual markets including Sweden, Norway and Finland. Concurrently, Carnegie increased its impact in the areas of mergers and acquisitions (M&A) and corporate bond issues and trading (DCM/Fixed Income).
- Carnegie strengthened its leading position in the Nordic equity capital market and was involved in more transactions than any other institution. Among else, Carnegie participated in 18 out of 25 IPOs in the Nordics and in 14 out of 17 in the Swedish market, each with a value in excess of USD 40 million.
- Carnegie took several strategic decisions to increase focus on advisory services as the company's core business - including selling Carnegie Fonder and the ownership stake in the Swedish fund operation OPM, and exiting third-party distribution of structured products.
- With top rankings in advisory services in corporate finance, research capacity, equity sales, placement capacity and private wealth management advice, Carnegie ended the year with leading positions in all of its operating areas.

+10%

Operating income in 2016 compared with 2015

+76%

Profit before tax in 2016 compared with 2015

+10%

Assets under management in 2016 compared with 2015

19.6%

Common equity Tier 1 capital ratio at 31 December 2016

Financial key data, continuing operations[1]

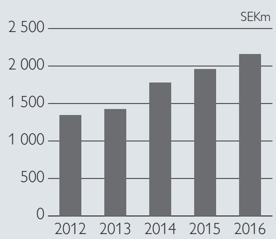
	2016	2015
Operating income, SEKm	2,156	1,961
Operating profit, SEKm	692	504
Operating C/I ratio, %	68	74
Profit/loss before tax, SEKm	342	194
Operating profit margin, %	32	26
Assets under management, SEKbn	99	90
Return on equity, %	21	9

Financial position

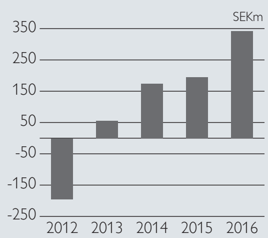
	2016	2015
Equity, SEKm	1,667	2,088
Common Equity Tier 1 capital ratio (CET[1]), %	19.6	18.1

1) Continuing operations refers to the Group excluding discontinued operations, i.e., Carnegie Fonder AB and operations within third-party distribution of structured products.

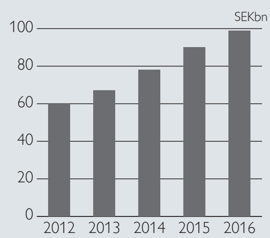
Operating income



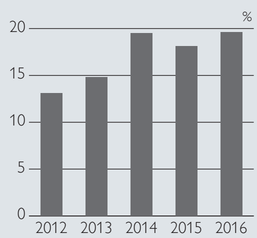
Profit before tax



Assets under management



Common equity Tier 1 capital ratio[1]



1) Including Carnegie Fonder up to 31 December 2015

Secured acquisition financing for Moberg Pharma

The Swedish pharmaceutical company Moberg Pharma acquired several new products during the year to reinforce its existing product portfolio and create added value for patients, doctors and shareholders. This included the acquisition of Dermoplast, a topical spray used to relieve the pain and itching of skin wounds. In order to secure acquisition financing, Carnegie helped the company issue a total of SEK 748 million in a combination of debt and equity through a bond issue totalling SEK 600 million and a private placement of new shares in Moberg Pharma that raised SEK 148 million.

»The demand for advice is growing in a world that is increasingly difficult to navigate.«

Carnegie plays an important role in a sustainable financial market

As Carnegie strengthens its position as a financial advisor, our role as intermediary for a sustainable capital market also becomes more important. Carnegie will build long-term trust through commitment, a strong financial position and prudent governance.

At both the national and global levels, the financial markets are becoming increasingly important to social development. This puts high demands on market actors' responsibility, governance and financial stability. Responsible business is as critical to building client trust as it is to a sustainable economy.

For Carnegie's part, as a key player in the Nordic capital market, these are ongoing focus areas for the Board of Directors which also characterised the agenda during the past year.

Valued advisory services

Additional areas that engaged the Board and Group management in 2016 involved strategic choices of direction related to the long-term business model and positioning, where advisory services have become more clearly defined as Carnegie's core business. Against that backdrop, we divested areas of operations during the year that did not fit our long-term strategy, in order to devote more energy to further developing our advisory services offer.

The demand for advice is growing in a world that is increasingly difficult to navigate and interest in the Nordic market is growing among local and global investors. Our qualified analysis of Nordic companies and their business environment is thus highly valued and we have continuously strengthened our clients' trust in us. Carnegie today is a self-evident meeting place for institutions, companies and individuals seeking guidance in the financial markets.

Further development of Private Banking

We are convinced that Carnegie has more to offer high net worth individuals. Accordingly, a developmental process aimed at enhancing conditions for growth in wealth advisory services and asset management was a common priority for the Board and Group management during the year. With the highest client satisfaction scores in the industry, we are going to continue developing the business with new offerings and digital services to increase our relevance to new and existing clients.

Strong financial position

Long-term investments, selective skills reinforcements and regulatory implementations were balanced during the year by good cost control and ongoing efficiency improvements. Carnegie has a strong financial position and the power to develop and compete on market terms. And this is precisely how we are building long-term growth and trust.

Bo Magnusson
Chairman

Competence and commitment are strengthening our position and potential

Our increasingly dedicated advisory services were characterised by higher profitability and client satisfaction during the year. We defended our already leading positions in the Nordic market and strengthened our capacity in areas where there is significant room for growth. This also highlights our potential going forward.

620

Number of Carnegie employees who express their commitment every day in the client encounter.

Carnegie, where knowledge and capital meet, generated increasing returns for all of our client segments in 2016. A positive transaction climate benefited companies and entrepreneurs as well as institutional and private investors. At the same time, there was a growing need for advice due to the political uncertainty that shaped the financial markets during parts of 2016.

Carnegie executed more equity capital market transactions than any other bank in the Nordic market during the year, including participation in 18 out of 25 IPOs, each with a value in excess of USD 40 million. These included the Swedish education group AcadeMedia, Finnish retailer Tokmanni and Norwegian wine and spirits supplier Arcus. The strong impact is consistent with Carnegie's successful development during a longer period. In the Swedish IPO market alone, we have participated in 41 of 54 transactions in the major marketplaces since 2010.

Improved income mix

We also experienced the strongest relative growth in individual business segments during the year, including advisory services related to mergers and acquisitions as well as corporate bond issues and trading. The favourable development in these strategic growth areas is gratifying. Carnegie participated in notable transactions including the biggest real estate deal in Sweden, through Castellum's acquisition of Norrporten, and acted as advisor for bond issues from companies including the pharmaceutical

»A leading position in all areas of operations is the bottom line for the year.«

company Moberg Pharma and the online gaming company Catena Media.

Our growth is occurring in almost all geographical territories in which we do business and the successes are bolstering the contribution to Carnegie's total income. As a result, we improved the breadth of the overall income mix during the year.

In addition, we continued to sharpen the value proposition to entrepreneurs and high net worth individuals within our Private Banking business. On the strength of the new management and organisation, the business has received solid recognition during the year with top rankings in both industry and client surveys. That supports the potential of higher gains for Carnegie in the Private Banking market.

Highest client satisfaction in the business

Our collective competence and experience continued to fortify client trust during the year among global and Swedish institutions as well as Nordic companies and Swedish private clients. Carnegie was ranked highest in the market in 2016 in several surveys, in areas including corporate advisory services, wealth management, research capacity, equity sales and placement capacity. Accordingly, a leading position in all areas of operations is the bottom line for the year. That should also be regarded as an expression of our employees' knowledge, client focus and commitment, which characterise our company culture and shape new business opportunities

Sharper focus on advisory services

Advisory services have been the foundation of Carnegie's business and value proposition for a long time. It is based on our knowledge about Nordic companies and their market conditions, which is essential input for many investors in the capital market. In parallel, our experience in capital acquisitions plays a central role in the development of high-growth companies. Entrepreneurial companies, in turn, are often founded by enthusiastic promoters who are often found among our wealth management clients. And thus, our advisory services also integrate our client relationships.

Carnegie took several strategic decisions during the year to increase focus on advisory services as the company's core business including selling Carnegie Fonder, which was finalised during the spring, and exiting third-party distribution of structured products.

This has sharpened business focus on our continuing operations and generated greater power to develop and deliver the best advisory services in the business to our clients, in fierce competition.

Sustainable development

Carnegie's long-term success is largely dependent upon the growth of new companies to do business with and for our clients to invest in. The emergence of new companies also drives the overall economy. The more companies that grow and create jobs, the greater the contribution to Sweden's growth and the Swedish economy.

In other words, a sustainable economy is predicated upon an efficient capital market that facilitates the development and financing of growing companies. Carnegie plays a key role in this context and we have taken definitive steps during the year towards more transparent and active social responsibility, where we are taking advantage of our opportunity to have an influence on sustainable development. The work is continuing and we intend to regularly report our progress in 2017 and thereafter in accordance with the Global Reporting Initiative.

Outlook 2017

We are grateful to be starting a new financial year with strong client relationships and sustained growth potential. Carnegie has tremendous opportunity to achieve even higher returns on its strong client trust and we have every reason for optimism in 2017.

Björn Jansson
President and CEO

Contemporary advice is based on guiding business principles

Global development is unusually unpredictable today, even as financial regulations are becoming increasingly complex. Consequently, good advice is becoming ever more important: qualified advice based on insight into companies and markets, but also on an understanding of changes in the world around us.

Not so very long ago, advisory services were largely a matter of access to information. But technical progress has made floods of information accessible. Providing advice is becoming more oriented towards guiding clients safely through the flood.

A different world

Greater transparency and a wider palette of financial services has changed the nature of advice. Clients are often very well-informed and need help sorting through the services available, not least importantly so that they can tailor their investments based on their values, risk profile and views on ethics and sustainability.

In parallel with digitalisation, globalisation is connecting the world. New industrial revolutions are coming one after the other. Entire sectors are being challenged. Some will survive, others will fall away and be replaced by something smarter and more efficient.

And in the meanwhile, political uncertainty has risen. The United Kingdom's unexpected decision to leave the EU was followed by the US presidential election. The consequences of this for global trade and Nordic export companies remain to be seen, but one thing is clear: the world is less predictable today.

The Nordic region is changing

Political decisions have also dramatically changed conditions in several markets in Sweden: pharmacies, passenger rail services and postal delivery have been opened to competition and efforts to create a licensed gaming market are in progress. The trend that is perhaps the most interesting of all - particularly from the IPO perspective - is happening in the welfare services sector. There has been a strong trend in the IPOs of recent years towards more companies in the welfare services sector, a sector that did not exist some ten years ago.

Two major health and care services companies went public in 2015 and two large education groups went to market in 2016. The sector is characterised by political risk. A government inquiry presented a report in November, whose proposals would sharply limit the sector's potential. In practice, entire industries may be re-nationalised. The need to understand the risks and business opportunities of markets shaped by such dynamics is one of the main reasons that advice is just as important now as in the past.

Valuable advice is derived from knowledge

Global developments have made it more important to genuinely assimilate the client's perspective. Standard solutions are no longer good enough. Competence and commitment, taking our professionalism to the last detail, are what sets our tailored advice apart from the competition. The interplay among Carnegie's guiding business principles is the foundation of our enterprise.

Vision – Carnegie shall be the leading Nordic investment bank and wealth manager – recognised and recommended by our clients.

Business principles

Client focus
- We do our utmost to ensure products and services of the highest quality.
- We combine global reach and local presence in our business.
- Every meeting with Carnegie shall enhance the knowledge of our clients.

Competence
- We employ, develop and retain the best employees.
- We think outside the box to find the best solutions for our clients.
- We work together and utilise all resources of the firm to find the best solutions.

Commitment
- Earning our stakeholders' trust is a joint effort.
- We have high moral standards and comply with rules and regulations.
- Our professionalism goes all the way down to the last detail.

Caring IPO advice for a care provider

Humana is a leading Nordic care services provider with more than 16,000 full- and part-time employees who provide services in the areas of individual and family care, personal assistance, care for elderly people and supported housing for people with disabilities. Humana's vision is "Everyone has the right to a good life." The company went public in March 2016. Carnegie led the IPO process, acting as advisor, and placed shares worth SEK 887 million. Carnegie also assisted with the placement of shares worth SEK 444 million later in the year.

Client trust is built through relevant advice

Carnegie has been the leading Nordic advisor in corporate transactions for many years, a position that was defended and advanced in 2016. Our clients gave us their trust and mandate to act as advisor in more transactions than any other bank.

Public trust in banks has rarely been as low as it is now. Building long-term and close client relationships is the key to success in such an environment. Carnegie , with its deep knowledge of Nordic equities and companies, has been earning the implicit trust of institutions, companies and private individuals for many years. The components that build trust differ from one group to the next, but the common denominator is that the advice they are given is relevant.

Today, Carnegie enjoys the highest trust in the market - in all client categories. That is reflected in the client-based surveys carried out during the year and in the simple fact that Carnegie has more mandates than anyone else. The trust of our clients is critical to our success.

Institutions

When institutions are asked to identify the key factors when they evaluate the equity research and brokerage services market, they say: knowledge about equities and companies, placement capacity, close client relationships, the network and access to management teams, according to TNS Sifo Prospera annual survey of Swedish institutions.

More specifically with regard to research and advisory services, the institutions prize continuous and regular sector analysis. That points to Carnegie, with its long research tradition. This was also evident in the Financial Hearings survey, in which Carnegie's analysts ranked first in a full 9 out of 20 sectors: Health Care, Construction and Real Estate, IT, Retail and Consumer Goods, Service, Transports and Small Cap.

Once again, Carnegie's top ranking in market reputation, both overall and in the categories of research & advice, execution and corporate access, is evidence of our in-depth understanding of what institutions want.

Companies

One insight is that companies have a slightly different focus. When engaging transaction advisors in the Nordics, it is the actual execution that matters most. The 2016 TNS Sifo Prospera survey shows that companies put a premium on expertise, accessibility, ethical conduct and efficient execution of the transaction. In addition to this, clients in ECM transactions also value the advisor's placement capacity - the ability to rapidly place a large portion of the shares at a good price.

Trust among corporate clients is built through unwavering relevance in the advice given. That, in turn, is based on knowledge and experience. Carnegie has been building precisely that for a very long time. Through meeting client demands, Carnegie has become the first choice of many companies in the Nordic corporate transactions market.

Individuals

Understanding and meeting clients' specific needs is also central in Private Banking. The bank that wins the trust of this client group must be able to offer expertise in investment advice and asset allocation, personal relationships with a high level of service and accessibility and tailored solutions. Carnegie has delivered outstanding performance in all of these areas.

According to the year's TNS Sifo Prospera and Euromoney surveys, Carnegie ranks highest among all market players in Private Banking in Sweden. That also applies to wealth management.

Carnegie's ongoing development in private wealth management and advice has clearly made a good impression on clients.

Selection of evaluated success factors

Placement capacity

Carnegie's good placement capacity and ability to execute large orders and generate liquidity for clients are key explanations behind why we once again were accorded the highest trust among Nordic and global investors in the TNS Sifo Prospera survey. Reinforcement of the offices in London and New York, in order to better communicate Carnegie's knowledge about Nordic equities and companies, has produced results.

DCM advice

Demand for capital acquisition via corporate bonds and preference shares is rising. With an expansive Nordic offering, covering everything from DCM advice to execution, Carnegie is meeting its clients' needs. According to the Euromoney survey, companies also appreciate the global breadth of our advice in connection with DCM transactions in Sweden. Carnegie is perceived as the top advisor concerning both equities and bonds.

IB services for private clients

When individuals evaluate private banks, the services that the investment bank offers are a success factor. Carnegie's private bank is regarded as having the best capacity in the Swedish market as regards investment banking services, according to the Euromoney survey. Carnegie's private banking clients are offered to participate in IPOs for which Carnegie is acting as the advisor.

M&A for Bang & Olufsen

Danish Bang & Olufsen is most famous for its high-end audio and video systems. In 2016, the company decided to sell its subsidiary ICE-power, an innovation house dedicated to energy-efficient audio solutions. The aim was to reduce the company's complexity and focus on consumer products. The year before, Carnegie helped Bang & Olufsen sell its Automotive Division to US-based Harman for DKK 1.2 billion.

Populism as economic risk

What is happening in the world? What future can we believe in? And what should we invest in? As a global trends strategist at Carnegie Private Banking, Henrik von Sydow works with a financial global calendar that lists events that shape macroeconomics and markets.

"Voters revolted against the political establishment in 2016. This year, we are gradually seeing the consequences of populism as an economic risk," says von Sydow, pointing to a heightened level of conflict in trade issues, the fragmentation of the EU internal market and risks that central banks will be politicised.

"Political risks that used to be associated with emerging markets are now present in Washington DC, in London and in the economies to which the Nordic markets are most exposed," von Sydow notes.

Nevertheless, the global economy is presenting more business opportunities than ever and there are opposing forces to populism and protectionism.

Henrik von Sydow goes on to say, "Young generations are more global than ever, technical progress knows no national borders, global poverty is being pushed back and developing countries are advancing."

"Demand for guidance is increasing among investors in a volatile world. "It is becoming more important to identify, categorise and set scenarios for events that play into financial decision-making. "We also have to manage political risks in order to focus on business opportunities. "The global economy tends to progress in spite of the complex political scene. Accordingly, having the guts to take risk and be exposed to companies that are benefiting from that progress is important," von Sydow concludes.

Record share of Nordic IPOs

The scorecard for 2016 was more than 70 percent of the total number of Nordic IPOs. Carnegie had the most IPO mandates by far and thus strengthened its position in the Nordics. The dominance was most obvious in the Swedish market. We were the financial advisors in 18 IPOs worth about SEK 13 billion in total.

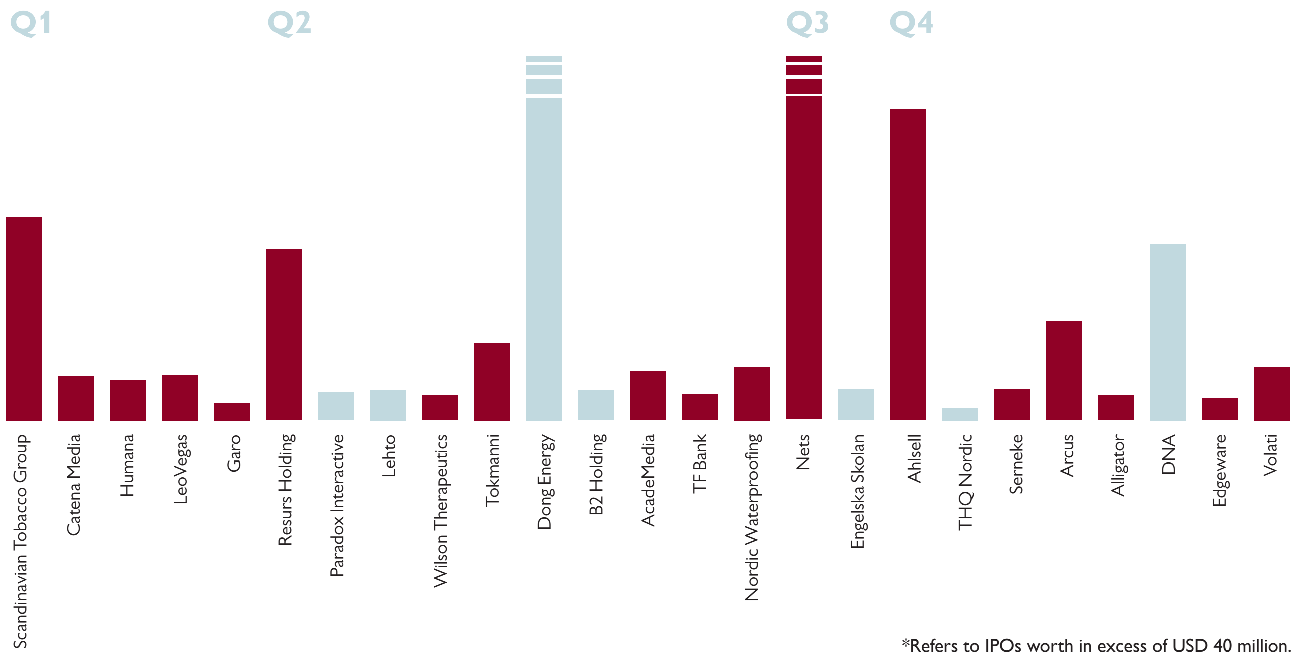
In particular, Carnegie acted as advisor to companies that floated on the main list.

Sectors including tech, life science, real estate, financial services and health and social care predominated. They reflect the competence and knowledge that Carnegie owns in both research capacity and general advice. With a broad client base among Nordic and international institutions, Carnegie connects buyers and sellers. In so doing, we help create value for all parties involved.

41 out of 54 IPOs since 2010

Carnegie's share of Nordic IPOs*

Carnegie's mandates in IPOs 2016*



*Refers to IPOs worth in excess of USD 40 million.

Finnish retailer goes public

Carnegie was the advisor when retail chain Tokmanni was floated on Nasdaq Helsinki. Tokmanni is the biggest retail chain in Finland and the only one with a nationwide presence. 42 percent of all Finns shop at Tokmanni at least once a month. The IPO generated EUR 181 million and attracted Finnish and international investors.

Strong transactions market benefits individuals, companies and institutions

The climate for corporate finance and IPOs was very favourable in the Nordics during 2016, with several announced and executed transactions. Market conditions were also good for sustained strong development in financial advisory services.

It was a fragmented year in the global finance markets. The Dow Jones World Index rose, driven by brighter macroeconomic outlooks, higher commodities prices and continued low interest rates. The M&A market recorded the second-highest level since the financial crisis and the European corporate bond market grew. The Nordic IPO market, especially in Sweden, delivered growth, despite the sharp downturn globally.

Record-high transaction activity

The favourable flotation climate in the Nordics continued throughout the year. New companies streamed to the stock markets, particularly in Sweden. 21 companies were floated on the main list, while First North has never been more popular. The flotation climate was especially favourable for life science, tech and real estate companies.

The attractiveness of the Swedish market is due among else to clear ownership structures, investment-friendly institutional capital and a strong share savings culture among individuals, as well as strong research capacity once the company has been listed.

The Danish market also stood out during the year. Buoyed by the largest flotations, including Nets A/S, Denmark became the fifth-largest IPO market in the world, in terms of value. Along with Ahlsell, which was floated in Stockholm, these were the biggest IPOs in the Nordics.

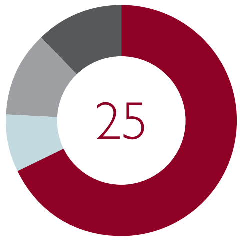
With better economic indicators, an increased risk appetite and rising inflation expectations, the year offered high demand for capital acquisition among companies throughout the Nordic region. The issue market for shares, corporate bonds and preference shares was very active and reached new record levels. The conditions for advisory services in relation to equity capital market transactions (ECM) and bond market transactions (DCM) were very good indeed.

The Nordic stock markets were among the biggest in Europe with capital raised in IPOs approaching SEK 75 billion.

Growth in the Nordic M&A segment

The Nordics also strengthened their hold on the M&A market. Activity increased, driven by ample access to capital, low borrowing costs and growth requirements.

Nordic IPOs 2016



- Sweden 68%, 17
- Denmark 12%, 3
- Norway 8%, 2
- Finland 12%, 3

Refers to IPOs worth in excess of USD 40 million.

Source: Thomson Reuters and Carnegie

Nordic transactions 2016

ECM	+29%
IPO	+22%
M&A	+3%
Loan capital	-4%

Refers to the change in the number of equity capital market transactions, IPOs, mergers and acquisitions and transactions in the bond market compared with 2015.

Source: Thomson Reuters

Long-term interest rate trend

The long-term interest rate trend has moved steadily downwards for the last 20 years. Today, we are in a low rate situation and several European countries have even introduced negative rates. Inflation pressure is more or less non-existent in many areas, which is reflected in interest rate levels. This has also intensified the hunt for returns, to the benefit of alternative investments such as real estate, infrastructure, forestry and private equity. The chart shows the interest rate trend for Swedish 10-year government bonds for the last 20 years.

Source: Riksbanken/Thomson Reuters

Active corporate bond market

Activity was high in the Nordic corporate bond market in 2016. Volumes were slightly lower than in the record year of 2014, however, due partly to a lower average transaction size. The Danish market remained strong with volume growth of almost 20 percent, while Finland recorded a downturn of about 15 percent. The real estate sector dominated the year and accounted for more than one-third of issued volume.

Source: Thomson Reuters

The conditions for M&A in the Nordics are also favourable. The Swedish market in particular has a defined structure on the company side and a favourable dynamic between buyers and sellers. However, developments varied in the region. Sweden demonstrated strong volume growth above 65 percent, but Denmark recorded a downturn of about 30 percent.

A number of major deals had significant impact on the year. The largest included the merger of Intrum Justitia and Lindorff Group and Castellum's acquisition of Norrporten.

Good conditions for wealth management advice

In the face of geopolitical uncertainty, low interest rates and an active flotation environment with numerous placement offers, the financial world was unusually difficult to navigate. As a result, the conditions for qualified advisory services in wealth management were good and the need for expertise in relation to asset allocation remained substantial.

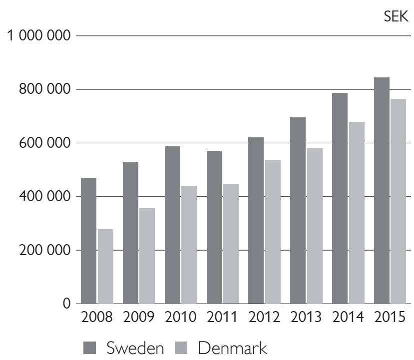
The development of household wealth in the Nordic countries has been positive since the financial crisis and the trend continued in 2016. Among else, Swedish households' gross and net wealth reached new record levels in the third quarter. Increased equity assets, in part due to the favourable flotation climate and continued increases in house prices were obvious drivers.

Swedish household debt continued to rise, although the annual rate declined somewhat at the end of the year. Danish household indebtedness has historically been the highest in the OECD, but the situation has been improving lately and increasing numbers of Danes are saving a good-sized portion of their incomes.

The annual trend for fund ownership among Swedish households was slightly downward, but a recovery was recorded for the second half. The highest net savings were in funds-of-funds. Households were net sellers in both fixed income and equity funds, however. The trend reflected prevailing market conditions and the constant demand for returns at low risk.

In spite of low interest rates, Swedish households saved the most in the entire EU - for the third year in a row. Total financial savings among Swedes amounted to SEK 188 billion in 2016. There was similar positive development in the financial situation of Danish households.

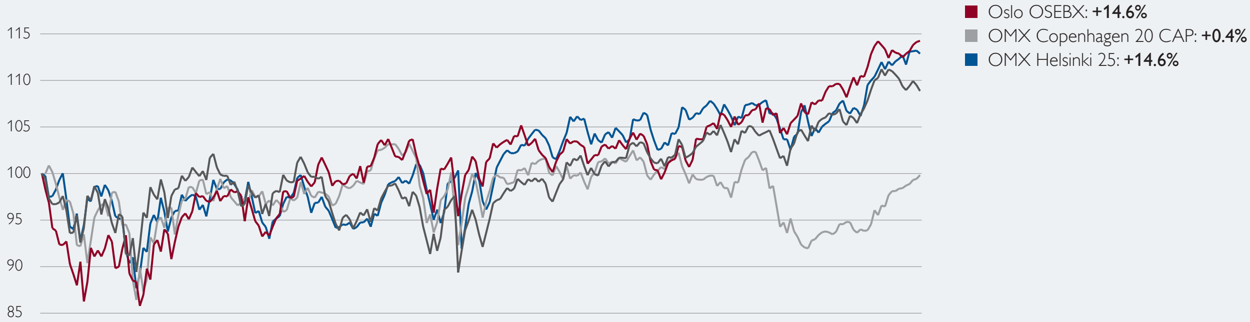
Net wealth in Sweden and Denmark



The development of household wealth in the Nordic countries has been positive since the financial crisis. Stated in relation to the population in Sweden and Denmark, respectively.

Source: OECD

Share price performance in Nordic stock exchanges 2016



2016 was a relatively mixed stock market year in the Nordics. Nasdaq Stockholm finished strongly. Helsinki and Oslo rose by about 15 percent, the latter driven by the recovery in the oil price. Copenhagen, however, ended the year unchanged. Share price performance expressed as percentages includes dividends.

Source: Nasdaq and Oslo Børs

"The first meeting with private banking clients is my responsibility and my sole focus. The goal of every meeting is to understand the client's specific needs and circumstances so that we will be able to offer unique and relevant management and advice. The clients are often knowledgeable and well-informed, which makes the meetings and discussions very invigorating."

Elias Batu, asset manager, Carnegie Private Banking

Talent attracts talent

Committed and competent employees are critical to maintaining high trust among our clients. As an attractive employer, Carnegie must therefore be able to support employee development and attract people who are motivated by high ambitions and a knowledge-oriented work environment.

The personal commitment of our employees is the foundation of Carnegie's success. The capacity to attract and develop committed, skilled employees is critically important to remaining the market leader in the Nordics. Carnegie is an attractive employer in the labour market.

Up-and-coming talents are seeking to become part of Carnegie. Year after year, we are one of the employers ranked highest in Universum's annual survey of Swedish university students. Carnegie was also ranked as one of the most exciting Career Companies in Sweden by Karriärföretagen in 2016.

Talent attracts talent

One explanation is that talent attracts talent. Carnegie's employees are considered among the best in the Nordics, as shown by the many awards Carnegie was given in 2016, among else. The unmistakable knowledge environment attracts new employees with high ambitions and young talents who want to work with some of the brightest stars in the industry.

Our guiding values – client focus, competence and commitment - summarise the business principles that shape the company culture. Carnegie aims to offer a work environment that inspires employees to live up to these principles so that they will, by extension, also be able to deliver the best advice, research and level of service to our clients.

Skills must be enhanced

Remaining the market leader requires continuous skills development. The world is on the move and to be able to guide and create value for our clients in a dynamic economy, governed by rules that are subject to change, all Carnegie employees must constantly sharpen their skills. Carnegie responds to this by offering participation in a learning organisation and various types of skills development.

At the managerial level, a professional development programme was introduced during the year that starts with each participant's experience and provides instruction and feedback in small groups. The programme is an important step towards personal leadership.

Formal training is interspersed with individual development opportunities. The Carnegie Professional Development Foundation gives employees the opportunity to broaden their skills by taking courses twice a year in subjects outside their area of expertise.

The value of diversity

Knowledge requires cross-pollination. Acquiring knowledge in areas employees do not work with directly widens their perspectives and fosters personal development. In order to create a dynamic hotbed, it is important to let people with different experience, knowledge and perspectives meet. Diversity and gender equality are core principles, in terms of competitive advantage and optimal interaction with our clients.

Because the financial services industry generally appeals to fewer women than men, identifying female talents is a key aspect when Carnegie approaches selected universities with a view to attracting outstanding students. Carnegie offers competitive employment benefits and good conditions for both parental leave and sick leave.

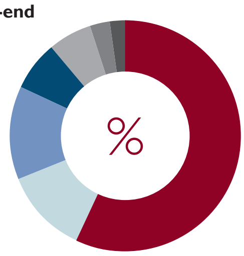
Health and well-being

The financial services industry offers a stimulating and rewarding environment - but it can also be intense and demanding. The health and well-being of our employees is extremely important to Carnegie. We support them through several health initiatives and offer proactive interventions for well-being as well as commitment and motivation. Carnegie has a lower rate of long-term sick leave and stress-related conditions than the industry average. The fitness and wellness allowance is one of the initiatives that has high take-up among employees. Employees are also provided regular physical examinations in order to identify possible risks. Carnegie also has a sports club with running groups and a hockey team that plays in the unofficial finance league.

Social engagement

In addition to the social engagement and activities that the company supports on an annual basis, there is strong personal commitment among employees to contributing to society in various forms. Carnegie encourages and provides a range of opportunities for employees to become actively engaged, for example by donating to targeted support projects within the Carnegie Social Initiative or providing help with homework to young people in socially deprived communities.

Employees per country, percentage at year-end



28%

Percentage of women in average number of employees

41

Average age of employees

Attractive internships

Carnegie Investment Banking offers a ten-week internship programme five times a year. Hundreds of students apply every year. A few individuals are accepted in each round and the programme provides an opportunity for future employment.

»Initiative and ideas are welcome here«

"The development curve. I like the fast pace and being given challenging tasks right away in various types of industries and transactions."

Mikaela Holmström Szugalski, 28, works with corporate finance at Carnegie's investment bank. She holds an MBA and an additional degree in economics.

She realised that she wanted to work at an investment bank in particular when she was studying finance and economics at Columbia University in New York. She chose Carnegie because that was where she was happiest, thanks to the company culture, the driven employees and the strong transaction flow.

She explains that she enjoys working as a generalist. "It is educational, broadens the mind and adds so much variety to the job.

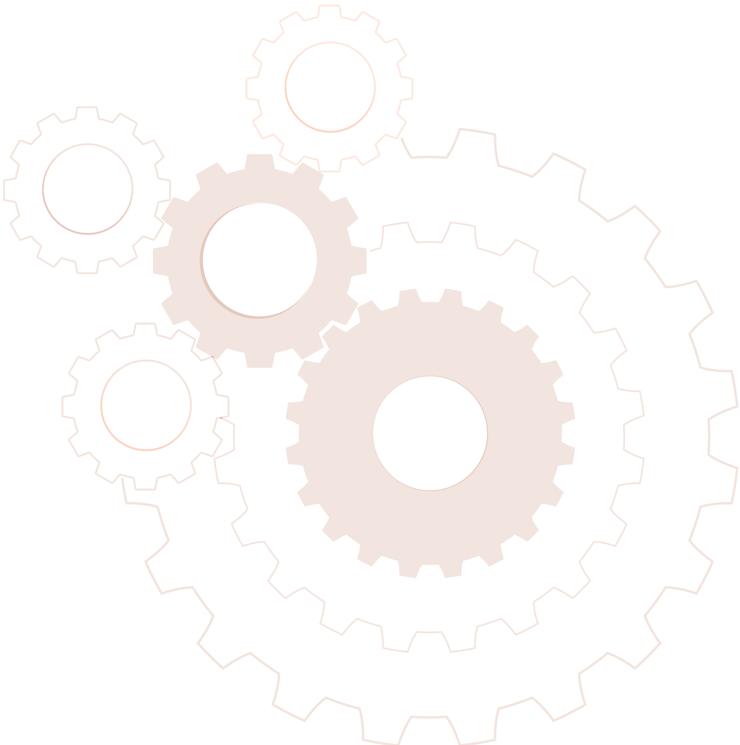
One day I might be in a large industrial plant in Hillerstorp, Småland and the next day at a private equity firm in Stockholm."

Mikaela has been involved in several thrilling transactions during the year, including the IPOs of Humana and Garo.

"I also really like that we work as a team. I can learn from my colleagues while sharing my own knowledge at an early stage. Carnegie is adept at giving employees responsibility and the opportunity to take on leading roles. "Initiative and ideas are welcome here."

Norwegian Opera TV moves to the States

Opera Software ASA, most famous for its web browser, is listed on the Oslo stock exchange. Its subsidiary Opera TV is the market leader in software for the television industry's transition to internet broadcasting. In December 2016, 70 percent of the company was sold for USD 80 million to US-based Moore Frères & Company. Carnegie acted as advisor to Opera Software in the transaction. Carnegie also provided a fairness opinion to Opera Software in connection with the public bid for the company and assisted the company's management with advisory services in connection with the sale of the consumer business to a Chinese consortium.



Influence proceeds from our market role

Carnegie's main role is to bring capital and investment opportunities together. In so doing, we facilitate sustainable financial development for individuals, companies, institutions, the capital market and society in general.

Access to capital is a prerequisite for economic growth. That applies to society as a whole, the company about to go public and entrepreneurs on the start of their growth journey. It is the return-seeking investor's capital that makes this growth possible. Investment opportunities and capital thus need a place to meet. That is why capital markets exist. And that is why Carnegie exists.

A meeting place for buyers and sellers

Carnegie connects capital, people and ideas so that innovative products and services can generate value. For individuals, companies, institutions and society overall.

With a central function in the capital market, Carnegie provides a meeting place for buyers and sellers, for companies seeking capital and for private and institutional investors seeking interesting investment opportunities in the Nordics.

Sustainable capital market

We intend to leverage this position to continue generating value. For our clients and for an efficient and sustainable capital market. And for a sustainable society. Everyone must assume responsibility for achieving the necessary transition and for reaching the global development targets.

The financial services industry plays a key role in this regard. It involves securing effective capital allocation and bringing technology, sustainable products and capital together. It also involves being an expert advisor, assisting in difficult-to-navigate issues associated with sustainable transition.

Responsibility in advisory services

We believe our responsibility proceeds from our core business and our ability to make a difference. In other words, it is all about the advice we give. We consider financial, environmental and social aspects from both the risk and value-generating perspectives. We do this within the framework of our established business and due diligence processes.

Through its knowledge about companies and enterprise in the Nordics, Carnegie guides investors and funnels capital to investment where the growth is, in projects that are building a stronger society.

How we structure our responsibility

Carnegie takes responsibility. We do this in a carefully structured manner, both in our own operations and from our clients' perspective. Our advice looks at both the risks and the business opportunities through clear investor's glasses allowing our clients to create value in society.

The financial services industry is heavily regulated and authorisation is mandatory. Accordingly, maintaining trust in the industry demands good organisation and clear processes. And this is the foundation upon which Carnegie structures its social responsibility actions. Carnegie also adheres to international principles for fundamental human rights and sustainable development.

Responsible advice

Our guidelines and policies express how we must act to promote sound business ethics and professionalism in all areas of operations. The ESG perspective is taken into consideration as a natural aspect of our advice and we work to find opportunities and products that correspond to the risk profiles of institutional and private investors.

Carnegie's clear guidelines are intended to support transparent and substantiated risk assessments and avoidance of transactions that may damage trust in Carnegie among employees, clients or the public.

Responsible enterprise

Proceeding from Carnegie's three business principles – client focus, competence and commitment – the company's managers and employees are guided towards better business and advice. Continuous development of the advisory services business also demands internal commitment and respect for the knowledge of all employees. Leadership plays a critical role. Carnegie shall always do business in a manner that stands up to external scrutiny and is based on sound principles and high ethical norms.

Carnegie's forums and committees have clear decision mandates and follow structured descriptions of various business and risk assessments. In order to ensure satisfactory risk control, particular deliberations are escalated to the superior decision forum as a matter of course. Good governance is a prerequisite for trust and success.

» Companies that honour public regulations and future demands for sustainability are also in a better position to become good investments. «

Sustainable business

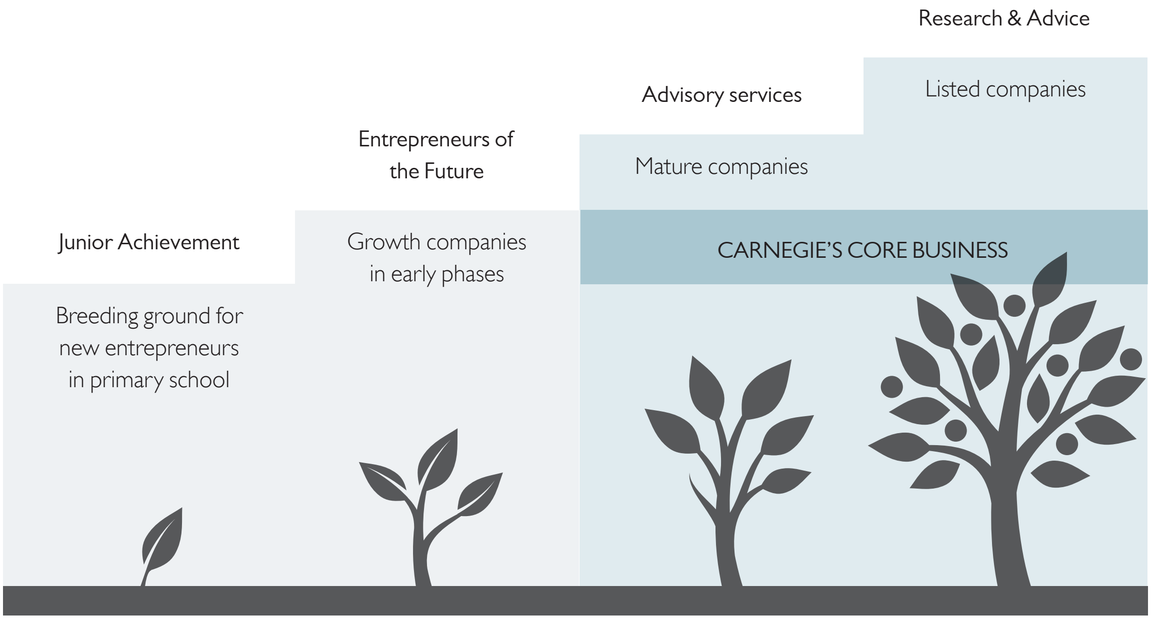
- We comply with laws and regulations
- We make sound business assessments
- We have specifically adapted working processes
- We practice active leadership
- We attract and develop our employees
- We encourage and inform our clients
- We are committed to companies and enterprise
- We care about our world

Responsibility in society

An important component of Carnegie's social responsibility is expressed in commitment to the growth of new businesses. We lead and engage in several initiatives to help Swedish entrepreneurs realise their growth potential.

Our commitment also extends to social entrepreneurs all over the world. For fifteen years, the Carnegie Social Initiative has been giving employees the opportunity to contribute to projects in Uganda, India and Latvia. As a direct result, more than 10,000 children and youth have been given an opportunity to create a brighter future for themselves.

Carnegie has taken several concrete steps during the year to expand and improve our sustainability programme. We intend to report our progress for 2017 in a clear and transparent manner in accordance with the Global Reporting Initiative.



Genuine commitment to enterprise

Enterprise is a cornerstone of a dynamic business sector and a sustainable economy. It is also the foundation of Carnegie's business and long-term success. That is why we are genuinely committed to supporting enterprise.

Carnegie's history is a story of entrepreneurship and enterprise. Our business has changed since 1803 – from supplying herring, spices, porter and timber to financial services and advice – but there is still a kinship with the entrepreneurial spirit and a genuine commitment to helping others succeed.

Carnegie has a central function in the capital market as a meeting place for buyers and sellers, for companies seeking capital and for investors seeking interesting investment opportunities in the Nordics. The long-term success of the company is highly dependent upon market development potential. Growth of new companies to do business with and for clients to invest in is essential. New companies drive Carnegie's business and the overall economy.

In recent years, Carnegie has gradually increased its initiatives aimed at stimulating the emergence of new companies. This has long-term importance for our business and it is the way we can use our knowledge to contribute as much as we can to society.

That is why we support Junior Achievement Sweden. Hundreds of thousands of primary and secondary school students in Sweden have made their first contact with entrepreneurship through the organisation, which gives them the opportunity and support to develop and test a business idea.

We sponsor SvD Affärsbragd, an initiative that puts the spotlight on successful entrepreneurs whose outstanding achievements in business have inspired others to start a new business.

But perhaps the most important expression of Carnegie's commitment is the Entrepreneur of the Future initiative, a meeting place and competition for innovative entrepreneurs and investors. The initiative gives entrepreneurs a unique chance to bring attention to their companies, get professional training in the investor perspective and the opportunity to present their business idea to a packed audience of investors.

The company that won in 2015, Optolexia, has developed a screening method that uses eye-tracking to quickly and easily detect dyslexia in children. CEO Fredrik Wetterhall says that the award has opened doors to both potential customers and investors. In particular, he mentions a meeting with Carnegie analysts on the future outlook in the eye-tracking market. During the year, the company also gained access to financial planning related to ownership.

The 2016 winner, Karma, is going to make the world a little better by reducing the colossal amounts of food that goes to waste every year.

Read more about Entrepreneur of the Future 2016 on the next page.

"The initiative is meant to help small companies, which otherwise have difficulty acquiring external capital, get past the starting gate. Carnegie plays a central role in ensuring that capital is streamed effectively. That is why it is important to both Carnegie and our society that more small businesses are given an opportunity to grow."

Björn Jansson

The distinguished jury: Johan Andersson, Jessica Löfström, Sebastian Knutsson, Björn Jansson, Sophia Bendz and Arash Pournouri

Seeking the Entrepreneur of the Future

Carnegie carried out its initiative to the Entrepreneur of the Future competition for the third consecutive year. More than 100 entrepreneurial companies applied to be considered. The ten sharpest candidates were selected for pitch training and to give presentations to a distinguished jury.

On 24 November, some 80 investors gathered at Carnegie to see the finalists' company presentations and vote for the winner. More than 100 entrepreneurial companies applied to be considered when the 2016 competition was held for the third consecutive year.

Ten companies made the short list and only five were given the opportunity to make their pitch. A jury selected four finalists and a fifth finalist was selected by readers of Svenska Dagbladet, a major daily newspaper in Sweden.

In addition to the honour and a number of potential investor contacts, the winning app company Karma will receive advisory services from Carnegie and advertising space worth SEK 200,000 from Svenska Dagbladet.

The Entrepreneur of the Future is a Carnegie initiative and the competition is carried out in partnership with the Svenska Dagbladet business desk.

Training in the investor perspective

As a preparatory step, the ten selected companies attended a special pitch school for one full - and very intense - day. The goal was to make the ten entrepreneurs investor-ready. They had to understand investors' perspectives and tailor their presentations based on those insights. The method was clear. In a logical progression, company presentations should go through everything a potential investor needs to know: the business concept, team, niche, competitive advantages, intellectual property rights, capital requirement and exit strategy. And, last but not least, the figures.

Karma is doing good and making money on it. Goodness pays.

The winner's ambition is to reduce global food waste

The Karma app makes it possible for restaurants, cafés and stores to sell surplus food. The customers dine inexpensively, the load on the environment is reduced and the entrepreneurs make money.

All restaurants, grocery stores and cafés handle food every day that has not sold and which becomes inedible if it is not sold and consumed quickly. A business opportunity arose by creating a way to link the outlets that have surplus food with the right consumers. The winner of Entrepreneur of the Future 2016 is the app company Karma, which developed one such solution.

"A third of all food produced in the world is thrown out. We are talking 1.3 billion tonnes of food worth 680 billion dollars every year. We can't rescue everything, not by a long shot, but there are 12 million restaurants, cafés and grocery stores in the world. We figured we would start there," says CEO Hjalmar Ståhlberg Nordegren.

So far, it is mainly restaurants with an explicit environmental commitment that have signed up, but the service will be widened as it finds new users. There were 50 restaurants in the app by the end of 2016 and another 100 were in the queue. CEO Hjalmar Ståhlberg Nordegren is brimming with confidence.

"We are going to have global impact on the food waste issue," he says.

Finalists

Peter Lönnquist, Adventure Box
"It is interesting that there is no YouTube for computer games. We have built an adventure box, a game engine that makes it possible for users to create, share and play 3D games directly in their browser. The biggest Minecraft stars of today, who show off their worlds on YouTube, have already made the switch and become game creators with us."

Sofia Mayans, CEO, Inficure Bio
"When I was pursuing my doctorate, we developed a transgenic mouse to study diabetes. It turned out that the mouse developed fibrosis. By taking that discovery further, we can improve laboratory testing for pharmaceutical companies. In ten years, our model will be the number one choice for testing drugs to treat fibrosis."

Jakob Johansson, CEO, Gleechi
"We have the world's best software for controlling artificial hands. At present, it is used to create realistic effects in virtual reality applications. Thanks to machine learning, our database is continuously improving and in five years physical robots will be able to use the technology."

Caroline Fjellner, CEO, &Frankly
"When I was a management consultant, I saw that no one had a good tool for employee surveys. We have solved that problem. The employee perspective should be a KPI equal in importance to revenues! We are now recruiting so that we will the time to take care of all the new customers."

Investment Banking & Securities

Top ranking in corporate transactions

Carnegie is the Nordic market leader in corporate advisory services, analysis and execution. The position was further strengthened in 2016, a strong year with many IPOs.

Investment Banking & Securities sustained its strong development in 2016. Income rose by 20 percent to SEK 1,610 million year-on-year. The growth was driven by commission income and income from advisory services related to mergers and acquisitions and ECM-related income. Carnegie led more IPOs and equity capital market (ECM) transactions and acted as the advisor in more mergers and acquisitions (M&A) in its prioritised market than any other Nordic bank.

Investment Banking

Investment Banking delivered a strong year, much due to its leading position in the IPO and ECM markets.

The listing climate was exceptionally strong in Sweden. The Swedish IPO market increased by about 20 percent measured in volume, while Europe experienced a sharp downturn. 2016 was also strong from a Swedish historical perspective, which benefits Carnegie as the market leader. The company was involved in 18 IPOs in the Nordics, including Catena Media, Humana, Resurs Holding and Ahlsell in Sweden, Tokmanni in Finland, Nets in Denmark and Arcus in Norway.

But the value proposition is considerably wider than that.

"We want to be the client's first choice in all advisory situations," says Ulf Vucetic, Head of Investment Banking."

"Companies' needs vary in cycles. Sometimes, focus is on reviewing the capital structure, followed by an expansive phase. Later, a bid may come into the picture when the company needs defensive support," says Vucetic. "Carnegie can help with all of it."

Several of the most experienced people in investment banking and long-term client relationships in the Nordic business sector make Carnegie a valuable advisor in M&A situations. For example, Carnegie was the advisor during the year when GE Aviation acquired Arcam and when Castellum acquired Norrporten. Carnegie bolstered its leading position in the M&A market, especially in the mid-market and small cap segments.

Securities

With its leading research and services in Nordic equity and bond sales as well as equity capital market transactions, Securities enjoys a strong position among institutional investors. Operations extend across the entire Nordic region and business is also conducted in the United Kingdom and the United States. The clients are found worldwide.

Carnegie Securities has been headed by Henric Falkenberg for several years.

"Success is based on the ability to generate liquidity for our clients combined with wide-ranging expertise on Nordic equities," he says.

Capacity in equity research is another of Carnegie's competitive advantages. The research department covers more companies in the Nordics than any other research house and that breadth is the key to the really significant clients.

2016 was also a successful year for Fixed Income. The team and the offering have been reinforced in both research and brokerage and the successes are further solidifying the company's position as the leading advisor in the Nordics.

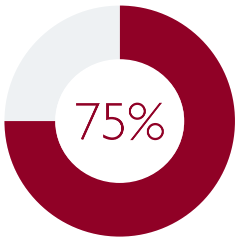
Carnegie has also advanced its positions in the international market in recent years, where Securities is central to the entire company's international reach. In addition to established client relationships via London and New York, interest in Nordic equities has resulted in new networks among large institutional investors in Continental Europe.

"Our capacity to leverage the keen interest in Nordic equities among global institutional investors has paid off and we are increasing our presence in the European market," says Henric Falkenberg.

Henric Falkenberg,
Head of Carnegie Securities

Ulf Vucetic,
Head of Carnegie Investment Banking

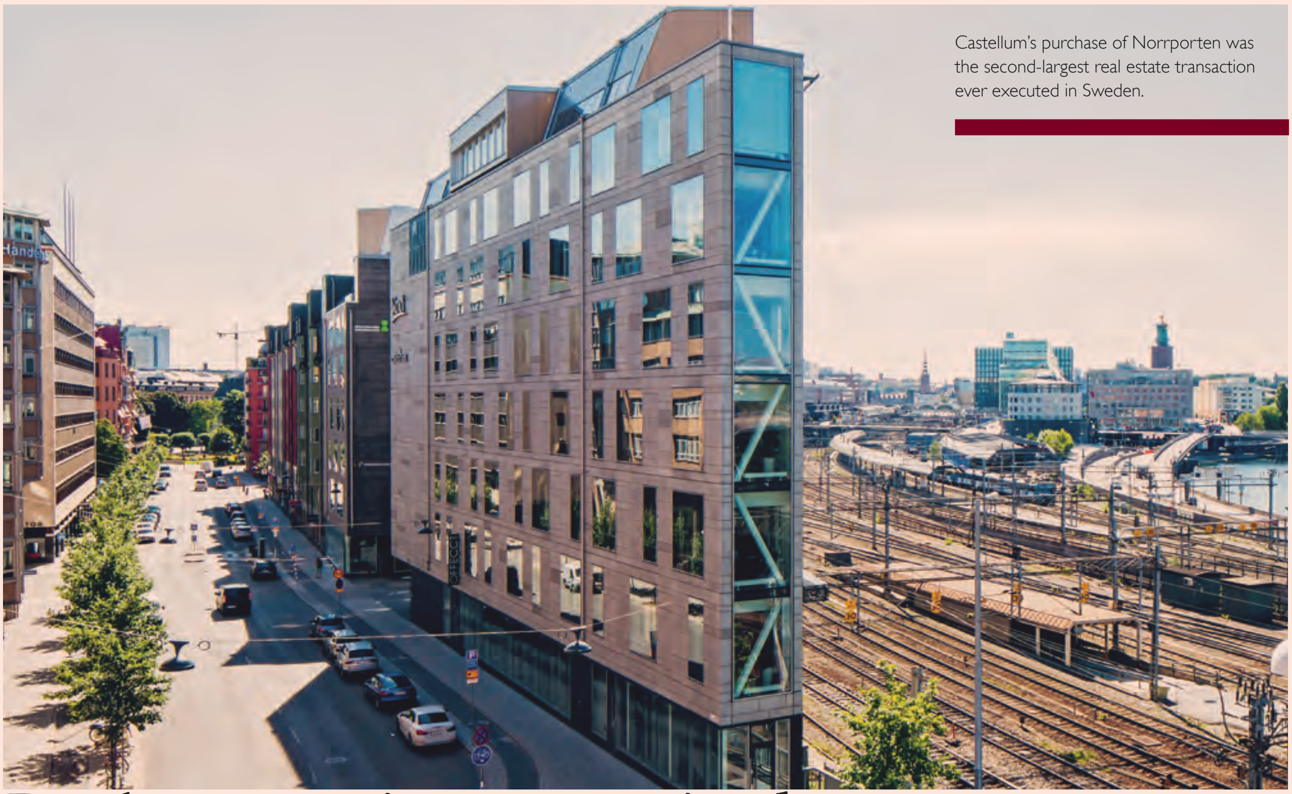
Share of total operating income 2016



Income within Investment Banking & Securities increased by 20 percent, with positive contributions from all operations.

Nordic base – global reach

Business is conducted from offices in Denmark, Finland, Norway, Sweden, the UK and the US. The clients are found worldwide.



Castellum's purchase of Norrporten was the second-largest real estate transaction ever executed in Sweden.

Real estate giants reunited

Castellum is now one of the biggest listed real estate companies in Sweden. That is a result of one of the largest property deals ever in the Swedish market. In 2016, Castellum bought Norrporten for SEK 13 billion. A fond reunion.

Castellum is one of the biggest listed real estate companies in Sweden, with lettable area of 4.7 million square metres and property holdings worth about SEK 71 billion. It acquired rival property company Norrporten, with holdings of SEK 26 billion, in 2016. This was a major deal for Castellum, which increased the value of the company's property holdings by 59 percent.

"It was a very important deal for us. Combining our forces gives us greater development potential and a larger customer base. The acquisition of Norrporten was also the second- largest real estate transaction ever executed in Sweden," says Henrik Saxborn.

The deal brought several advantages and synergies to Castellum. Norrporten has a higher share - 41 percent - of income from public sector customers and longer leases. Both companies are among the greenest real estate companies in the Nordics, which provides an opportunity for mutual knowledge transfer. The new company is reinforcing its position around Öresund, where Norrporten owns office buildings in both Helsingborg and Copenhagen. The company has also gained two new large shareholders in the Second and Sixth Swedish National Pension Funds, which each own 5 percent of Castellum.

The companies already have a shared history. Castellum was formed in 1993 and floated its subsidiary Norrporten the next year. Norr porten was delisted seven years later when it was bought by the Second and Sixth National Pension Funds. The two pension funds had owned Norrporten since then. The circle was closed when Castellum made a bid of SEK 13.4 billion in the spring of 2016. Norrporten reunited with Castellum in June 2016.

Carnegie has acted as Castellum's advisor for many years and has assisted the company with several different initiatives. This time, Carnegie was the lead advisor for both the acquisition and the financing.

"We chose to work with Carnegie because they have vast experience gained in complex deals that include both M&A and equity market transactions. That experience proved particularly valuable to us and we are, accordingly, extremely satisfied with our cooperation," says Henrik Saxborn, CEO of Castellum.

Carnegie's contribution
Carnegie was the lead advisor in Castellum's acquisition of Norrporten. Carnegie also acted as joint global coordinator and joint bookrunner for Castellum's new issue of SEK 6.3 billion to the Second and Sixth Swedish National Pension Funds.

Private Banking

Best Private Banking in Sweden

Carnegie strengthened its value proposition in 2016 to improve alignment with demand from new and existing private clients and reap the long-term growth potential in this business. Along the way, clients named Carnegie the best private banking firm in Sweden.

Income within Private Banking amounted to SEK 546 million, a 12 percent decrease year-on-year. Development was significantly stronger during the second half, driven by several factors.

"Inflow to discretionary management is increasing rapidly. We are seeing greater interest month after month. In other words, the curves are pointing up."

So says Global Head of Private Banking Jonas Predikaka, who joined the company in May 2016. Since then, Private Banking has been reorganised and several projects were launched to provide even better capacity to meet client demand.

Understanding and meeting client demand is much more critical to a private bank than to many other businesses. Carnegie's private banking operations pick up where ordinary banks leave off. Clients are provided tailored services by experts including family lawyers, tax lawyers, equity and pension specialists, investment strategists and others. Carnegie's private banking clients also have access to the company's qualified advice and leading services in Investment Banking and Securities.

New initiatives

One of the major initiatives in 2016 was the establishment of a family office offering aimed at high net worth individuals and families. The next step is to open the Next Generation Academy, where Carnegie will offer courses to clients' children and advice to prepare heirs to take over the family business.

Enterprise and entrepreneurship are the foundation of Carnegie's business. Accordingly, the value proposition to entrepreneurs is a particular area of focus. Carnegie acts as a sounding board in all phases of the company and entrepreneurs can also take advantage of Carnegie's specialist expertise in wealth management.

"We have always assisted our clients in this area, but these services are now provided in a more integrated and organised structure. We understand that entrepreneurs may need support mainly in three phases. The company has to be made viable in the start-up phase, when we assist with company formation. In the expansion phase, financing issues are often the most important. The next development threshold is when entrepreneurs begin thinking about their own exit," he says.

Initiatives taken during the year have created favourable conditions for sustained growth. The Swedish market had already clearly strengthened in 2016 and growth has accelerated in Denmark, but the Luxembourg market is in a consolidation phase. In order to create sharper focus on wealth management advice and asset management, the company has decided to divest operations within third-party distribution of structured products.

Making the right calls for our clients

2016 was a turbulent year, with several unexpected events with major impact on stock markets worldwide. Incisive advisors are even more important in an insecure world.

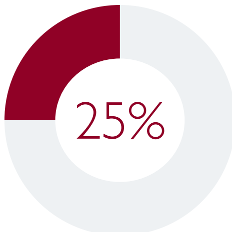
"We made the right call in all of these important world events. Before Brexit, we bought gold and sold all British holdings and before the US presidential election, we bought dollars. Ahead of the Italian referendum on the country's constitution, we bought government bonds because in our judgement, the outcome would be a no. We engage in very active management. This has, of course, benefited our clients," says Jonas Predikaka.

During the year, Carnegie was named the best Private Banking institution in Sweden for the first time in the major client survey conducted by TNS Sifo Prospera. The deep and broad expertise of the team is part of the explanation, but also that the company is fast on its feet and skilled at tailoring solutions based on the client's circumstances.

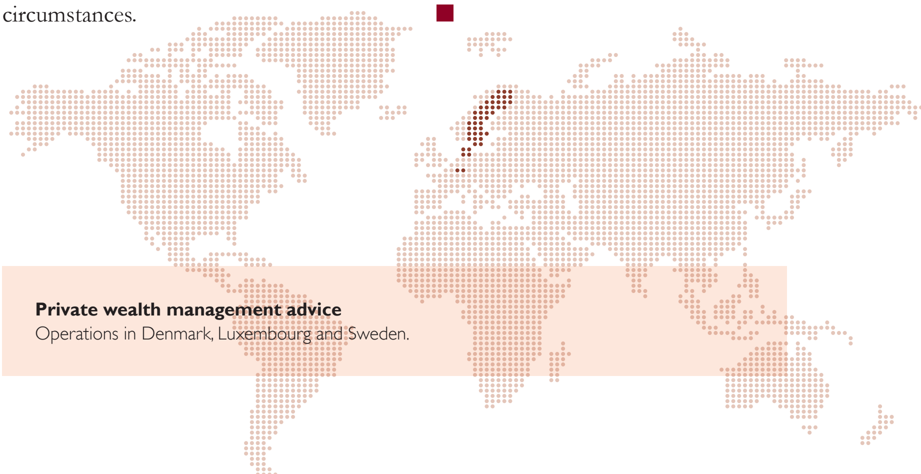
"How do you become the best private bank in Sweden?" "It's all about people. Since joining Carnegie in May 2016, I have been impressed time and again by the expertise of my colleagues. That, combined with organisation that is fast on its feet and always able to look at things from the client's perspective and tailor solutions accordingly, is the key."

Jonas, Predikaka, Global Head of Private Banking

Share of total operating income 2016



Income in Private Banking declined by 12 percent for the full year, but demonstrated stronger development in the second half.



Private wealth management advice
Operations in Denmark, Luxembourg and Sweden.

Taking care of clients' finances

Entrepreneur Per Granath took the care services provider Humana from a local company in Örebro to a Nordic group with sales of SEK 6 billion. He manages his personal finances in close dialogue with Carnegie Private Banking.

"I set store by seriousness and professionalism. Carnegie is the leading private bank in the market. The staff are highly professional and service is tailored to the client in a personal and cordial manner. In addition, due to Carnegie's market position, you are, as a client, provided the opportunity to invest in the most attractive companies, especially those about to go public. Choosing Carnegie was not a difficult decision."

Per Granath is a business builder and entrepreneur. Formerly the CEO of the listed Intellecta Group, he has spent the last ten years building up the care services provider Humana from a local business in Örebro to a major corporation with sales of SEK 6 billion and 15,000 employees in Sweden, Norway and Finland. He and his ownership partners took the company to Nasdaq Stockholm in 2016. Carnegie led the IPO.

Per Granath has chosen to turn to Carnegie for advice concerning his personal finances as well. He has been a client of Carnegie Private Banking for two years. At first, when he was still the CEO of Humana and had no time to spend on his personal finances, he was a relatively inactive client. A little more than a year ago, he stepped down as CEO and took a seat on the board of directors. Although he works just as much, both with Humana and other companies he has invested in, he now has greater control over his own calendar.

"These says, I attend several Carnegie events per month and speak to my advisors often by phone."

He describes the knowledge that the bank's investment opportunities maintain consistent high quality as a critical factor. "Carnegie's position in the market means the company can be selective in the choice of corporate mandates and only work with the most attractive companies in connection with IPOs and other transactions."

"As a business builder and entrepreneur, it is also important to feel that my advisors understand my needs and preferences. Carnegie does that. The bank also offers the opportunity to meet other entrepreneurs, which is very important to me."

Corporate governance

Corporate governance refers to the decision systems and processes through which a company is governed and controlled. Governance, management and control are distributed among the shareholders, the Board of Directors, Board committees and the CEO. The overall objective of corporate governance at Carnegie is to ensure smooth and efficient processes that uphold high ethical standards as well as good risk management and internal control.

Carnegie is required to comply with a wide range of regulations. The external regulatory framework for corporate governance includes the Companies Act, the Annual Accounts Act, the Banking and Finance Business Act and regulations and guidelines issued by Finansinspektionen (the Swedish Financial Supervisory Authority) and other government agencies. The Group also applies internal regulations adopted at various levels. These internal regulations clarify the division of responsibility and the tasks of functions and employees and provide guidance on how employees should conduct themselves in accordance with Carnegie's fundamental values. The parts of internal regulations adopted by the annual general meeting are the Articles of Association, the Diversity Policy and assessment of the suitability of directors. Governance within the Group is also regulated by internal policy documents adopted by the Board of Directors and the CEO, respectively. The policy documents adopted by the Board of Directors include the Board charter, instructions to the CEO, risk and compliance policies, the credit policy, the policy for management of conflicts of interest, the policy for measures against money laundering and terrorist financing and the remuneration policy.

Annual General Meeting

The shareholders exercise their influence at general meetings, among else through appointing the bank's directors and auditors.

Board of Directors

Directors are elected by the shareholders at the annual general meeting for a term of one year. The Board has been composed of six directors since the annual general meeting of 2016. The CEO is not a director. The CEO participates in all Board meetings except when prevented due to conflicts of interest, such as when the Board evaluates the CEO's performance. Other members of executive management participate as required. The Board of Directors is presented on page 33.

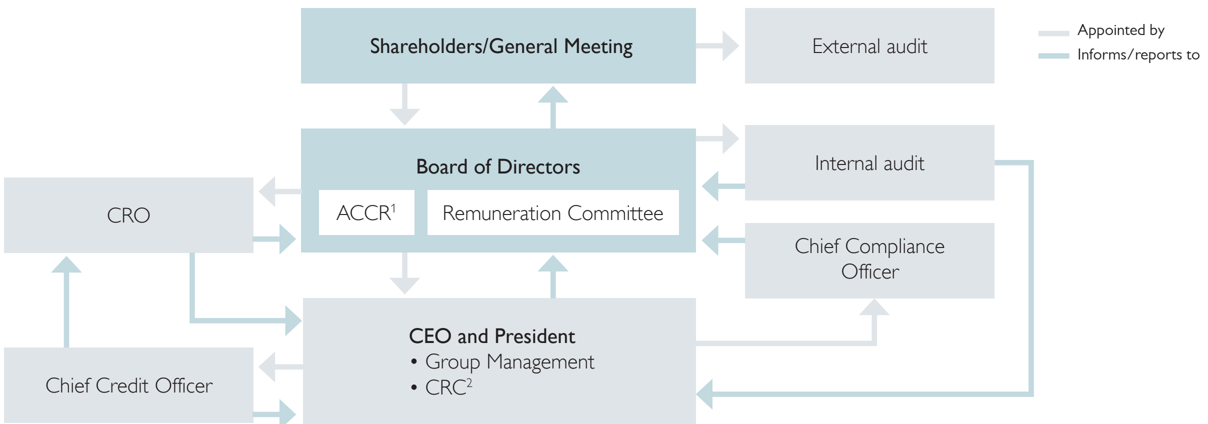
The Board of Directors has overall responsibility for the business conducted in the Group. The Board establishes the general objectives and strategy for business operations, regularly monitors and evaluates operations based on the objectives and guidelines it has adopted, appoints the CEO and regularly evaluates operational management. The Board is also responsible for ensuring that the organisation is dimensioned so that accounting, asset management and other financial conditions are adequately controlled and that risks involved in the business are identified, defined, measured, monitored and controlled in compliance with external and internal regulations, including the Articles of Association. The Board of Directors also decides on significant acquisitions, divestments and other major investments and ensures that external information provision is objective and transparent. The Board of Directors also has final say on the appointment/dismissal of the Chief Risk Officer and the Head of Internal Audit.

The Board has adopted a charter that governs its role and working procedures as well as special instructions to Board committees.

The work of the Board of Directors

The Board carries out its work according to an annual plan, according to which the Board regularly follows up and evaluates operations

Governance model



1) Audit, Compliance, Capital and Risk Committee
2) Credit and Risk Committee

based on the objectives and guidelines it has adopted. This includes monitoring risks, capital and liquidity in ongoing operations as well as the Internal Capital Adequacy Assessment Process (ICAAP).

Further, study and ongoing skills development relating to competition and business intelligence, the various businesses within the Group, major projects and new regulations are also within the Board of Directors' remit.

The Board of Directors held 14 meetings in 2016.

Board committees

The Board of Directors cannot delegate its overarching responsibility, but it has established committees to manage certain defined matters and prepare such matters for decision by the Board. The Board presently has two committees: The Audit, Compliance, Capital and Risk Committee (ACCR), and the Remuneration Committee. The committees report regularly to the Board. Committee members are appointed by the Board for a term of one year. ACCR is tasked with supporting the Board in its efforts to assure the quality of the Group's financial reporting and internal control over financial reporting. ACCR also supports the Board in its work to review and ensure that the Group is organised and managed so that the business is operated in compliance with laws and regulations, that all risks in Group operations are identified and defined and that such risks are measured, monitored and controlled in accordance with the Board's risk appetite statement. The ACCR also continuously monitors the Group's risk and capital situation. ACCR communicates regularly with the Group's internal and external auditors, discusses coordination of their activities and ensures that any problems noted or objected to by the auditors are rectified.

The Remuneration Committee monitors, evaluates and prepares remuneration matters prior to decision by the Board. The committee's remit includes proposing principles and general policies for pay (including variable remuneration), benefits and pensions and overseeing the implementation of these principles.

CEO and Group Management

The President and CEO is responsible for the day-to-day management of the Group's affairs in accordance with the guidelines, policies and instructions adopted by the Board of Directors. The CEO reports to the Board and presents his reports at all Board meetings. These reports cover matters including development of operations based on the decisions taken by the Board. The Board has adopted an instruction that sets out the duties and role of the President/CEO.

The CEO has the option to delegate tasks to subordinates, but in so doing is not relieved of his responsibility. To support his work, the CEO has appointed a Group management team for consultation on important matters.

Risk Management and Compliance functions

The risk management function is independent of business operations and is responsible for identifying, measuring, analysing and managing the Group's risks. The bank's Chief Risk Officer (CRO), who is appointed by the Board and reports to the CEO, regularly informs the Board, ACCR, CEO and Group management concerning risk issues. The risk management function has global functional responsibility and the CRO's activities are governed by a policy adopted by the Board.

The Group Compliance function is also independent of operations. Compliance monitors and verifies compliance with laws, regulations and internal rules, provides information, advice and support to business operations related to compliance, identifies compliance risks and monitors the management of such risks. The Group Compliance Officer is appointed by the CEO and reports regularly to the CEO, Group management, ACCR and the Board. The Group Compliance Officer has global functional responsibility and the GCO's activities are governed by a policy adopted by the Board.

Internal audit

The primary duty of the Internal Audit department is to evaluate the adequacy and effectiveness of internal controls and risk management.

The internal audit function is independent from the business operations and reports directly to the Board of Directors. The principles that govern the work of the internal audit function are reviewed and approved annually by ACCR and adopted by the Board.

REMUNERATION PRINCIPLES

Skilled and dedicated employees are the key to creating value for Carnegie's clients and thus contributing to the company's long-term development and success. Carnegie's remuneration model is intended to support successful and long-term development of the Group. The model is also intended to reward individual performance and encourage long-term value creation combined with balanced risk-taking.

Remuneration policy

The Board of Directors of Carnegie has adopted a remuneration policy that covers all employees of the Group. The policy is based on a risk analysis performed annually by the Group risk management function under the direction of the CRO. The policy is revised annually.

Fixed remuneration

Fixed remuneration is the base of the remuneration model. Base salary depends on several parameters, such as the employee's competence, responsibility and long-term performance.

Variable remuneration for the Group and each unit

Total allocations for variable remuneration for the Group as a whole are based mainly on risk-adjusted earnings. The allocation of variable remuneration to the business areas and units is based on the extent to which operational targets have been achieved, market conditions, industry standards and risk-taking and risk management.

The proposal for provision and allocation to the business areas and units is prepared by the Remuneration Committee. Particular consideration is given to any risks that may be associated with the proposal. The Committee also analyses the impact on Carnegie's present and future financial position. This assessment is based on the forecasts used in the ICAAP. Special attention is paid to ensuring that capital targets set by the Board will not be missed. Finally, the Committee assesses whether there is any risk of conflicts of interest and, if so, how the conflicts will be managed. The recommendation from the Remuneration Committee forms the basis of the Board's final decision on variable remuneration.

Individual performance assessment

Carnegie applies a corporate-wide annual process to evaluate individual employee performance. The assessment is made against predefined objectives and covers both financial and non-financial criteria. Any allocation of variable remuneration and possible increases in fixed salary are determined in relation to attainment of individual objectives, unit performance and Group performance.

Identified staff

In compliance with external regulations, Carnegie has identified 'Defined identified staff,' who are employees who exert significant influence over the company's risks that could lead to significant impairment of earnings or financial position. Defined identified staff include executive management, employees in leading strategic positions, employees responsible for control functions and risk-takers, as defined by external regulations. For this group, 40-60% of variable remuneration is deferred for three to five years. The deferred portion may be withheld if criteria established in conjunction with the decision to allocate variable remuneration are not met. In addition, variable remuneration to this group may not exceed fixed remuneration.

Employees in control functions

The criteria for variable remuneration to employees who are responsible for control functions are designed to ensure their integrity and independence, which includes ensuring that remuneration is independent of the units subject to control.

Allocations to variable remuneration for 2016

Allocations of variable remuneration to staff in 2016 amounted to SEK 288 million (271) excluding social insurance fees. For the individuals defined as risk-takers by Carnegie, as explained above, 40-60% of variable remuneration is deferred for three to five years. For more information about remuneration in 2016, see Note 6 Personnel expenses.

Monitoring and control

Internal Audit performs an annual, independent review to ensure that the Group's remuneration complies with the remuneration policy and regulatory requirements and reports its findings to the Board not later than in conjunction with approval of the annual accounts.

Partnership

Through the company CIBVESTCO AB, employees of the Carnegie Group own 24.7 percent of equity in the parent company of the Group. Employee ownership is an important aspect of generating commitment to the entire company's development and ensuring that employees have the same incentives as other owners to create long-term value. There are no ongoing incentive programmes in which employees are remunerated in shares or options.

Board of Directors



	Bo Magnusson	Ingrid Bojner	Klas Johansson
Position	Chairman since 2013	Director since 2015	Director since 2016
Committees	ACCR, Remuneration Committee		ACCR
Born	1962	1973	1976
Education	Internal Higher Banking Education (SEB).	MSc, Stockholm School of Economics. Studies at Georgia State University and UCLA Anderson School of Management.	MSc, Stockholm School of Economics.
Other significant assignments	Chairman of the boards of SBAB Bank AB, Sveriges Säkerställda Obligationer AB, Rikshem AB, Rikshem Intressenter AB and director of KBC Bank NV.	Chairman of the boards of New Republic PR AB, Sense Talents AB & Sense Talents Holding AB and director of Storytel AB (Publ), Celemi International AB, Movestic Livförsäkring AB, Bee Urban AB, SWEMA AB and Swema Instrument AB.	Partner of Altor Equity Partners AB. Director of Transcom WorldWide AB, Nova Austral, Gelato Group AS and Advinans AB.
Previous experience	Acting President and CEO of SEB; other leading positions with SEB.	Deputy CEO and Head of Marketing at SSE IFL Executive Education. Senior positions with TeliaSonera and McKinsey & Company.	Employed by McKinsey & Company.



	Harald Mix	Andreas Rosenlew	Anders Johnsson
Position	Director since 2009	Director since 2015	Director since 2016
Committees	Remuneration Committee		ACCR
Born	1960	1962	1959
Education	MBA, Harvard Business School, Bachelor of Science, Applied Mathematics and Economics, Brown University.	MSc in Economics & Business Administration, Hanken School of Economics, Helsinki.	St Mikaelskolan, Mora.
Other significant assignments	Founding partner of Altor Equity Partners. Director of CARAM AB and Carnegie Fonder AB.	Chairman of the boards of Grow Partner AB (Group), Grow Holding, Grow AB and director of Cabonline Group (Fågelviksgruppen/HIG Capital), Kiosked Ltd and KVD.	Director of Ambrosia Asset Management.
Previous experience	Deputy CEO of Industri Kapital, First Boston Corporation and Booz,Allen & Hamilton.	Senior partner at Lowe & Partners Worldwide and executive chairman of Lowe Bindfors. Director of Acne Holding and Avanza Bank.	Many years with SEB, most recently as head of the Life and Wealth Management Division and member of executive management.

Group management

Björn Jansson

President and Chief Executive Officer since 2015

Born: 1963

Previous experience: Head of Investment Banking & Securities. Co-head of the Securities business area at Carnegie. Global head of research and co-head of SEB Enskilda Securities and global head of research at Alfred Berg.

Anders Antas

Chief Operating Officer (COO) since 2013

Born: 1975

Previous experience: A number of positions with Carnegie, including head of Treasury and , most recently, COO of Investment Banking & Securities. Formerly an analyst with SEB Enskilda Securities.

Christian Begby

Head of Carnegie Norway since 2012

Born: 1963

Previous experience: Leading positions in research and corporate finance. Former head of corporate finance at SEB Enskilda, Norway. Head of equity research at SEB Enskilda, 1996-2000.

Henric Falkenberg

Global Head of Securities since 2009

Born: 1960

Previous experience: Head of securities at SEB Enskilda and Alfred Berg. Prior to that, broker at Öhman and Consensus.

Fredrik Leetmaa

Chief Risk Officer (CRO) since 2010

Born: 1971

Previous experience: Group credit manager at Carnegie, credit manager at SEB Luxembourg, BOS Bank of Poland and senior positions within the SEB Group.

Helena Nelson

Chief Legal Counsel since 2013

Born: 1965

Previous experience: Compliance manager and head of operational risk for Swedbank Group. Chief legal counsel and corporate counsel at Skandia.

Jonas Predikaka

Global Head of Private Banking since June 2016

Born: 1971

Previous experience: Head of wealth management and private banking at Danske Bank. Prior to that, global head of sales for SEB Private Banking.

Henrik Rättzén

Chief Financial Officer (CFO) since 2014

Born: 1965

Previous experience: Group CFO for PostNord and CFO for Codan/Trygg-Hansa. Former partner at KPMG.

Ulf Vucetic

Head of Carnegie Investment Banking since 2015

Born: 1971

Previous experience: Executive responsibility within Carnegie Investment Banking in Sweden. Prior to that, a Carnegie advisor in M&A and ECM, primarily in Sweden.

Management changes

Elisabeth Erikson was recruited for the role of CIO and joined the company in January 2017.

Jacob Bastholm was appointed Head of Carnegie Denmark in January 2017. He will retain his current role as Head of Carnegie Investment Banking Denmark.

It was announced in December 2016 that Claus Gregersen, Head of Carnegie Denmark, would be leaving Carnegie in early 2017.

It was announced in February 2017 that Annika Agri Larsson, Head of Human Resources, will be leaving Carnegie in spring 2017.

Contents

Board of Directors' report

The Board of Directors and CEO of Carnegie Holding Bank AB (reg. no. 556780-4983) hereby present the annual report of operations in the parent company and the Group for the financial year 2016.

OPERATIONS

Carnegie Holding AB is the parent company of the Carnegie Group, which, after the divestment of the wholly owned subsidiary Carnegie Fonder AB in April 2016, comprises the wholly owned subsidiary Carnegie Investment Bank AB (publ). All business operations within the Carnegie Group take place within the entities Carnegie Investment Bank AB and subsidiaries.

OWNERSHIP

Carnegie Holding AB is owned by Altor Fund III (75.3 percent) and employees of Carnegie (24.7 percent).

MARKET & POSITION

Equity market

In spite of a weak start to the market year and heightened political uncertainty due to a possible Brexit and the US presidential election, global equity markets performed relatively well during the year (S&P 500 +12.0 percent total return).

The effect of political turbulence on the Nordic equity markets was moderated by continued monetary policy-based market stimulus packages and record-low interest levels, as well as weaker currencies. Overall, the Nordic stock exchanges demonstrated varied performance: Oslo Børs +14.6 percent (OBX), Nasdaq Stockholm +9.5 percent (OMXS30), Nasdaq Helsinki (OMXH25) and Nasdaq Copenhagen (CSE20) with total return of +14.6 and +0.4 percent, respectively.

Corporate transactions market

Equity capital market transactions (ECM)

ECM activity in 2016 was generally higher in the Nordic market than on the global level. Measured in volume, ECM transactions in Europe declined in 2016 year-on-year, while transaction volume in the Nordic market rose by nearly 30 percent. Likewise, the global IPO market recorded the lowest volume in several years, while the positive volume trend continued for Nordic IPOs (Thomson Reuters).

Carnegie strengthened its position in the Nordic capital market during the year, both in the role of advisor in ECM transactions and capacity to execute transactions. In addition, Carnegie's expertise and analytical skill were ranked highest in the market among both Nordic and global investors during the period.

Carnegie executed more ECM transactions than any other Nordic institution in 2016, including as an advisor in the majority of all Nordic IPOs. Carnegie was an advisor in 18 of the 25 major Nordic IPOs, acting as bookrunner or joint bookrunner in 15. Of the 17 IPOs executed in the Swedish market, each valued in excess of USD 40 million, Carnegie participated as bookrunner or joint bookrunner in 14 (Thomson Reuters). Stand-outs among the Nordic IPOs in which Carnegie was involved in 2016 include the education group AcadeMedia, the Finnish retailer Tokmanni, the niche bank Resurs Bank, the TV and streaming video provider Edgeware and the pharmaceutical company Alligator Bioscience.

Mergers, acquisitions & sales (M&A)

Although the year began slowly, the European M&A market grew for the full year of 2016. The Swedish market demonstrated robust growth during the year, while the other Nordic markets recorded weaker performance measured in volume.

Carnegie increased its impact on the Nordic market during the year and participated in a total of 31 transactions, with an even distribution of advisory assignments across the Scandinavian markets (Thomson Reuters). The transactions in which Carnegie was involved included the second-biggest property deal in Sweden of all time when Castellum acquired Norrporten. Carnegie also acted as advisor in Bang & Olufsen's sale of ICEpower in Denmark and Norwegian Opera Software's sale of Opera TV to US-based Moore Frères & Company. In addition, Carnegie was the advisor in most transactions in the mid-cap market segment, each valued at USD 50–500 million (Thomson Reuters).

Corporate bonds and DCM/Fixed Income

The bond market as a whole demonstrated volume growth in Europe in 2016. Carnegie grew faster than the Nordic market in the core high-yield segment during the year, thus increasing its market shares (Stamdata).

Carnegie acted as advisor in 12 transactions during the period, including bond issues by pharmaceutical company Moberg Pharma, building firm Serneke and online gaming company Catena Media.

Capital and wealth management market

2016 was characterised by a volatile equity market and unanticipated political events. The implications for capital and wealth management in this environment were that the need for active risk management was underlined, as were the advantages of portfolio diversification. In parallel, stock market performance during the year contributed to higher asset values for Swedish households, whose total net wealth had risen by the end of the third quarter of 2016 (Statistics Sweden). The Swedish fund market also reached record heights during the year and reported higher net savings in equity, mixed funds and bond funds (Swedish Investment Fund Association).

At year-end 2016, total client assets under management at Carnegie amounted to SEK 99 billion (90), an increase of 10 percent.

GROUP FINANCIAL PERFORMANCE

This section covers Group performance excluding discontinued operations, i.e., Carnegie Fonder AB and operations within third-party distribution of structured products.

Group operating income amounted to SEK 2,156 million (1,961) for the full year of 2016, an increase of 10 percent year-on-year. Operating expenses during the same period amounted to SEK 1,463 million (1,457). The Group is reporting operating income of SEK 692 million (504), an increase of 37 percent since 2015. Profit before tax increased by 76 percent to SEK 342 million (194).

Operating income statement January–December, SEKm	2016	2015
Continuing operations:		
Investment Banking & Securities	1,610	1,341
Private Banking	546	620
Operating income	**2,156**	**1,961**
Personnel expenses before variable remuneration	-1,033	-986
Expenses	-430	-471
Operating expenses	**-1,463**	**-1,457**
Operating profit	**692**	**504**
Financing expenses, variable remuneration, etc.	-350	-310
Profit before tax	**342**	**194**
Tax	-76	-88
Profit for the year from continuing operations	**266**	**106**
Discontinued operations		
Profit for the year from discontinued operations	120	108
Net profit for the year	**386**	**214**
Employees		
Average number of employees	631	642
Number of employees at the end of the period	619	654

See page 83 for definitions.

Income

Investment Banking & Securities

Income within Investment Banking & Securities is generated primarily via the following types of income: advisory fees related to equity capital market transactions and mergers & acquisitions, bond-related advisory income and commissions related to brokerage services and equity capital market transactions.

The Investment Banking & Securities business area outperformed its strong development last year and is reporting income for the full year of SEK 1,610 million (1,341), an increase of 20 percent, with positive contributions from all income streams. Commissions as well as advisory services income related to mergers & acquisitions and bond and equity market-related transactions increased year-on-year.

Once again, Carnegie executed the highest number of equity capital market transactions in the Nordics, including participation in more than half of all Nordic IPOs valued in excess of USD 40 million. During the year, Carnegie also acted as the advisor in the majority of mergers & acquisitions of mid-cap companies valued at USD 50–500 million.

Private Banking

Income in Private Banking is generated mainly from discretionary management, advisory services, commissions on sales of external equity funds, net interest income and legal and insurance-related advisory charges.

Income in Private Banking amounted to SEK 546 million (620) in 2016, a decrease of 12 percent compared with 2015. Strong development during the second half of the year with increased inflows of capital under discretionary management did not compensate for weak performance at the beginning of the year and negative development in institutional structured products.

A number of forward-looking activities were carried out in the autumn aimed at creating clear client segmentation and a more efficient organisation in Private Banking. The client offering has also been augmented with targeted offerings to active entrepreneurs and high net worth individuals.

In order to sharpen the focus of development within Private Banking, Carnegie decided to divest third-party distribution of structured products. This will clarify the commitment to wealth management advice and asset management and, as a whole, these initiatives will create better conditions for growth in 2017.

Costs

Operating costs were stable in 2016 in relation to 2015 and amounted to SEK 1,463 million (1,457). Carnegie continued to invest in the business through selective recruitments and digital services. Higher restructuring costs and regulatory implementations were offset by the positive effects of efficiency improvements and good cost control.

Profit

Operating profit rose to SEK 692 million (504), an increase of 37 percent over 2015. Income growth of 10 percent and a stable cost base, which includes continued investments in the business and efficiency improvements, generated improved profit in 2016 and stronger conditions for future earnings.

Profit before tax amounted to SEK 342 million (194), an increase of 76 percent year-on-year and the strongest result since 2009. Profit after tax for the year was SEK 266 million (106). Currency effects had a minor positive effect on profit for the year.

The profit from discontinued operations of SEK 120 million (108) includes earned profit, January–April, capital gains from the sale of Carnegie Fonder and proceeds from the part of operations within Structured Products that is to be sold. A provision for restructuring costs of SEK 50 million related to the sale of this business is also included.

FINANCIAL POSITION

The financial position remains strong and resilient due to the Group's low exposure to financial risks combined with good earnings. Two thirds of the Group's risk-weighted assets are comprised of currency risk and operational risk. The currency risk is structural by nature and is attributable to the Group's foreign subsidiaries and branches. Only three percent of risk-weighted assets relate to risks in the trading book.

The Common Equity Tier 1 capital ratio was 19.6 percent (18.1) and the capital adequacy ratio was 22.1 percent (20.6). Capital adequacy information and comparative figures are presented in Note 29. A more detailed description of Carnegie's capital adequacy is available online at www.carnegie.se.

The Group's financing comprises equity, issued bonds and deposits and borrowing from the public. Equity and bonds account for 16 percent (18), deposits and borrowing from the public account for 71 percent (71) and other debt accounts for 13 percent (11) of the balance sheet total.

DIVIDEND PROPOSAL

The Board of Directors of Carnegie is proposing that the 2017 annual general meeting endorse a cash dividend of SEK 46.118 per share for a total dividend of SEK 100 million.

Carnegie's dividend policy is that capital exceeding the desired and appropriate level of capital adequacy shall be distributed to shareholders. The Board of Directors' proposed dividend must take into account factors such as distributable funds, market situation and other capital requirements. The Board of Directors has determined that the proposed dividend is clearly justified with consideration given to the above. Carnegie's capital adequacy level is expected, even after the proposed dividend, to be sound and well-adapted to the demands with respect to the size of equity imposed by the nature, scope and risks associated with Group operations and the Group's consolidation requirements, liquidity and financial position in general.

Disposition of profit

At the disposal of the annual general meeting, SEK	
Premium reserve	683,165,000
Retained earnings	667,941,589
Net profit for the year	293,936,853
Total	**1,645,043,442**

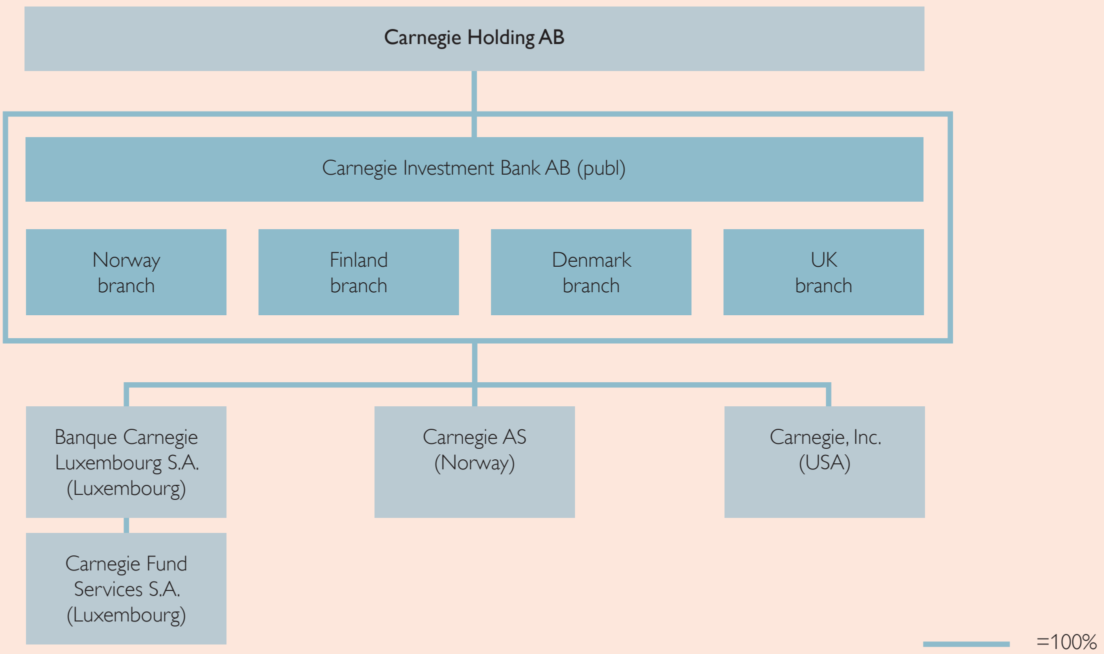
The Board of Directors proposes the following disposition of profit:	
Dividend to shareholders	100,000,000
To be carried forward	1,545,043,442
Total	**1,645,043,442**

GENERAL INFORMATION ABOUT RISKS AND UNCERTAINTIES

By nature of its business activities, the Carnegie Group is exposed to market, credit, liquidity and operational risks. Market risk is defined as the risk of loss due to, among else, the impact of movements in equity prices, interest rates or exchange rates. Credit risk is defined as the risk of loss due to failure of counterparties to fulfil contractual obligations. Credit risk originates mainly from lending to clients with shares as underlying collateral.

Liquidity risks are linked to the need for liquidity in day-to-day operations. Operational risk refers to the risk of loss resulting from inadequate and/or failed processes or systems, the human factor, or external events. This may, for example, refer to human error or shortcomings in the advisory process. Risks within Carnegie are described in the section Risk, liquidity and capital management, pages 40–44, and Note 29 Risk, liquidity and capital management.

Legal structure as of 31 December 2016



EMPLOYEES

The Carnegie Group had a total of 650 (685) employees in seven countries, representing 619 (654) full-time equivalents, at year-end 2016. Carnegie's unwavering ambition is to recruit and retain the best employees by means of active leadership, clear objectives and competitive remuneration systems and by creating a working environment that provides optimal opportunities for personal and professional development. Further disclosures concerning salaries and other remuneration for the parent company and the Group are provided in Note 6 Personnel expenses.

ENVIRONMENTAL MANAGEMENT

Carnegie strives to minimise the company's direct and indirect environmental impact. Environmental management involves continuous adaptation of operations, improved procedures and continuous updates of knowledge and information management related to environmental issues. Staff requirements for office premises, IT equipment, consumables, travel and energy consumption are examples of the direct environmental impact resulting from Carnegie's operations.

SIGNIFICANT EVENTS IN 2016

Expanded client proposition and more efficient organisation in Private Banking

Activities related to clearer client segmentation, a simplified organisation and complementary client offerings were carried out in the autumn within Private Banking, which are creating strong conditions for growth.

Changes in Group management

Jonas Predikaka became Global Head of Private Banking and member of Group Management effective June 2016. It was announced in December 2016 that Claus Gregersen, Head of Carnegie Denmark and member of Group Management, would be leaving Carnegie in early 2017.

Focusing on core business

In accordance with the decision to divest Carnegie Fonder AB, announced in September 2015, the sale was executed during the first half of 2016.

Carnegie decided during the year to divest operations within third-party distribution of structured products, which will by extension sharpen the focus on advisory services as the company's core business. The transaction is conditional upon the necessary decision by the regulatory authority and is expected to be carried out by stages in 2017.

Carnegie divested its previous 50 percent stake in the Swedish fund operation Optimized Portfolio Management Stockholm AB (OPM) during the year. The transaction is conditional upon the necessary decision by the regulatory authority.

Board changes

Anders Johnsson and Klas Johansson were elected directors of Carnegie Holding AB and the subsidiary Carnegie Investment Bank AB, effective 19 April 2016. At that time, Fredrik Strömholm and Mårten Andersson stepped down from their respective Board assignments in the Carnegie Group.

CARNEGIE AWARDS IN 2016

Investment Banking & Securities

Carnegie further strengthened its positions in the Nordic market during the year with top rankings in corporate advisory services, equity research and brokerage services. This is evident in, for example, customer and market surveys performed by TNS Sifo Prospera among Nordic companies and institutions. In addition, Carnegie was ranked first in Nordic equity research by institutional investors at the global level during the year, according to both Institutional Investors All-Europe and Extel 2016. Once again, Carnegie was also named the best research house in Sweden in the annual Financial Hearings survey.

Private Banking

Carnegie strengthened its market position in 2016 and was named the best Private Banking institution in Sweden by TNS Sifo Prospera. The recognition was followed by yet another top ranking in February 2017, when Carnegie advanced to first place among Swedish private banks in the annual Euromoney survey.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

Top rankings in Private Banking and Nordic equity research

Carnegie advanced to the top in February 2017 when Euromoney named Carnegie as the best private bank in Sweden in its annual survey. Carnegie also defended last year's global top ranking in Nordic equity research, according to Institutional Investors All-Europe 2017.

CIO (Chief Information Officer) appointed

Elisabeth Erikson was recruited to fill the role of CIO. She joined Carnegie in January 2017 and is a member of Group Management. Prior to joining Carnegie, Elisabeth was with Skandiabanken.

New head of Carnegie's Danish branch

Jacob Bastholm was appointed Head of Carnegie Denmark in January 2017. He will retain his current role as Head of Carnegie Investment Banking Denmark.

OVERVIEW OF THE PARENT COMPANY

Total income in the parent company amounted to SEK 5 million (10). The CEO's employment was transferred to Carnegie Investment Bank AB in July 2016. The operating loss was SEK -5 million (-34). The operating result for the comparison year was charged with costs for strategic projects and severance pay for the former CEO. Profit from financial items amounted to SEK 299 million (711), which includes anticipated dividend income of SEK 310 million from Carnegie Investment Bank AB. Dividend income of SEK 737 million was received in 2015. Profit for the year amounted to SEK 294 million (678).

There were no investments in fixed assets during the period (-). Liquidity, defined as cash and lending to credit institutions, was SEK 1 million (4) as of 31 December 2016. Equity amounted to SEK 1,884 million (2,414) as of 31 December 2016.

Risk, liquidity and capital management

Risk involves uncertainty in various forms and is a natural element of all types of business. Carnegie's ability to assess and manage risks while maintaining adequate capital strength and liquidity to manage unforeseen events is critical to the Group's long-term profitability. The ultimate purpose is to ensure that risks are managed effectively and that we have sufficient capital and liquidity in relation to the risks we take.

Carnegie's risk profile consists of both financial and non-financial risks. Financial risks, such as market and credit risks, are generally low and the Group sustained no losses of material size in 2016. Non-financial risks include operational risk, compliance risk and reputational risk. Carnegie works continuously to improve protection against these types of risk.

Preparations for the implementation of MIFID II and IFRS 9, among else, commenced in 2016. This will transition to an implementation phase in 2017 to ensure compliance when the new regulations take effect in January 2018.

Carnegie has further developed its approach to sustainability management, where consideration is given to financial, environmental and social aspects. We have clear policies to promote sound business ethics and professionalism in all areas of operations. One aspect of this is to continuously manage these issues and monitor compliance with the Carnegie approach to risk management.

RISK MANAGEMENT

Risk management at Carnegie is based on the principle of three lines of defence. The model distinguishes between functions that own risk and compliance (first line), functions that monitor risk and compliance (second line) and functions for independent audit (third line).

The fundamental principle is that responsibility for risk management and control always resides with the source of the risk. This means that every employee is responsible for managing risks in their own area of responsibility. As such, risk management encompasses all employees, from the CEO and other senior executives and downwards.

Beyond the control and monitoring performed by the business units, Carnegie has three control functions that are independent from business operations: Risk Management, Compliance and Internal Audit. Risk Management and Compliance supervise risk management and regulatory compliance within the business areas. The third arm, Internal Audit, is responsible for verifying that the business areas and the other control functions perform their tasks as required. In addition, the external auditors perform independent audits of the company's risk management and control environment.

Risk management in the business areas

The first line of defence comprises the business areas and support functions under the guidance of operational managers. As the first line of defence, each operational unit bears full responsibility for the risks associated with their operations. Members of operational staff know their clients best and it is they who take ongoing business decisions. They are thus in the best position to assess risks and react swiftly if a problem should arise.

In order to maintain good control over their risks, the business areas, assisted by the support functions within the first line of defence, perform active risk management and ongoing control activities. These activities include credit risk decisions, decision and payment authorisation rules, verification, reconciliation and effective allocation of responsibility and tasks in processes and procedures.

Risk management and compliance

The control functions in the second line of defence are responsible, among else, for preparing corporate-wide processes and procedures to ensure that risks are managed in a structured way. The rules for risk management and regulatory compliance are described in policies and instructions that are adopted by management and the Board of Directors.

The risk management function is responsible for controlling risk management by the business areas and ensuring that the level of risk is in line with the risk appetite and tolerance as determined by the Board of Directors. The function consists of risk managers at Group and local levels. The risk management function at the Group level is headed by the Chief Risk Officer (CRO) who reports directly to the CEO and the Board of Directors. The Group function performs corporate risk management. This includes developing the risk process and risk management methods and monitoring their application. The Group function is also responsible for independently identifying, measuring and monitoring the development of the Group's risks over time and reporting risk on an aggregate level to the Board of Directors and Group management. This includes the scenario analysis and stress tests performed within the framework of the annual internal capital and liquidity adequacy assessment (ICLAAP) process.

In addition to the Group functions, there are local risk management functions in each unit that are responsible for local risk management within the business areas. The local risk management functions perform independent risk assessments, control limits and ensure satisfactory operational controls and risk management. The local functions report to the CRO as well as local management, presidents and Boards of directors.

The compliance function's remit includes verifying operational compliance with laws, regulations and internal rules. The regulatory areas that are particularly time-consuming concern the Markets in Financial Instruments Directive (MiFID) and regulations intended to prevent money laundering and market abuse. Control procedures are carried out independently of business operations.

The tasks of the compliance function include interpreting applicable rules, informing relevant functions about regulatory changes, assisting the business operations with drafting internal rules and supporting business operations and management with advice and support related to compliance.

Carnegie's compliance function is headed by the Group Compliance Officer (GCO), who reports directly to the CEO and the Board of Directors. In alignment with the risk management function, there are compliance officers at each subsidiary and branch.

The local functions report to the GCO as well as local management, presidents and Boards of directors.

Internal audit

Internal Audit constitutes the third line of defence. Its remit is to systematically assess and verify the adequacy and effectiveness of internal control and risk management from a regulatory perspective and risk-based approach. This responsibility includes verifying that both the operations in the first line of defence and independent control functions within the second line of defence are functioning satisfactorily. The internal audit function is independent from the business operations and reports directly to the Board. The principles that govern the work of the internal audit function are reviewed and approved annually by the Board Audit Committee and adopted by the Board of Directors.

External audit

External audit's tasks include assessing the risk of errors in the financial statements and monitoring the company's compliance with the risk appetite statement adopted by the Board of Directors.

RISK AREAS

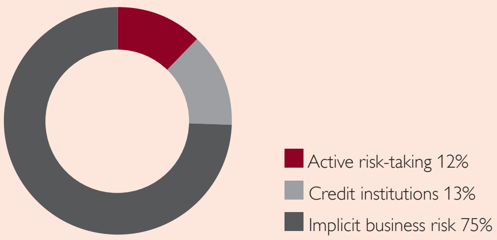
Risk represents uncertainty that may adversely impact Carnegie, for example in the form of financial loss or damaged reputation. Carnegie's operations primarily entail exposure to the following risk categories: market risk, credit risk, liquidity risk, operational risk, compliance risk, reputational risk, business risk and strategic risk.

Carnegie's risk profile is an effect of the bank's operations in the various business areas and the risks that arise in the internal banking business, primarily the bank's own liquidity management.

As shown in the chart below, a small fraction, 12%, of the bank's risk-weighted assets arise from active risk-taking, that is, risks that the bank chooses to take in the course of ongoing business. This includes, for example, lending to the public and the bank's client-driven trading.

Risk-weighted assets arising from the bank's liquidity management account for 13%, of which the majority is comprised of risks against credit institutions. The remaining 75% of risk-weighted assets comprises risks that arise in banking operations, such as operational risks and structural currency risks in the equity of the bank's subsidiaries.

Risk profile



Market risk

Market risk is the risk of loss due to movements in prices and volatility in the financial markets.

Carnegie offers its clients a range of sophisticated financial services and products in several markets. The offering includes acting as price maker in financial instruments directly to clients (client facilitation) or in the market (market making). When transactions are executed according to either of these activities, positions in Carnegie's own trading book may arise. The risk in the positions is managed according to applicable policies and instructions.

Summing up 2016, it was a historically eventful stock market year with above-normal price movements. Our own positions were managed well from a risk perspective, which meant there were no significant results in our own trading book.

The bank is exposed to four main types of market risk: equity risk, volatility risk, currency risk and interest rate risk. For each category, Carnegie applies complementary risk measures and limits based on sensitivities to changes in various market prices.

Market risk is also measured through stress tests that estimate potential losses in various extreme scenarios. Risk exposures and limit usages are reported on a regular basis to the CEO and the Board.

Equity price risk

Equity risk is the risk of loss due to adverse changes in equity prices. Equity risk arises when Carnegie acts as market maker, provides prices on equities and equity-related instruments to its clients (client facilitation) or acts as the guarantor in primary market transactions.

Volatility risk

Volatility risk is the risk that the value of a financial instrument may vary due to changes in the instrument's price volatility. Volatility risk is found in positions in held and sold options that arise after activities within client facilitation or market making.

Currency risk

Carnegie is exposed to structural and operational currency risk. Operational currency risk is defined as the currency risks arising in ongoing business operations through currency or securities deals with the bank's clients. Structural currency risk is defined as the currency exposure arising in the balance sheet through parts of the business being conducted in countries with different currencies. The largest structural currency risk is associated with the Group's foreign subsidiaries and branches.

Interest rate risk

Interest risk arises both in the trading book and in other operations. Interest risk in the trading book is defined as the risk of losses due to changes in interest rates. Interest risk in the trading book primarily arises from holdings in bonds and derivative positions. If necessary, these risks are hedged with interest-bearing instruments. Interest rate risk in other operations is the risk that net interest income and interest-bearing instruments in the banking book will be adversely affected by changes in market rates. The risks generally arise when the fixed-interest terms of assets and liabilities do not coincide. Carnegie's lending and deposits are mainly at variable rates.

Credit risk

Carnegie's exposure to credit risk originates mainly from margin lending, securities lending and exposure to central banks and major banks via the bank's Treasury function. The majority of exposure towards non-financial counterparties is secured by collateral in liquid securities. In order to manage adverse movements in the securities market, collateral values are set based on the risk nature of the collateral. Collateral value is monitored daily. Exposure to central banks and Nordic institutions arises primarily when Carnegie places its surplus liquidity and through collateral pledged for client-driven securities trading.

Credit-related services are offered within the business area of Investment Banking & Securities as part of the business area's normal operations and business strategy. The assurance of a secondary market for structured instruments provided by Carnegie gives rise to credit risk in relation to the issuing counterparty.

The majority of the Group's credit risk exposure is against strong financial counterparties arising from liquidity management. Margin lending accounts for the majority of other exposure.

In most cases, margin loans constitute part of an investment strategy. The counterparties in this portfolio are mainly individuals whose financial position and capacity to repay are good. Accordingly, the credit risk in this segment is low, which is further reinforced by the high-quality cover pool in the pledged securities' custody accounts. The quality of the cover pool is a result of the policies and instructions applied by the Group, which govern matters including loan-to-value and liquidity requirements. The percentage of unsecured margin loans is low and the loan agreements are primarily on an until further notice basis. The credit risk in this portfolio is regularly stress-tested for market volatility and, as needed, in connection with major price movements in the securities markets.

Credit risk may also arise in certain cases in connection with transactions in Investment Banking. These are characterised by short maturities and collateralised exposures.

Credit risk exposure within Carnegie for 2016 was essentially on par with 2015. Credit risk within the bank's Treasury operations remained characterised by a diversified placement strategy against strong financial counterparties, mainly Nordic major banks. The cover pool within the margin lending credit portfolio is well-diversified and there were no credit losses during the year.

Credit policy

The credit policy sets the framework for management of credit risk, concentration risk and settlement risk and reflects the risk appetite established by the Board of Directors. The policy establishes that credit operations shall be based on:

- Counterparty assessment: Credit decisions are based on careful assessment of the credit risk. This includes assessment of the counterparty's financial position, repayment capacity and the quality of pledged collateral.
- Collateral: Collateral for exposures shall primarily be in the form of cash deposits, liquid financial instruments or bank guarantees. When collateral value is determined, Carnegie must always have first priority on pledge and thereby not be subordinated to other creditors.
- Diversification: The credit portfolio must be diversified with regard to individual counterparties, industrial sectors, regions and with regard to pledged collateral. This applies at the individual counterparty level, the aggregate limit level and up to the level for the various legal entities within the Group.
- Sound principles: Credit approvals are based on sound banking principles and high ethical standards. Legal principles and generally accepted methods must not be jeopardised in any way.

Settlement risk

Settlement risk is the risk that the bank will fulfil its commitment in a contractual exchange of financial assets but fail to receive the corresponding settlement in return. Settlement risk is driven mainly by trading in securities on behalf of clients.

Settlement risks in the Group are managed primarily via central clearing counterparties where transactions are settled in accordance with the principle of simultaneous delivery and payment. In a few cases, deals are settled outside the system of central clearing counterparties after the counterparty risk has been assessed by a competent authority. Settlement risk is therefore limited to the potential cost of replacing counterparties in the transaction and is affected by movements in the market price of the underlying instrument.

Operational risk

Operational risk is the risk of loss resulting from an inappropriate organisation, the human factor, inadequate or failed internal processes/systems or external events. The definition includes legal risk.

Operational risk may arise from many different factors. These encompass a wide range of circumstances related to everything from transaction processes, internal or external fraud and system errors to natural disasters. These types of risks can be difficult to define and quantify. If left unmanaged, operational risk can, in the worst case, lead to consequences of sufficient magnitude to cause grave problems and significant losses. It is therefore imperative that potential operational risks are understood and assessed.

To manage the operational risks of the business, Carnegie has established a corporate-wide framework that encompasses policies and standardised processes for identifying, assessing and reporting operational risk.

The framework is based on a variety of components including the following key processes:

- Self-assessment: Each unit within Carnegie regularly conducts a self-assessment exercise in which operational risks in all significant processes are identified, assessed and analysed. The purpose of this analysis is to raise awareness of operational risks and to address significant risks.
- Incident reporting: To assist in the identification, management and assessment of operational risk, Carnegie has developed a system for reporting of operational risk events, referred to as incidents. All employees have a responsibility to report incidents and managers are responsible for addressing unacceptable risks within their area of responsibility. The risk management function follows up on and analyses incidents.
- Approval of new products and services: Carnegie has a standardised process for examining and approving new products and services and major changes to existing products and services. The procedure involves a review of risks and controls related to new products in which all the concerned functions are involved and give their approval before the product is introduced. The purpose of the process is to ensure that potential operational risks are identified and addressed prior to product launch.

In order to strengthen its risk management, Carnegie has invested in an IT system for operational risk management. The system is used by all Group entities and enables more efficient risk management processes as well as strong monitoring and control.

Improving and further developing operational risk management is, however, a continuing process. This work is driven by the Group Operational Risk Manager at the Group level in close cooperation with local risk management functions in each Group entity. Ultimately, however, the responsibility for managing operational risk lies where the risk arises. This means that each employee is responsible for managing the risks within their area of responsibility with the support of the risk management function. Raising risk awareness among all employees is therefore a key component of operational risk management.

Compliance risk

Compliance risk is the risk of regulatory sanctions, financial losses or damaged reputation due to non-compliance with rules and regulations.

Carnegie's business is subject to extensive legislation and regulations intended to provide strong consumer protection and secure the stability of the financial system. A large number of new regulations are in various phases of implementation, particularly those that apply throughout the EU or in accordance with other international agreements. Carnegie works on an ongoing basis to monitor these in order to ensure compliance. Examples of such regulations of particular importance to Carnegie are:

- CRD/CRR/Basel III: Capital and liquidity requirements on the business.
- MiFID II/MiFIR: Comprehensive revision and EU harmonisation of regulations applicable to securities operations.
- EMIR: Includes mandatory settlement and reporting of OTC derivative contracts.
- MAD II/MAR: Updated regulations towards prevention of various forms of market abuse.
- CRS: New standard within the OECD concerning exchange of tax information.
- PRIP: Harmonised regulations on standardised information about structured products.
- GDPR: Common data protection regulations within the EU.

Maintaining the trust of our clients and supervisory authorities is a prerequisite for Carnegie's operations. Inadequate regulatory compliance may have far-reaching consequences in the form of both legal sanctions and damaged reputation. Management of compliance risk is thus a key component of overall risk management at the bank. Within Carnegie, this work involves, among else, the following:

- The established Compliance Function, which has particular responsibility for ensuring regulatory compliance.
- Regular monitoring of regulatory changes, in particular through membership in various industry organisations, such as the Swedish Securities Dealers Association and SwedSec.
- Carnegie works proactively to prevent market abuse and money laundering.
- Carnegie regularly identifies its conflicts of interests and makes every effort to ensure that action is taken to manage these in a way that is not detrimental to the interests of clients.
- Carnegie drafts and adopts policies, instructions and procedures that are applied throughout the Group.

Reputational risk

Reputational risk is the risk of loss of income from the Group's potential and existing clients if they lose trust in Carnegie due to negative publicity or rumours about the Group or about the financial services industry in general.

Reputational risk is primarily a consequential risk triggered by internal or external events that have negative impact on confidence in the bank among clients, regulators and counterparties. Reputational risk is one of the most difficult risks to assess and guard against. At the same time, the consequences can potentially be substantial if confidence in a bank is damaged.

At Carnegie, reputational risk is managed primarily through open and frequent dialogue with stakeholders in the company. Carnegie has a wide range of communications channels towards clients and other counterparties in the market that make it possible to pick up any negative signals. In addition, Carnegie endeavours to maintain frequent and transparent public disclosure of information.

Business risk and strategic risk

Business risk is the current or prospective risk to earnings arising from changes in the business environment. Strategic risk is the current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions, lack of responsiveness to changes in the business environment or inadequate strategic planning.

Business risk and strategic risk are closely related. Business risk involves external changes, such as trends in global stock markets and the general business climate. Strategic risk is related to the ability to adapt to these changes.

Carnegie continuously reviews its strategic position and engages in business intelligence to be prepared for changes in market conditions and the competitive landscape. For example, Carnegie performs regular scenario analyses to assess the impact of changed market conditions. The purpose of these analyses is to create the best possible basis for strategic decisions.

LIQUIDITY AND FINANCING

At year-end, 16 (18) percent of Carnegie's financing was comprised of equity and bonds while deposits from the public accounted for 71 (71) percent and other debt accounts for 13 (11) percent of the balance sheet total.

The stable financing in the form of equity and deposits and borrowing from the general public was considerably greater at year-end than Carnegie's total lending. The loan-to-deposit ratio for the Group was 35 (41) percent.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations or be able to do so only at substantially higher cost.

Carnegie maintains a liquidity reserve to ensure that it can meet its payment obligations in a stress scenario. The reserve exceeds the expected maximum net cash flow over a 30-day period of severe stress. Stress tests are designed to evaluate the potential effects of a series of extreme but possible events. Liquidity is monitored daily by Carnegie's Treasury Department and forecasts are prepared regularly.

CAPITAL MANAGEMENT

Carnegie's profitability and financial stability are directly dependent upon the ability to manage risks in the business. Aimed at maintaining good financial stability even in the face of unexpected losses, Carnegie has designed an internal capital target. The target is set by the Board based on regulatory requirements and the internal assessment of capital needs. In addition to the capital target, Carnegie has a recovery plan that describes the possible measures that can be taken in the event of a strained
financial situation.

The group's financial position remains strong with a common equity Tier 1 capital ratio of 19.6 percent (18.1) and capital adequacy of 22.1 percent (20.6).

Pillar 1 - Minimum capital requirements

Carnegie must at all times have a capital base that, at minimum, is equal to the total of the capital requirements for credit risk, market risk and operational risk. Capital adequacy regulations provide several options to choose among different methods when calculating the size of capital required. Carnegie applies the standard method fore calculating credit risk, standardised methods for market risk and the base indicator approach for operational risk.

Pillar 2 - Risk assessment

Carnegie has processes and methods that enable continuous assessment and maintenance of capital that is adequate in terms of amount, type and allocation to cover the nature and level of the risks to which the Group is currently exposed or may become exposed. As part of the ICAAP, an extensive risk analysis is performed,encompassing all potential risks that may arise within Carnegie. The Board of Directors and senior management participate throughout the process by contributing to identifying and analysing risks, defining scenarios and stress test methods and approving the final capital requirement.

Pillar 3 - Public disclosure

In accordance with capital adequacy regulations, Carnegie must disclose information about its capital adequacy and risk management. Additional disclosures concerning Carnegie's capital adequacy in 2016 are provided in the Capital Adequacy and Liquidity Report, available at www.carnegie.se.

Five-year review

GROUP[1)]

Income statement, SEKm	2016	2015	2014	2013	2012
Continuing operations					
Total income	2,153	1,908	2,058	1,735	1,535
Personnel expenses	-1,395	-1,278	-1,276	-1,098	-1,135
Expenses	-441	-441	-536	-489	-596
Expenses before credit losses	-1,837	-1,719	-1,812	-1,587	-1,731
Profit before credit losses	**316**	**190**	**246**	**148**	**-196**
Credit losses, net	26	4	25	25	30
Profit before tax	**342**	**194**	**271**	**173**	**-166**
Tax	-76	-88	-36	21	-117
Profit/loss for the year from continuing operations	**266**	**106**	**235**	**194**	**-283**
Discontinued operations					
Profit for the year from discontinued operations	120	108	–	–	–
Net profit/loss for the year	**386**	**214**	**235**	**194**	**-283**

FINANCIAL KEY DATA	2016	2015	2014	2013	2012
C/I ratio, %	85	90	88	91	113
Profit margin, %	18	11	11	11	neg.
Return on equity, %[2)]	21	9	11	8	neg.
Return on total assets, %	3.1	1.6	2.1	1.8	neg.
Total assets, SEKm	11,720	12,234	12,443	10,613	10,741
Equity, SEKm	1,677	2,088	2,369	2,136	1,964

CAPITAL BASE	2016	2015	2014	2013	2012
Common Equity Tier 1 capital, SEKm	1,302	1,172	1,272	969	824
Total capital base, SEKm	1,464	1,334	1,770	1,378	1,234
Common Equity Tier 1 capital ratio (CET1), %	19.6	18.1	19.5	14.8	13.1
Capital adequacy ratio, %	22.1	20.6	27.2	21.1	19.6

EMPLOYEES	2016	2015	2014	2013	2012
Average number of employees	631	642	633	631	704
Number of employees at the end of the year	619	654	638	622	653

1) The historical overview is based on legal financial reports. For 2015 and 2016, the fund business and operations within third-party distribution of structured products are presented as discontinued operations. See page 83 for definitions.

2) For 2015 and 2016, return on equity was calculated as profit for the year from continuing operations divided by average equity (2015: pro forma), adjusted for the effect of deferred tax on loss carryforwards.

Consolidated statements of comprehensive income

SEK 000s	Notes	Jan–Dec 2016	Jan–Dec 2015
Continuing operations			
Commission income	1	2,065,988	1,826,276
Commission expenses		-24,810	-17,204
Net commission income	2	**2,041,178**	**1,809,072**
Interest income	1	86,833	95,178
Interest expenses		-42,094	-49,228
Net interest income	3	**44,739**	**45,950**
Net profit from financial transactions	1, 5	67,261	53,150
Total operative income		**2,153,178**	**1,908,172**
Personnel expenses	6	-1,395,416	-1,277,619
Other administrative expenses	7	-413,257	-418,341
Depreciation of tangible fixed and amortisation of intangible assets	8	-28,068	-22,520
Total operative costs		**-1,836,740**	**-1,718,481**
Profit before credit losses		**316,439**	**189,691**
Credit losses, net	9	25,546	4,353
Profit before tax		**341,985**	**194,045**
Tax	10	-75,937	-87,935
Profit/loss for the year from continuing operations		**266,048**	**106,111**
Discontinued operations			
Profit for the year from discontinued operations	33	119,713	108,125
Net profit for the year		**385,761**	**214,237**
Other comprehensive income from continuing operations			
Items that may subsequently be reclassified to the income statement:			
Translation differences relating to foreign operations		27,341	-16,805
Total comprehensive income for the year		**413,102**	**197,432**

Consolidated statements of financial position

SEK 000s	Notes	31 Dec 2016	31 Dec 2015
Assets			
Cash and bank deposits with central banks		1,244,761	1,580,789
Negotiable government securities	11, 12	523,445	693,655
Loans to credit institutions[1)]	11	2,829,818	2,410,581
Loans to the general public	11	2,901,160	3,539,647
Bonds and other interest-bearing securities	11, 12, 13	2,080,469	1,899,342
Shares and participations	12, 13	309,709	263,970
Derivative instruments	12	129,903	75,148
Shares in associates	15	–	9,846
Intangible assets	16	13,661	11,049
Tangible fixed assets	17	65,297	65,485
Current tax assets		33,982	31,653
Deferred tax assets	18	383,598	420,385
Other assets	19	579,337	335,707
Prepaid expenses and accrued income	20	99,340	98,912
Assets held for sale	33	525,059	797,957
Total assets	24	**11,719,539**	**12,234,127**
Liabilities and equity			
Liabilities			
Liabilities to credit institutions	11	27,761	3,058
Deposits and borrowing from the general public[1)]	11	7,872,904	8,651,197
Short positions, shares	12	144,875	104,327
Derivative instruments	12	76,850	82,936
Current tax liabilities		23,741	12,323
Deferred tax liabilities	18	12,260	12,589
Other liabilities	21	444,099	266,424
Accrued expenses and prepaid income	22	663,075	555,734
Other provisions	23	89,990	65,807
Subordinated liabilities	31	162,119	162,119
Liabilities held for sale	33	525,059	229,702
Total liabilities	24	**10,042,733**	**10,146,216**
Equity			
Share capital	35	238,811	238,811
Other capital contributions		683,165	683,165
Provisions		-109,944	-137,285
Retained earnings		864,774	1,303,219
Total equity		**1,676,806**	**2,087,911**
Total liabilities and equity		**11,719,539**	**12,234,127**
Pledged assets and contingent liabilities	25		
Assets pledged for own debt		870,074	628,315
Other pledged assets		1,122,066	886,776
Contingent liabilities and guarantees		540,134	389,025

1) Whereof client funds 135,797 (138,891)

Consolidated statements of changes in equity

	ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS				
SEK 000s	Share capital	Other capital contributions	Translation reserve	Retained earnings	Total
Equity – opening balance 2015	**238,811**	**1,101,486**	**-120,480**	**1,149,439**	**2,369,257**
Net profit for the year				214,237	214,237
Other comprehensive income:					
Translation differences relating to foreign operations			-16,805		-16,805
Total comprehensive income (net after tax)			**-16,805**	**214,237**	**197,432**
Redemption of preference shares	-21,976	-418,321			-440,297
Bonus issue	21,976			-21,976	–
Payment of dividends				-38,481	-38,481
Equity – closing balance 2015	**238,811**	**683,165**	**-137,285**	**1,303,219**	**2,087,911**
Net profit for the year				385,761	385,761
Other comprehensive income:					
Translation differences relating to foreign operations			27,341		27,341
Total comprehensive income (net after tax)			**27,341**	**385,761**	**413,102**
Dividends paid[1)]				-824,206	-824,206
Equity – closing balance 2016	**238,811**	**683,165**	**-109,944**	**864,774**	**1,676,806**

1) Refers to distribution of the shares in CARAM AB (formerly C Asset Management Partners AB), to the owners of Carnegie Holding AB in connection with the divestment of Carnegie Fonder AB.

Parent company income statement

SEK 000s	Notes	31 Dec 2016	31 Dec 2015
Net sales	1	5,100	10,200
Other external costs	7	-1,299	-16,635
Personnel expenses	6	-8,797	-27,571
Operative loss		**-4,995**	**-34,006**
Interest income and similar income	1, 3	1	–
Interest expenses and similar expenses	3	-8,470	-20,917
Profit/loss from participations in subsidiaries	1, 4	307,260	732,152
Net financial income/expenses		**298,791**	**711,235**
Profit before tax		**293,795**	**677,230**
Tax	10	142	489
Net profit for the year		**293,937**	**677,719**

Parent company statement of other comprehensive income

SEK 000s	Notes	Jan–Dec 2016	Jan–Dec 2015
Net profit/loss for the year		293,937	677,719
Other comprehensive income:		–	–
Total comprehensive income for the year		**293,937**	**677,719**

Parent company balance sheet

SEK 000s	Notes	31 Dec 2016	31 Dec 2015
Assets			
Shares and participations in group companies	14	1,780,084	2,604,290
Deferred tax assets	18	1,832	1,689
Total non-current financial assets		1,781,916	2,605,979
Receivables from group companies	27	310,000	28,395
Current tax assets		1,566	1,397
Other current receivables		8,326	8,747
Prepaid expenses and accrued income	20	–	224
Cash and bank balances		1,457	3,741
Total current assets		321,348	42,504
Total assets		**2,103,264**	**2,648,483**
Equity and liabilities			
Share capital	35	238,811	238,811
Premium reserve		683,165	683,165
Retained earnings		667,942	814,428
Net profit for the year		293,937	677,719
Total equity		**1,883,854**	**2,414,123**
Pension provisions		8,326	7,679
Other provisions	23	1,944	1,735
Total provisions		10,270	9,414
Convertible debentures	31	162,119	162,119
Total non-current liabilities		162,119	162,119
Accounts payable		0	3,518
Liabilities to group companies		37,692	6
Other current liabilities		666	32,724
Accrued expenses and prepaid income	22	8,662	26,580
Total current liabilities		47,021	62,828
Total liabilities		**219,410**	**234,361**
Total equity and liabilities		**2,103,264**	**2,648,483**
Pledged assets and contingent liabilities	25		
Assets pledged for own debt		–	–
Other pledged assets		–	–
Contingent liabilities and guarantees		112,509	115,249

Parent company statement of changes in equity

SEK 000s	Share capital	Premium reserve	Retained earnings	Total
Equity – opening balance 2015	**238,811**	**1,101,486**	**874,884**	**2,215,181**
Net profit for the year			677,719	677,719
Total income and expenses for the year			**677,719**	**677,719**
Redemption of preference shares	-21,976	-418,321		-440,297
Bonus issue	21,976		-21,976	–
Payment of dividends			-38,481	-38,481
Equity – closing balance 2015	**238,811**	**683,165**	**1,492,147**	**2,414,123**
Net profit for the year			293,937	293,937
Total income and expenses for the year			**293,937**	**293,937**
Dividends paid[1)]			-824,206	-824,206
Equity – closing balance 2016	**238,811**	**683,165**	**961,878**	**1,883,854**

1) Refers to distribution of the shares in CARAM AB (formerly C Asset Management Partners AB), to the owners of Carnegie Holding AB in connection with the divestment of Carnegie Fonder AB.

Cash flow statements

	GROUP[1)]		PARENT COMPANY	
SEK 000s	2016	2015	2016	2015
Operating activities				
Profit before tax	460,617	289,122	293,795	677,230
Adjustments for items not affecting cash flow	-120,928	70,899	-309,144	8,571
Paid income tax	-27,399	-23,909	–	–
Cash flow from operating activities before changes in working capital	312,290	336,112	-15,349	685,801
Changes in working capital	152,782	2,099,682	10,407	-737,188
Cash flow from operating activities	465,072	2,435,794	-4,942	-51,387
Investing activities				
Dividends received from subsidiaries	–	–	–	736,762
Sale of subsidiaries	-32,188	–	–	–
Acquisitions of fixed assets	-24,069	-24,953	–	–
Cash flow from investing activities	-56,257	-24,953	–	736,762
Financing activities				
Dividends paid[2)]	–	-38,481	–	-38,481
Redemption of preference shares	–	-440,297	–	-440,297
Amortisation of bond issue	–	-935,000	–	–
Amortisation of subordinated liabilities	–	-247,583	–	-247,583
Cash flow from financing activities	–	-1,661,361	–	-726,361
Cash flow for the year	**408,815**	**749,480**	**-4,942**	**-40,986**
Cash and cash equivalents at beginning of year[3)]	3,619,787	2,946,998	6,399	47,385
Translation differences in cash and cash equivalents	100,627	-76,691	–	–
Cash and cash equivalents at end of year[3)]	**4,129,229**	**3,619,787**	**1,457**	**6,399**

1) The consolidated statements of cash flows include discontinued operations up to and including the date of divestment. Cash flow statements for discontinued operations are presented in Note 33.
2) Dividends paid in 2015 refers to dividends distributed to preference shares (Öresund/Creades), whereof SEK 22 million refers to 2014 and the remaining SEK 16 million was paid out in connection to the redemption of preferred shares.
3) Excluding cash and cash equivalents pledged as collateral.

For further disclosures concerning cash flow statements, see Note 30.

Accounting policies

General information

Carnegie Holding AB, corporate registration number 556780-4983, has its registered office in Stockholm, at Regeringsgatan 56. The company's business is to directly or indirectly own, manage, pledge collateral to and provide loans to the banking operations and other Group companies related to financial activities and to conduct related business. All business in Carnegie Holding takes place in Carnegie Investment Bank AB and its subsidiaries. The Group also included Carnegie Fonder AB up to the end of April 2016, after which the company was sold.

Carnegie is a Nordic investment and private bank with operations in three business areas: Securities, Investment Banking and Private Banking. Carnegie offers financial products and services to Nordic and international clients from offices in seven countries: Sweden, Denmark, Norway, Finland, Luxembourg, the UK and the US.

Carnegie Holding AB is owned by the fund Altor Fund III and employees of Carnegie.

Basis for preparing financial statements

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU, with the exception of *IFRS 8 Operating Segments and IAS 33 Earnings Per Share*, for which application is not mandatory for entities whose shares are not publicly traded. Also applied were applicable interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU; *The Swedish Act on Annual Reports of Credit Institutes and Securities Companies* (ÅRKL 1995:1559); recommendation RFR 1 *Supplementary Accounting Regulations for Corporate Groups* issued by the Swedish Financial Accounting Standards Council; and the *Regulations and general recommendations regarding annual reporting of credit institutions and securities companies* issued by the Finansinspektionen (FFFS 2008:25). The consolidated financial statements were prepared in accordance with the purchase method with the exception of certain financial instruments measured at fair value.

The sale of Carnegie Fonder AB was executed in late April 2016 as decided by the Board of Directors in September 2015. In December 2016, the Board of Directors decided that operations within third party distribution of structured products (below: Structured Products) will be divested during 2017. Carnegie Fonder and Structured Products are thus presented as discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Consequently, the results of Carnegie Fonder AB, including related consolidated items, and Structured Products are presented separately in the Consolidated statements of comprehensive income for both 2016 and 2015. For 2015, assets and liabilities attributable to Carnegie Fonder AB, including consolidated items, are presented separately in the Consolidated statement of financial position. Likewise, assets and liabilities attributable to Structured Products are presented in the Consolidated statement of financial position for 2016. Additional disclosures pertaining to Carnegie Fonder AB and Structured Products are presented in Note 33.

The financial statements for the Group and the parent company are presented in thousands of Swedish krona (SEK 000s). The parent company's functional currency is the Swedish krona (SEK). Accounting principles for the parent company are presented below under "Parent company accounting principles."

New and amended accounting standards and interpretations

There are no new standards or amendments of existing standards issued by the International Accounting Standards Board (IASB) effective as of 2016 that have had any material effect on the consolidated financial statements.

Standards, amendments and interpretations that have not yet taken effect

A number of new and revised standards are not mandatorily effective until the 2017 reporting period or later and there was no early application for these financial statements.

IFRS 9, Financial Instruments will supersede *IAS 39, Financial Instruments: Recognition and Measurement*. The standard introduces new rules for recognition, classification and measurement, loss allowances for credit losses and hedge accounting. IFRS 9 retains a mixed measurement approach, but simplifies it in certain respects. There will be three measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. How an instrument should be classified depends upon the entity's business model and the characteristics of the instrument. The classification and measurement of financial liabilities is not changed except when a liability is reported at fair value through profit or loss based upon the fair value option. Value changes attributable to changes in own credit risk must be recognised in other comprehensive income. *IFRS 9* also introduces a new model for estimating loss allowances for financial assets measured at amortised cost or at fair value through other comprehensive income. The allowance must be based on lifetime expected losses. The requirement in *IAS 39* that a default event must have occurred has been eliminated. The new model introduces a three-step approach based on whether a significant increase in credit risk has occurred. If the credit risk for the financial asset has not increased significantly since initial recognition, a loss allowance is recognised that is equal to the 12-month expected credit losses. For financial assets where the credit risk has increased significantly and for those in default, a loss allowance is recognised that is equal to expected losses over the life of the financial instrument. When assessing changes in credit risk and estimating expected losses, the entity should consider all available relevant information, including information about past events, current economic conditions at the reporting date and forecasts of future economic conditions. *IFRS 9* further changes the requirements for application of hedge accounting and documentation requirements pertaining to hedge accounting compared to *IAS 39*.

IFRS 9 has been endorsed by the EU and must be applied for reporting periods beginning on or after 1 January 2018. Analysis of the effect of the standard on the consolidated financial reports is in progress. The new rules on impairments, based on expected credit losses as opposed to previously sustained credit losses are expected to increase provisions for credit losses (loss allowances). A preliminary evaluation shows that the estimated impact on Carnegie's common equity Tier 1 capital, conservatively estimated with regard to PD and LGD, is limited and provides a sound margin to the financial stability targets set by the Group. The new rules on classification and measurement are not expected to have material effect on the financial reports and hedge accounting will have no effect, as Carnegie does not at present apply hedge accounting.

IFRS 15, Revenue from Contracts with Customers supersedes current standards and interpretations on revenue recognition but does not apply to financial instruments, leases or insurance contracts. A five-step model is introduced to determine how and when revenue must be recognised. New disclosure requirements are introduced to provide more useful information to users of financial statements about the entity's revenues. *IFRS 15* has been endorsed by the EU and takes effect on 1 January 2018. No material effect on the consolidated financial statements is expected.

IFRS 16, Leases will supersede *IAS 17 Leases* and the associated interpretations *IFRIC 4*, *SIC-15* and *SIC-27*. The standard requires all assets and liabilities attributable to leases, with a few exceptions, to be reported on the balance sheet. Accounting is based on the perspective that the lessee has a right to use an asset during a specific timer period and a concurrent obligation to pay for that right. Accounting for the lessor will remain unchanged in all material respects. The standard is applicable to reporting periods that begin on or after 1 January 2019. Early application is permitted. The EU has not yet adopted the standard. The Group has not yet assessed the effects of *IFRS 16*.

No other IFRSs or interpretations that have not yet become effective are expected to have any material impact on the Group.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidation principles

Subsidiaries

The consolidated financial statements include the parent company and all companies over which the parent company directly or indirectly exercises a controlling influence. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Controlling influence is assumed to exist when the ownership share amounts to at least 50 percent of the voting rights in the subsidiary but may also be achieved if a controlling influence is exercised in some other manner than share ownership. Subsidiaries are included in the consolidated financial statements as of the date on which the controlling influence is attained and are eliminated as of the date on which the controlling influence ceases.

All internal transactions between subsidiaries, as well as intragroup unsettled balances, are eliminated in the consolidated financial statements. When necessary, the accounting principles of subsidiaries are modified in order to achieve greater agreement with Group accounting principles. The equity portion of untaxed reserves is recognised in equity as retained earnings.

Subsidiaries are recognised according to the purchase method. This means that identifiable acquired assets, liabilities and contingent liabilities are measured at fair value on the acquisition date. The surplus, comprising the difference between the cost of the acquired shares and the sum of the fair value of the identifiable acquired net assets, is recognised as goodwill. If the cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in profit and loss. The cost of a subsidiary corresponds to the sum of the fair value of purchased assets, accrued or assumed liabilities and the equity instruments that the purchaser has issued in exchange for the controlling influence in the subsidiaries. Minority owners' interests in the acquired company are initially calculated as the minority share of the net fair value of the recognised assets, liabilities and contingent liabilities.

Associates

Associates are entities over which the Group has significant but not controlling influence, which refers to power to participate in the financial and operating policy decisions, usually through holdings of between 20 and 50 percent of voting power. As of the date significant influence is obtained, investments in associates are recognised in the consolidated accounts using the equity method of accounting. Under the equity method, the carrying amount of shares in associates corresponds to the Group's share in equity, consolidated goodwill and any other remaining value in consolidated surpluses and deficits. The Group's share of associates' profit or loss is recognised in the consolidated statement of comprehensive income, adjusted for any depreciation, impairments and reversals of acquired surplus or deficit values. This portion of profit or loss constitutes the main change in the carrying amount of investments in associates recognised as an asset in the balance sheet. Information about Carnegie's associated company is provided in Note 15.

Foreign currency

The accounts of subsidiaries and branches are stated in their functional currencies, which in Carnegie's case is the same as local currency, meaning the currency used in the primary economic environment in which the subsidiary or branch operates.

Transactions in foreign currency are translated at average rates. Monetary assets and liabilities in foreign currency (such as accounts receivable and accounts payable) are translated at the closing date rate, and the exchange rate differences thus arising are recognised in profit and loss. Exchange rate differences recognised in profit and loss are included in the item "Net profit/loss from financial transactions at fair value."

In preparing the consolidated accounts, the balance sheets of foreign subsidiaries and branches are translated to SEK at the closing date rate, while the income statements are translated based on the average rate for the period. The translation differences thus arising are recognised in "Other comprehensive income" and become a component of equity.

Revenue recognition

Revenue is recognised in profit and loss when it is probable that future economic benefits will be received and these benefits can be calculated in a reliable manner. Revenue is normally recognised during the period in which the service was performed. Performance-based fees and commissions are recognised when the income can be calculated reliably.

Commission income from banking operations includes brokerage fees, management income from discretionary asset management and fund management and advisory income.

In the consolidated financial statements, fees relating to advisory services are recognised as commission income. These fees are attributable to advisory services within Private Banking and Investment Banking. These services are recognised in profit and loss when the services have been performed and when it is probable that the future economic benefits will accrue to the company and the benefits can be calculated reliably. Interest income is recognised over the maturity period according to the effective rate method.

The net profit or loss from financial transactions consists of realised and unrealised changes in the value of financial instruments based on the fair value of shares, participations, bonds, derivatives and other securities. The net amount also includes share dividends and exchange rate changes. The principles for income recognition for financial instruments are also described below under the heading "Financial assets and liabilities." Dividend income is recognised when the right to receive payment is established.

Expense recognition

Operating and administrative expenses, employee benefits, other personnel expenses and borrowing costs are recognised in the period to which they relate.

Remuneration to employees

Remuneration to employees in the form of salaries, paid holidays, paid absence due to illness, other current remuneration and similar items, as well as pensions, are recognised at the rate they are earned. Any other post-employment remuneration is classified and recognised in the same manner as pension commitments.

Variable remuneration

The Group reports any expense for variable remuneration as personnel expenses, which are recognised as an accrued expense until remuneration is paid. The expense is recognised at the rate it is accrued, meaning when it is linked to a contract or when there is an established practice that creates a constructive obligation.

Guaranteed variable remuneration is recognised as an expense over the period of service, i.e., as it is earned. In accordance with EU rules, guaranteed variable remuneration (sign-on bonus) is paid only in connection with new recruiting and the service period is limited to one year.

Remuneration principles for the Group are described in the Corporate governance section, pages 30–32.

Severance pay

Severance pay is paid when employment is involuntarily terminated prior to reaching retirement age or when an employee voluntarily resigns in exchange for severance pay. The Group reports a cost for a severance payment when the company is demonstrably committed, without realistic possibility of withdrawal, by a formal detailed plan to terminate employment before the normal time. When compensation is offered to encourage voluntary termination, a cost is recognised if it is likely that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated. Benefits falling due for payment more than 12 months after the closing date are discounted to the present value if they are significant. Pay during the notice period is recognised as an expense during that period if the employee continues working through the notice period, but are immediately expensed if the employee is relieved of duty during the notice period.

Pension commitments

A defined contribution plan is a pension plan according to which a company pays fixed fees to a separate legal entity. Thereafter, the company has no legal or constructive obligations to pay additional fees related to the employee's pension entitlement.

A defined benefit plan is a pension plan that guarantees the employee a certain amount as a pension upon retirement, usually based on several different factors, including final salary and term of service. The Group only has defined contribution pension plans. Costs for defined contribution pension plans are recognised in profit and loss at the rate benefits are earned, which normally coincides with the date on which pension premiums are paid. Costs for special employer's contribution (in Sweden) are recognised as an expense at the rate at which retirement benefit expenses arise.

Recognition of endowment insurance

Certain individual pension commitments are guaranteed through what is called company-owned endowment insurance. Because Carnegie does not have any additional commitments to cover any declines in endowment insurance or to pay any amount above the paid premium, Carnegie considers these pension plans as defined contribution plans. Accordingly, the premium payments correspond to final settlement of the commitment to the employee. In accordance with IAS 19 and the rules for defined contribution pension plans, Carnegie therefore recognises neither assets nor liabilities with the exception of the special employer's contribution related to these endowment insurance policies.

Leasing

Financial leasing contracts are contracts according to which the economic benefits and risks associated with ownership of the leased object are transferred in all significant respects from the leaser to the lessee. Leasing contracts that are not financial are classified as operational. At present, Carnegie only has operational leasing contracts.

Leasing fees paid for operational leasing contracts are expensed straight-line over the leasing period. Variable fees are recognised as expenses in the period in which they arise. In cases where the Group receives benefits (such as rent rebates) upon entering an operational leasing contract, such benefits are initially recognised as a liability and thereafter as a reduction in leasing fees straight-line over the leasing period, unless some other systematic method better reflects the benefit to the Group over time.

Current and deferred income tax

Tax expense/income for the period is the sum of current and deferred tax. Taxes are recognised in profit and loss except when the tax refers to items reported in 'Other comprehensive income' or is charged directly against equity. In such cases, the tax is also reported in 'Other comprehensive income' or, respectively, equity. Current tax is the tax that is calculated on taxable profit for a reporting period. Taxable profit for the year differs in comparison with recognised profit before tax, since taxable profit is adjusted for non-deductible expenses and non-taxable income and other adjustments, such as a result of double-taxation agreements with other countries. The Group's current tax liability is calculated according to the tax rates established or in practice approved (announced) in each country on the closing date.

Deferred tax is reported according to the balance sheet method, by which deferred tax liabilities are recognised in the balance sheet for all taxable timing differences based on differences between carrying amounts and values for taxation of all assets and liabilities. Deferred tax assets are included on the balance sheet for tax-deductible loss carryforwards and tax-deductible timing differences to the extent that it is probable that these amounts may be used against future taxable surplus amounts. The carrying amount of deferred tax assets is assessed at each closing date and reduced to the extent that it is not probable that there will be sufficient taxable surpluses available in the future which can be used against tax-deductible loss carryforwards and/or tax-deductible timing differences. Deferred tax is recognised based on the tax rates expected to apply for the period in which the debt is settled or the asset recovered.

Tax assets and tax liabilities are accounted in net amounts in the balance sheet where there is a legal right to offset them and when the intention is either to receive or pay a net amount or to receive payment for the claim and pay the liability at the same time.

Non-current assets (or disposal groups) held for sale and discontinued operations

Assets and liabilities attributable to operations that are committed for sale are recognised in the balance sheet separately from other assets and liabilities. Non-current assets (or disposal groups) are classified as held for sale as of the date a decision is taken that its carrying amount will be recovered principally through a sale transaction and a sale is considered highly probably. They are measured at the lower of their carrying amounts and their fair value less costs to sell, except for deferred tax assets, assets arising from employee benefits and financial assets that are exempt from this measurement requirement.

Non-current assets, including such included in a disposal group, are not depreciated as long as they are classified as held for sale.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate line of business or geographical area of operations. Gains or losses from discontinued operations are presented separately in the income statements for the current financial year and the comparison year.

Financial assets and liabilities

Financial assets reported on the balance sheet include cash and cash equivalents, accounts receivable, shares and other equity instruments, loan and bond receivables and derivatives. Liabilities include accounts payable, issued debt instruments, loan obligations, derivative instruments and short positions in various forms of spot instruments.

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the instrument's contractual terms. A liability is included when the counterparty has performed a service and there is a contractual payment obligation, even if an invoice has not yet been received. A financial asset is eliminated from the balance sheet when the contractual rights have been realised or have expired or when the company loses control over them. The same applies for a portion of a financial asset. A financial liability is eliminated from the balance sheet when the contractual obligation is fulfilled or otherwise expires. The same applies to a portion of a financial liability.

Transaction date accounting is applied to derivative instruments, as well as the sale and purchase of money and capital market instruments on the spot market.

The classification of financial assets and liabilities depends on the intention with the acquisition of the financial item. The categories within IAS 39 applied by Carnegie are as follows:

- Financial assets measured at fair value through profit or loss
- Investments held to maturity
- Loan receivables and accounts receivable
- Financial liabilities measured at fair value through profit or loss
- Other financial liabilities

Financial assets are initially measured at fair value plus transaction costs, which applies to all financial assets not measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are initially recognised at fair value, while attributable transaction costs are recognised in profit or loss.

Financial assets held to maturity are measured at amortised cost using the effective rate method.

Financial assets and financial liabilities held for trading are measured after acquisition date at fair value in the balance sheet, while changes in value are recognised in profit and loss. If market prices in an established marketplace are available, they are used for measurement. When there is no active market or when quoted prices are temporarily unavailable, Carnegie determines the fair value using various measurement techniques. These methods include Black-Scholes-based models. A number of parameters are included in these models, such as assumptions about volatility, interest rates and dividends, which are obtained from observable market data to the greatest extent possible. Changing the assumptions with regard to these parameters may affect the recognised value of the financial instrument. The assumptions used are in accordance with the instructions defined by the Capital, Risk and Credit Committee (CRC). The measurement methods are primarily used to value derivative instruments. Measurements of derivative instruments are regularly validated by the internal risk control function and quarterly by an external independent party.

The above models are applied consistently from one period to the next to ensure comparability and continuity in measurements over time.

Each new measurement model is approved by Group Risk Management and all models are reviewed regularly.

For financial instruments measured at amortised cost where fair value deviates from the carrying amount, information regarding the fair value is provided in a note.

Cash and bank deposits with central banks

Cash and balances with central banks are categorised as loans and accounts receivable and measured at amortised cost.

Loans to credit institutions

Lending to credit institutions consists of loan receivables that are payable on demand and which are not listed on an active market, as well the Group's invested surplus liquidity. These are categorised as loan receivables and accounts receivable and are measured, after the date of acquisition, at amortised cost using the effective rate method. Provisions are allocated for probable credit losses after individual assessment. Provisions are made where the likelihood of default is significant and where pledges, obligations or other guarantees are not estimated to cover the claim amount.

The principle for what is classified as an actual credit loss is that they are losses established through bankruptcy procedures or composition agreements. A decline in value attributable to a debtor's payment capacity is recognised under "Net credit losses."

Loans to the general public

Lending to the public consists of loan receivables that are payable on demand and which are not listed on an active market. These are categorised as loan receivables and accounts receivable and are measured, after the date of acquisition, at amortised cost using the effective rate method. Loans extended by Carnegie are virtually exclusively linked to securities financing.

The bank does not provide corporate financing and does not extend consumer loans. Carnegie's client base is well-diversified and consists largely of private individuals and small/medium-sized enterprises, and the risk of credit losses is linked to each client's collateral, which normally consists of market-listed securities. This means that counterparty classes have the same credit characteristics and Carnegie thus does not perform impairment testing on a group basis. Following individual assessment, provisions are made for probable credit losses where the likelihood of default is significant and where pledges, obligations or other guarantees are not estimated to cover the claim amount.

The principle for what is classed as an actual credit loss is that they are losses established through bankruptcy procedures or composition agreements. A decline in value attributable to a debtor's payment capacity is recognised under "Net credit losses."

Bonds and other interest-bearing securities

Bonds and other interest-bearing securities consist of chargeable government bonds, municipal bonds, housing bonds and other interest-bearing instruments. These are categorised differently depending on the purpose of the holding. Holdings held to maturity are measured at amortised cost using the effective rate method. Financial instruments held for trading are measured at fair value, with changes in fair value recognised in profit and loss under "Net profit/loss from financial transactions."

Shares and participating interests

Shares and participations consist mainly of shareholdings intended for trade and are measured at fair value. Changes in fair value for shares and participations are recognised in profit and loss under 'Net profit/loss from financial items at fair value'.

Derivative instruments

All derivative instruments are classified as assets held for trading. Derivative instruments are measured at fair value. Changes in fair value are recognised in profit and loss as "Net profit/loss from financial transactions at fair value." In cases where the fair value is positive, it is recognised as an asset. In cases where the fair value is negative, the derivative instrument is recognised as a liability.

Liabilities to credit institutions

Liabilities to credit institutions consist mainly of short-term borrowing. They are categorised as "Other financial liabilities" and measured at amortised cost using the effective rate method.

Deposits and borrowing from the general public

Deposits and borrowing from the general public consist primarily of short-term borrowing from the public. These liabilities are categorised as "Other financial liabilities" and measured at amortised cost using the effective rate method.

Lending of securities and short equity positions

The securities that Carnegie lends remain on the balance sheet. Borrowed securities are not included as assets in the balance sheet. In cases in which a borrowed security is sold in a process known as short-selling, a liability is recognised corresponding to the divested security's fair value. Received collateral in the form of cash is recognised under "Liabilities to credit institutions" or "Deposits and borrowing from the general public," depending on the counterparty. Pledged collateral in the form of cash is included on the balance sheet under "Loans to credit institutions" or "Loans to the general public," depending on the counterparty.

Intangible assets

Intangible assets consist of goodwill, client relationships, distribution agreements, acquired IT systems and capitalised expenses for the development of IT systems.

Goodwill

Goodwill is initially recognised as an asset measured at cost and is thereafter carried at cost less any accumulated impairment. Gains or losses arising from the divestment of an operation include the remaining carrying amount of goodwill attributable to the divested unit. Goodwill has an indefinite useful life. Goodwill is distributed among cash-generating units within the Group that are expected to benefit from the synergy effects arising in conjunction with the acquisition.

Cash-generating units to which goodwill is distributed are tested annually or more frequently when there are indications that an impairment requirement may exist. Impairment arises when the carrying amount exceeds the recoverable amount.

The recoverable amount corresponds to the higher of value in use and fair value less costs to sell. If the cash-generating unit's recoverable amount is lower than the carrying amount, the impairment is first distributed to reduce the carrying amount of any goodwill attributed to the unit and thereafter to the unit's other assets, prorated based on the carrying amount of each asset in the unit. An impairment of goodwill may not be reversed in a later period.

Client relationships

Contractual client relationships acquired in a business combination are recognised at fair value as of the acquisition date. Contractual client relationships have a determinable useful life and are carried at cost less accumulated amortisation. The duration of client relationships has been estimated at 20 years. Client relationships are subject to impairment testing at least annually or when there is indication of decline in value.

Distribution agreements

Distribution agreements acquired in a business combination are recognised at fair value at the acquisition date. Distribution agreements with a determinable useful life are amortised over eight years, which corresponds to the expected term of the contract. Distribution agreements with an indefinite useful life are not regularly amortised, but are subject to annual impairment testing.

Capitalised expenditure for software development

An internally developed intangible asset, meaning development expenses, is recognised as an asset only if the following conditions are satisfied:

- The asset is identifiable
- It is probable that the asset will provide economic benefits
- The entity has adequate resources and intends to complete the asset
- It is technically feasible to complete the asset
- The entity has the ability to use the asset
- The cost of the asset can be measured reliably

Internally developed intangible assets are initially recognised as the sum of expenses that arise as of the first date on which the intangible asset satisfies the above criteria up until the date on which the asset can be used. Internally developed intangible assets are amortised straight-line over their estimated useful life, which is three to five years and are tested for impairment need when an indication of impairment exists.

Tangible fixed assets

Tangible fixed assets are recognised at cost less accumulated depreciation and any impairment losses. Tangible fixed assets consist of capitalised refurbishment costs, computer equipment and other equipment.

Depreciation according to plan is based on the cost and estimated useful life of the asset. Capitalised refurbishment costs are depreciated according to plan over ten to twenty years. Computer equipment and other equipment are depreciated according to plan over three to five years. The gain or loss that arises from divestment or scrapping of tangible fixed assets is recognised in profit and loss.

Impairment of intangible assets and tangible fixed assets with determinable useful lives

An impairment loss is recognised when the carrying amount of an intangible asset or a tangible fixed asset exceeds its recoverable amount. The carrying amounts for fixed assets are established on each closing date to determine whether impairment is required. If there is such an indication, the asset's recoverable amount is estimated. The recoverable amount is the higher of the value in use and fair value less costs to sell.

In calculating the value in use, future cash flows are discounted at an interest rate before tax that is intended to take into account the market's expectations for a risk-free interest rate associated with the asset in question. For an asset that does not generate cash flows independently of other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs. This means that impairment testing takes place at the smallest identifiable group of assets that generate cash inflows that are largely independent of cash inflows from other assets or groups of assets.

Provisions

Provisions for restructuring costs, legal claims or similar are recognised when there is a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation has been estimated in a reliable manner. The amounts recognised as provisions are the best estimates of the outflows that will be required to settle the existing obligation on the closing date. When the effect of the time value of money is material, the net present value is calculated for future outflows expected to be required to settle the obligation.

A provision for restructuring costs is recognised only when a constructive obligation exists to restructure. A constructive obligation arises only when a detailed, formal restructuring plan exists and an entity has raised a valid expectation that it will be carried out in a time frame that makes changes to the plan unlikely, and the implementation of the plan has commenced or the main features of the plan have been announced.

CRITICAL ASSESSMENT PARAMETERS

In connection with application of Group accounting principles, estimates and assumptions about the future are required that affect the amounts presented in the financial reports. The estimations, which are based on judgements and assumptions that management has deemed fair, are regularly re-examined. Significant assumptions and judgements concern the following areas.

Measurement of financial assets and liabilities

Financial assets and liabilities in the trading portfolio are measured at fair value in the balance sheet, while changes in fair value are recognised in profit and loss. Critical assessment parameters relate to how fair value is determined for of these assets and liabilities.

If market prices are available on an established marketplace, they are used for the measurement. When there is no active market or when quoted prices are temporarily unavailable, fair value is determined using various measurement techniques. These methods include Black-Scholes-based models. A number of parameters are included in these models, such as assumptions about volatility, interest rates and dividends. Changing the assumptions with regard to these parameters may affect the recognised value of the financial instrument. The assumptions used when observable parameters are lacking in the market are in accordance with the instructions defined by Carnegie's Credit and Risk Committee (CRC).

The measurement methods are primarily used to value derivative instruments. The determined theoretical prices are reconciled regularly against quoted market prices. In addition, all derivative instruments are verified quarterly by an independent party. The above models are applied consistently from one period to the next to ensure comparability and continuity in measurements over time.

For more detailed information, refer to the section on Risk, liquidity and capital management and Note 29.

Provisions

Judgements are required to determine whether any legal or constructive obligations exist and to estimate the probability, timing and amount of outflows of resources. Demands originating from civil legal proceedings or government agencies typically involve a greater degree of judgement than other types of provisions.

Recognition of deferred tax assets

Carnegie recognises deferred tax assets attributable to timing differences and tax-deductible deficits. The largest tax deficits are in Sweden and have an unlimited useful life (meaning that there is no expiration date). The ability to utilise deferred tax assets depends on Carnegie's capacity to report taxable profits in the future. Management believes that Carnegie will be able to report taxable profits within the foreseeable future that can be utilised against loss carryforwards in previous years, which justifies recognition of the deferred tax assets. See Note 18 Deferred tax assets/liabilities.

Parent company accounting principles The parent company's annual accounts were prepared in accordance with the Swedish Annual Accounts Act (ARL 1995:1554) and recommendation RFR 2 Accounting of Legal Entities issued by the Swedish Financial Accounting Standards Council and applicable statements. RFR 2 requires the parent to apply all IFRS and interpretations approved by the EU to its annual accounts for the legal entity to the extent possible within the framework of the Annual Accounts Act and with the consideration taken to the relationship between accounting and taxation. Accordingly, the parent applies the same accounting principles as the Group except as specified below.

Financial assets

The parent company's holdings of shares in subsidiaries are recognised according to the historical cost method.

Anticipated dividends

Anticipated dividends from subsidiaries are recognised when the formal decision has been taken in the subsidiary or the parent otherwise has full control over the decision process before the parent company publishes its financial statements.

Group contributions and shareholder contributions

Group contributions received are recognised according to the same principles as an ordinary dividend, that is, as financial income. As a main rule, Group contributions paid are recognised, like shareholder contributions, as an increase in the parent company's investment.

Deferred tax in relation to untaxed reserves

Due to the relationship between accounting and taxation, the parent does not separately report deferred tax liabilities attributable to untaxed reserves. These liabilities are thus recognised as gross amounts in the balance sheet, which also applies to appropriations in the income statement. Any amounts allocated to untaxed reserves consist of timing differences.

Notes

Notes related to the Consolidated statements of comprehensive income exclude Carnegie Fonder AB and operations within third-party distribution of structured products for both 2016 and 2015. Notes related to the Consolidated statements of financial position exclude Carnegie Fonder AB for both 2016 and 2015, while operations within third-party distribution of structured products are excluded for 2016 but are included for 2015. Information about discontinued operations is presented in Note 33.

Note 1 Geographical distribution of income

GROUP	COMMISSION INCOME		INTEREST INCOME		NET PROFIT FROM FINANCIAL TRANSACTIONS		TOTAL	
SEK 000s	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Denmark	221,962	249,393	-638	2,476	7,097	8,532	228,421	260,401
Norway	287,067	214,281	19,962	21,527	2,198	1,741	309,228	237,549
Sweden	1,230,337	1,067,724	53,045	52,677	18,273	-856	1,301,655	1,119,544
Other	375,366	390,384	19,287	19,651	45,403	39,786	440,056	449,822
Eliminations	-48,743	-95,506	-4,823	-1,153	-5,711	3,948	-59,277	-92,711
Total	**2,065,988**	**1,826,276**	**86,833**	**95,178**	**67,261**	**53,150**	**2,220,082**	**1,974,605**

All income in the parent company refers to Sweden.

Note 2 Net commission income

	GROUP	
SEK 000s	**2016**	**2015**
Brokerage fees	1,197,631	1,191,118
Other commission income	900,810	667,357
Marketplace fees	-32,453	-32,199
Total commission income	**2,065,988**	**1,826,276**
Total commission expenses	**-24,810**	**-17,204**
Net commission income	**2,041,178**	**1,809,072**

Note 3 Net interest income

	GROUP		PARENT COMPANY	
SEK 000s	**2016**	**2015**	**2016**	**2015**
Interest income				
Interest income from lending to credit institutions	317	2,167	1	–
Interest income from lending to the general public	86,256	84,961	–	–
Interest income from interest-bearing securities	260	2,157	–	–
Other interest income	–	5,893	–	–
Total interest income[1)]	**86,833**	**95,178**	**1**	**–**
Interest expenses				
Interest expenses related to liabilities to credit institutions	-18,667	-11,682	-215	-1,368
Interest expenses related to deposits/borrowing from the general public	-5,241	-9,618	–	–
Interest expenses related to interest-bearing securities	-7,336	–	–	–
Other interest expenses	-10,850	-27,928	-8,255	-19,549
Total interest expenses	**-42,094**	**-49,228**	**-8,470**	**-20,917**
Net interest income	**44,739**	**45,950**	**-8,469**	**-20,917**
Whereof amounts for balance sheet items not measured at fair value:				
Interest income	86,833	95,178	1	–
Interest expenses	-42,094	-49,228	-8,470	-20,917
Total	**44,739**	**45,950**	**-8,469**	**-20,917**
1) Whereof interest on doubtful receivables	–	–	–	–

Note 4 Profit/loss from participations in subsidiaries

	PARENT COMPANY	
SEK 000s	31 Dec 2016	31 Dec 2015
Dividends received from subsidiaries	–	736,763
Anticipated dividends from subsidiaries	310,000	25,020
Cost of supplementary purchase consideration related to the acquisition of Carnegie Investment Bank AB[1)]	-2,740	-29,630
Total profit from investments in subsidiaries	**307,260**	**732,152**

1) The cost refers to additional purchase consideration paid to the Swedish National Debt Office.

Note 5 Net profit/loss from financial transactions

2016

		UNREALISED CHANGES IN VALUE[1)]					
GROUP, SEK 000s	Realised changes in value	Market price:	Observable market data	Non-observable market data	Other method	Effect of exchange rate changes	Total
Bonds and other interest-bearing securities and attributable derivatives	1,485	1,294	-67	–	–	–	2,712
Shares and participations and attributable derivatives	24,827	-1,115	-3,176	–	–	–	20,536
Other financial instruments and attributable derivatives	24,484	21,541	–	–	–	–	46,025
Exchange-rate changes						-2,013	-2,013
Net profit/loss from financial transactions	**50,797**	**21,720**	**-3,243**	–	–	**-2,013**	**67,261**

2015

		UNREALISED CHANGES IN VALUE[1)]					
GROUP, SEK 000s	Realised changes in value	Market price:	Observable market data	Non-observable market data	Other method	Effect of exchange rate changes	Total
Bonds and other interest-bearing securities and attributable derivatives	1,118	1	-10	–	–	–	1,109
Shares and participations and attributable derivatives	38,775	-11,375	-10,633	–	3,883	–	20,650
Other financial instruments and attributable derivatives	57,058	-18,448	–	–	–	–	38,610
Exchange-rate changes						-7,219	-7,219
Net profit/loss from financial transactions	**96,952**	**-29,822**	**-10,643**	–	**3,883**	**-7,219**	**53,150**

1) Unrealised profits/losses are attributable to financial items measured at fair value.

Fair value is based on the following measurement methods:
Market price: The value is based on a price listed on an exchange or other marketplace.
Observable market data: The value is based on a price that was calculated with a measurement technique using assumptions consisting of observable market data.
Non-observable market data: The value is based on a price that was calculated with a measurement technique using assumptions that could not be based on observable market data.
Other method: The value is based on a price that was established using another method, such as the historical cost or equity method.

Note 6 Personnel expenses

SEK 000s	GROUP 2016	GROUP 2015	PARENT COMPANY 2016	PARENT COMPANY 2015
Salaries and fees	-723,889	-679,398	-4,327	-14,134
Social insurance fees	-149,895	-149,450	-1,283	-5,546
Allocation to variable remuneration[1]	-362,500	-289,292	-2,287	-4,058
Pension expenses for Board of Directors and CEO	-2,334	-3,790	-869	-3,266
Pension expenses for other employees	-117,117	-109,004	–	–
Other personnel expenses	-39,681	-46,685	-30	-567
Total personnel expenses	**-1,395,416**	**-1,277,619**	**-8,797**	**-27,571**

1) Including social insurance fees.

Salaries and fees specified by category

SEK 000s	2016	2015	2016	2015
Salaries and fees to directors, CEO and members of Group management	-45,644	-25,821	-4,327	-14,134
Salary and remuneration to other employees not included in the Board of Directors or Group management	-678,245	-653,577	–	–
Total salaries and fees	**-723,889**	**-679,398**	**-4,327**	**-14,134**

Average number of employees (of whom women)[1]

	2016	2015	2016	2015
Denmark	85 (21)	82 (19)	–	–
Finland	19 (5)	18 (6)	–	–
Luxembourg	44 (10)	45 (10)	–	–
Norway	76 (11)	73 (11)	–	–
UK	35 (14)	35 (15)	–	–
Sweden	335 (107)	330 (113)	1 (–)	1 (–)
USA	11 (3)	10 (2)	–	–
Total	**604 (171)**	**592 (176)**	**1 (–)**	**1 (–)**

1) The average number of employees shown in the table refers to continuing operations.

Remuneration to the Board of Directors

SEK 000s	GROUP 2016	GROUP 2015	PARENT COMPANY 2016	PARENT COMPANY 2015
Bo Magnusson, chairman[1]	800	1,554	600	1,354
Mårten Andersson[2]	135	500	90	350
Ingrid Bojner[3]	303	88	217	63
Fredrik Grevelius[4]	–	63	–	47
Klas Johansson[5]	174	–	131	–
Anders Johnsson[6]	350	–	245	–
Harald Mix[7]	250	250	187	187
Andreas Rosenlew[8]	303	88	217	63
Fredrik Strömholm[9]	75	250	56	187
Erik Törnberg[10]	–	125	–	94
Total	**2,390**	**2,918**	**1,744**	**2,345**

1) Whereof SEK 200 thousand (200) in fees for assignments for Carnegie Investment Bank AB. The figure for 2015 includes additional fees of SEK 333 thousand for the assignment for Carnegie Holding AB.
2) Whereof SEK 45 thousand (150) in fees for assignments for Carnegie Investment Bank AB. The fee for 2016 refers to the period of 1 January–19 April.
3) Whereof SEK 87 thousand (25) in fees for assignments for Carnegie Investment Bank AB. The fee for 2015 refers to the period of 1 October–31 December.
4) The fee for 2015 refers to the period of 1 January–14 April.
5) Whereof SEK 44 thousand (–) in fees for assignments for Carnegie Investment Bank AB. The fee for 2016 refers to the period of 20 April–31 December.
6) Whereof SEK 105 thousand (–) in fees for assignments for Carnegie Investment Bank AB. The fee for 2016 refers to the period of 20 April–31 December.
7) Whereof SEK 63 thousand (63) in fees for assignments for Carnegie Investment Bank AB.
8) Whereof SEK 87 thousand (25) in fees for assignments for Carnegie Investment Bank AB. The fee for 2015 refers to the period of 1 October–31 December.
9) Whereof SEK 19 thousand (63) in fees for assignments for Carnegie Investment Bank AB. The fee for 2016 refers to the period of 1 January–19 April.
10) The fee for 2015 refers to the period of 14 April–29 September.

Remuneration to the CEO and other senior executives

2016

SEK 000s	Gross salary and benefits	Variable remuneration[1]	Pensions and comparable benefits	Severance pay
CEO Björn Jansson[2]	8,034	7,609	2,334	–
Other senior executives[3]	35,220	17,333	4,932	–

1) Variable remuneration includes guaranteed variable remuneration upon new recruitment.
2) During the first half of 2016, Björn Jansson was employed by and paid salary and benefits by Carnegie Holding AB. Thereafter, his employment contract was transferred to Carnegie Investment Bank AB. Information concerning remuneration refers to the full year of 2016; paid by Carnegie Holding AB for January–June and paid by Carnegie Investment Bank AB for July–December.
3) Other senior executives have received salary and benefits from Carnegie Investment Bank AB or its subsidiaries. Amounts relate to the period they held positions as other senior executives. The group includes ten individuals: Annika Agri Larsson, Anders Antas, Christian Begby, Claus Gregersen, Henric Falkenberg, Fredrik Leetmaa, Helena Nelson, Jonas Predikaka, Henrik Rättzén and Ulf Vucetic. All senior executives were members of executive management for the entire year except Jonas Predikaka, whose appointment began on 1 June.

Note 6 Personnel expenses, cont.

Remuneration to the CEO and other senior executives

2015 Parent company, SEK 000s	Gross salary and benefits	Variable remuneration[1)]	Pensions and comparable benefits	Severance pay
CEO Björn Jansson[2)]	1,352	1,108	303	–
Former CEO Thomas Eriksson [3)]	10,055	1,980	2,772	2,640
Carnegie Bank - Group[4)]				
Other senior executives [5]	15,408	8,505	3,017	–

1) Variable remuneration includes guaranteed variable remuneration upon new recruitment.
2) Björn Jansson took over as CEO on 30 September 2015. He is employed by and receives salary and benefits from the parent company Carnegie Holding AB. The remuneration refers to the period of 30 September–31 December 2015.
3) Thomas Eriksson stepped down as CEO on 30 September 2015. He was employed by and received salary and benefits from the parent company Carnegie Holding AB. Salary, benefits and pensions and comparable benefits cover Mr Eriksson's tenure as CEO and the period of notice of 1 October 2015–30 September 2016.
4) Other senior executives have received salary and benefits from Carnegie Investment Bank AB or its subsidiaries.
5) Amounts relate to the period they held positions as other senior executives. The group includes nine individuals who are current senior executives and one resigning senior executive. Current: Annika Agri Larsson (14 September–31 December), Anders Antas (1 January–31 December), Christian Begby (1 November–31 December), Claus Gregersen (1 November–31 December), Henric Falkenberg (1 November–31 December), Fredrik Leetmaa (1 January–31 December), Helena Nelson (1 January–31 December), Henrik Rättzén (1 January–31 December) and Ulf Vucetic (1 November–31 December). Resigning: Björn Jansson (1 January–29 September).

Gender distribution
The current Board of Directors consists of 17% (17) women and 83% (83) men. The current management group consists of 18% (20) women and 82% (80) men.

Remuneration
Principles for remuneration to the CEO are prepared by the Remuneration Committee and decided by the Board of Directors. The Remuneration Committee also establishes principles and general policy for salaries, benefits and pensions for senior executives in the Group prior to decision by the Board.

Notice period and severance pay
There are no agreements on severance pay for non-executive directors. The notice period for the CEO is twelve months, whether the CEO resigns or is terminated by Carnegie. In the event of immediate termination by Carnegie, the CEO receives severance pay equal to six months' pay in addition to his salary during the period of notice. Other senior executives at Carnegie have notice periods that vary between three and eighteen months.

Pensions
Carnegie makes salary-based provisions for pension insurance (payments are based on total salary excluding any allocation of profit sharing) in accordance with customary rules in each country. These provisions amounted to 15 percent (16) in relation to total salary costs in the Group. All of Carnegie's pension commitments consist of defined contribution pension plans with external insurance companies. Carnegie has no outstanding pension commitments and makes no pension provisions for non-executive directors. The CEO is entitled to retire at 65, and the company also has the right to require retirement. Other senior executives are covered by the terms prevailing in each country and may retire at the age of 65-67. Reaching retirement age does not entail any further costs for Carnegie.

Endowment insurance
Individual pension commitments that are fully guaranteed through company-owned endowment insurance and for which Carnegie has no further obligations in addition to the premiums already paid are treated according to the rules for defined contribution plans. However, Carnegie has an obligation, recognised in the balance sheet, concerning future payroll tax on these pension commitments, which varies with changes in thee market value of the endowment insurance policies. The total market value amounts to: in the Group, SEK 411,024 thousand (408,394), and in the parent company SEK 8,326 thousand (7,679). Premiums paid during the year amounted to SEK 4,890 thousand (2,338) in the Group, whereof SEK 1,247 thousand (1,234) in the parent company.

Report on remuneration expensed by the Carnegie Holding Group in 2016 pursuant to the Capital Requirements Regulation for Credit Institutions and Investments Firms and Regulation FFFS 2014:12 from the Swedish Financial Supervisory Authority. The table excludes discontinued operations.

Remuneration expensed in 2016	TOTAL REMUNERATION TO EMPLOYEES IN THE GROUP			
SEK 000s	Total remuneration excluding variable component[1)]	Total number of employees	Variable remuneration[1)]	Number of recipients of variable remuneration
Total remuneration to employees in the Group	817,108	709	288,095	446

	SPECIFICATION OF REMUNERATION BY CATEGORIES			
	Defined identified staff[2)]			
SEK 000s	Executive management	Other employees identified to the category	Other employees	Total
Fixed remuneration[1)]	97,419	146,828	572,861	817,108
Number of employees	28	86	595	709
Variable remuneration[1)]	52,952	42,343	192,800	290,095
Number of employees	24	76	346	446
Whereof:				
Cash-based variable remuneration	52,952	42,343	192,800	288,095
Share-based variable remuneration	–	–	–	–
Deferred remuneration[3)]	31,676	16,534	–	48,210
Committed and paid remuneration[4)]	118,695	172,637	765,661	1,056,993
Severance pay (paid out)[5)]	1,500	5,738	14,257	21,495
Number of employees	1	8	12	21
Committed severance pay (not yet paid)	1,500	8,298	13,219	23,017
Number of employees	1	10	25	36
Highest individual severance pay (not yet paid)		1,810		1,810

1) Variable remuneration is defined as remuneration whose amount or size is not predetermined. All other remuneration is reported as fixed remuneration and comprises salary, pension provisions, severance pay and benefits such as car benefits in accordance with FFFS 2011:1 and FFFS 2014:22. Reported amounts do not include social insurance fees.
2) Employees whose tasks have material impact on the Group's risk profile.
3) The portion subject to deferral ranges between 40–60% and the period of deferral ranges from three to five years depending on the amount of variable remuneration awarded and the responsibilities and risk mandates of the identified staff in question.
4) Committed variable remuneration arising from 2016 that was paid during 2017 has been included.
5) Amounts also include guaranteed variable remuneration, which occurs only in connection with recruiting of new staff.

Severance pay is agreed upon and paid out when employment is involuntarily terminated prior to reaching retirement age or when an employee voluntarily resigns in exchange for severance pay. Severance payments in 2016 are related to cost savings.

Note 7 Other administrative expenses

SEK 000s	GROUP 2016	GROUP 2015	PARENT COMPANY 2016	PARENT COMPANY 2015
Other administrative expenses include the following amounts paid to elected auditors:				
Statutory auditing				
PwC	-4,913	-5,234	99	-663
Regen, Benz & MacKenzie	-428	-422	–	–
Total statutory auditing	**-5,341**	**-5,656**	**99**	**-633**
Other auditing				
PwC	-552	-683	–	-185
Regen, Benz & MacKenzie	–	–	–	–
Total other auditing	**-552**	**-683**		**-185**
Tax advice				
PwC	-356	-1,808	–	-1,148
Regen, Benz & MacKenzie	–	–	–	–
Total tax advice	**-356**	**-1,808**		**-1,148**
Other consultant assignments				
PwC	-669	-3,749	–	-360
Regen, Benz & MacKenzie	-137	-122	–	–
Total other consultancy assignments	**-806**	**-3,871**	–	**-360**

The statutory audit is an audit of annual financial statements and accounting, the management of the company by the Board of Directors and CEO, other tasks required of the company's auditors and providing advice or other assistance as a result of observations during the audit or the implementation of such other tasks. Other auditing includes reviews of interim reports, government reporting and services related to the provision of certifications and opinions. Tax advice includes general services for foreign residents and other taxation issues. Other consultancy assignments include for example advice on accounting issues, services in connection with corporate acquisitions/business transformation, operational efficiency and assessment of internal controls.

Note 8 Depreciation of tangible fixed assets and amortisation of intangible assets

SEK 000s	GROUP 2016	GROUP 2015
Computer equipment and other equipment	-8,102	-8,645
Renovations	-13,759	-7,604
Recognised negative goodwill/adjustment of acquisition analysis	-2,740	-4,610
Impairment of goodwill (see Note 16)	–	-828
Other intangible assets	-3,467	-833
Total depreciation and amortisation of tangible fixed assets and intangible assets	**-28,068**	**-22,520**

Note 9 Net credit losses and provisions for doubtful receivables

SEK 000s	GROUP 2016	GROUP 2015
Provisions for doubtful receivables on the opening date	-229,695	-244,610
Effect on income of individually evaluated credits recognised in profit and loss (minus is increased provision):		
Reversals of previous provisions	25,546	4,353
Provisions for the year	–	–
Total net credit losses	**25,546**	**4,353**
Translation differences	465	-381
Total items affecting income	**26,012**	**3,972**
Previously reported as doubtful receivable, now eliminated as actual	15,617	4
Previously eliminated as actual, now reversed and recognised as income	-11,472	–
Translation differences	-10,771	10,938
Provisions for doubtful receivables on the closing date	**-210,308**	**-229,695**

The majority of credit losses originate from provisions made mainly in 2008 and 2009.

Note 10 Taxes

	GROUP		PARENT COMPANY	
SEK 000s	**2016**	**2015**	**2016**	**2015**
Current tax expense				
Tax expense for the year	-36,338	-23,486	–	–
Adjustment of tax attributable to previous years	127	4	–	–
Total current tax expense	**-36,211**	**-23,483**	**–**	**–**
Deferred tax expense (-) tax income (+)				
Deferred tax related to timing differences	14,691	530	142	489
Tax effect of changed tax rate	-196	–	–	–
Deferred tax in the tax value of loss carryforwards capitalised during the year	1,706	-4,807	–	–
Deferred tax expense in the tax value of loss carryforwards utilised during the year	-54,847	-52,948	–	–
Effect on deferred tax expense of discontinued operations	-1,081	-7,227	–	–
Total deferred tax expense/income	**-39,726**	**-64,452**	**142**	**489**
Total recognised tax expense/income	**-75,937**	**-87,935**	**142**	**489**

Reconciliation of effective tax	2016		2015	
Group, SEK 000s	**Tax rate, %**	**Amount**	**Tax rate, %**	**Amount**
Profit before tax		341,985		194,045
Tax according to prevailing tax rate for the parent company	22.0	-75,237	22.0	-42,690
Tax effects in respect of:				
Other tax rates for foreign companies	1.2	-4,123	3.4	-6,642
Non-deductible expenses	1.8	-6,220	42.6	-82,567
Non-taxable income	-1.6	5,336	-38.0	73,776
Increase in loss carryforwards without corresponding capitalisation of deferred tax	0.7	-2,545	22.6	-43,814
Utilisation of non-capitalised loss carryforwards	-2.3	7,875	-2.7	5,206
Capitalisation of loss carryforwards in previous years	0.0	9	2.5	-4,807
Revaluation of deferred tax	1.1	-3,821	-7.2	13,999
Tax attributable to previous years	0.0	127	0.0	4
Adjustment of taxable profit	-0.8	2,661	0.2	-400
Recognised effective tax [1)]	**22.2**	**-75,937**	**45.3**	**-87,935**

Reconciliation of effective tax	2016		2015	
Parent company, SEK 000s	**Tax rate, %**	**Amount**	**Tax rate, %**	**Amount**
Profit before tax		293,794		677,230
Tax according to prevailing tax rate for the parent company	22.0	-64,635	22.0	-148,991
Tax effects in respect of:				
Non-deductible expenses	0.3	-1,022	1.4	-9,245
Non-taxable income	-23.2	68,202	-27.7	167,594
Increase in loss carryforwards without corresponding capitalisation of deferred tax	0.9	-2,545	1.4	-9,358
Revaluation of deferred tax	0.0	142	-0.1	489
Recognised effective tax	**0.0**	**142**	**-0.1**	**489**

1) The weighted average tax rate for the Group is 23.5 percent (26.2).

Note 11 Maturity information

GROUP, 31 DEC 2016, SEK 000s	Upon demand	<3 months	>3 months but <1 year	>1 but less than 2 years	>2 but less than 5 years	> 5 years	Interest effect	N/A	Total
Negotiable government securities	72,173	415,057	36,215	–	–	–	–	–	523,445
Loans to credit institutions	2,783,790	–	–	46,028	–	–	–	–	2,829,818
Loans to the general public	2,484,553	341,621	74,985	–	–	–	–	–	2,901,160
Bonds and other interest-bearing securities	–	661,059	1,306,355	33,966	11,490	63,249	–	4,349	2,080,469
Total financial assets	**5,340,516**	**1,417,737**	**1,417,555**	**79,995**	**11,490**	**63,249**	**–**	**4,349**	**8,334,892**
Liabilities to credit institutions	16,743	11,018	–	–	–	–	–	–	27,761
Deposits and borrowing from the general public	7,823,960	48,944	–	–	–	–	–	–	7,872,904
Total financial liabilities	**7,840,703**	**59,962**	**–**	**–**	**–**	**–**	**–**	**–**	**7,900,665**

GROUP, 31 DEC 2015, SEK 000s	Upon demand	<3 months	>3 months but <1 year	>1 but less than 2 years	>2 but less than 5 years	> 5 years	Interest effect	N/A	Total
Negotiable government securities	–	501,164	192,491	–	–	–	–	–	693,655
Loans to credit institutions	2,308,916	94,809	–	–	–	–	–	6,857	2,410,581
Loans to the general public	3,013,815	440,845	84,987	–	–	–	–	–	3,539,647
Bonds and other interest-bearing securities	–	–	1,005,215	893,735	–	–	392	–	1,899,342
Total financial assets	**5,322,731**	**1,036,818**	**1,282,693**	**893,735**	**–**	**–**	**392**	**6,857**	**8,543,226**
Liabilities to credit institutions	2,223	835	–	–	–	–	–	–	3,058
Deposits and borrowing from the general public	8,498,987	152,210	–	–	–	–	–	–	8,651,197
Total financial liabilities	**8,501,210**	**153,046**	**–**	**–**	**–**	**–**	**–**	**–**	**8,654,255**

Note 12 Financial assets and liabilities – valuation methods and disclosures on offsetting

Valuation method 2016[1]	HELD FOR TRADING			INVESTMENTS HELD TO MATURITY	
GROUP, 31 DEC 2016, SEK 000s	Quoted fair value (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using observable inputs (Level 3)		Total
Negotiable government securities	50,609	–	–	472,836	523,445
Bonds and other interest-bearing securities	1,085,162	105,164	–	890,143	2,080,469
Shares and participations	297,951	11,758	–	–	309,709
Derivative instruments	122,013	7,890	–	–	129,903
Total financial assets	**1,555,735**	**124,812**	**–**	**1,362,979**	**3,043,526**
Short positions, shares	144,875	–	–	–	144,875
Derivative instruments	74,829	2,021	–	–	76,850
Total financial liabilities	**219,703**	**2,021**	**–**	**–**	**221,724**

1) For information on measurement methods, see Note 5 Net profit/loss from financial transactions.

There were no significant shifts between Level 1 and Level 2 during the financial year.

Financial assets and liabilities subject to offsetting

GROUP, 31 DEC 2016, SEK 000s	Gross amounts	Offset	Net amounts in balance sheet
Assets			
Trade and client receivables	1,367,832	-1,105,751	262,082
Liabilities			
Trade and client payables	1,228,164	-1,104,166	123,999

The above table presents the financial assets and liabilities that are recognised net in the balance sheet. At the closing date, these financial instruments comprised trade and client receivables and trade and client payables. As the scope of financial assets and liabilities for which gross accounting is applied, but which are subject to legally binding master netting agreements or the like, is marginal, these disclosures have been omitted.

Note 12 Financial assets and liabilities – valuation methods and disclosures on offsetting, cont.

Valuation method 2015[1]	HELD FOR TRADING			INVESTMENTS HELD TO MATURITY	
GROUP, 31 DEC 2015, SEK 000s	Quoted fair value (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using observable inputs (Level 3)		Total
Negotiable government securities	693,655	–	–	–	693,655
Bonds and other interest-bearing securities	1,862,775	36,567	–	–	1,899,342
Shares and participations	231,470	32,500	–	–	263,970
Derivative instruments	74,133	1,014	–	–	75,148
Total financial assets	**2,862,034**	**70,080**	**–**	**–**	**2,932,115**
Short positions, shares	104,327	–	–	–	104,327
Derivative instruments	80,710	2,227	–	–	82,936
Total financial liabilities	**185,036**	**2,227**	**–**	**–**	**187,263**

1) For information on measurement methods, see Note 5 Net profit/loss from financial transactions.

There were no significant shifts between Level 1 and Level 2 during the financial year.

Financial assets and liabilities subject to offsetting

GROUP, 31 DEC 2015, SEK 000s	Gross amounts	Offset	Net amounts in balance sheet
Assets			
Trade and client receivables	1,692,282	-1,484,761	207,521[1]
Liabilities			
Trade and client payables	1,554,804	-1,487,672	67,132[2]

1) Whereof SEK 27,911 thousand pertains to Carnegie Fonder AB.
2) Whereof SEK 29,125 thousand pertains to Carnegie Fonder AB.

The above table presents the financial assets and liabilities that are recognised net in the balance sheet. At the closing date, these financial instruments comprised trade and client receivables and trade and client payables. As the scope of financial assets and liabilities for which gross accounting is applied, but which are subject to legally binding master netting agreements or the like, is marginal, these disclosures have been omitted.

Note 13 Other information on financial assets

	GROUP	
SEK 000s	31 Dec 2016	31 Dec 2015
Bonds and other interest-bearing securities		
Listed	2,080,469	1,899,342
Unlisted	–	–
	2,080,469	**1,899,342**
Swedish government bodies	–	–
Other Swedish issuers	1,636,876	1,154,579
Foreign government bodies	–	–
Other foreign issuers	443,593	744,763
	2,080,469	**1,899,342**
Shares and participating interests		
Listed	303,941	258,267
Unlisted	5,768	5,703
	309,709	**263,970**

Note 14 Shares and participations in Group companies

	PARENT COMPANY	
SEK 000s	**31 Dec 2016**	**31 Dec 2015**
Cost of shares and participations in Group companies, 1 January	2,604,290	2,604,290
Divestment of Carnegie Fonder AB (see Note 33)	-824,206	–
Cost of shares and participations in Group companies, 31 December	**1,780,084**	**2,604,290**

2016	Corporate Reg. No.	Reg. office	No. of shares	Carrying amount 2016	Equity 2016[1]
Carnegie Investment Bank AB (publ)[2]	516406-0138	Stockholm	400,000	1,780,084	1,681,023
Branches of Carnegie Investment Bank AB:					
Carnegie Investment Bank AB, Norway Branch	976928989	Oslo			
Carnegie Investment Bank, filial af Carnegie					
Investment Bank AB (publ), Sweden	35521267	Copenhagen			
Carnegie Investment Bank AB, Finland Branch	1439605-0	Helsinki			
Carnegie Investment Bank AB, UK Branch	3022 (FC 018658)	London			
Subsidiaries of Carnegie Investment Bank AB					
Carnegie, Inc.	13-3392829	Delaware	100		
Carnegie AS[2]	936310974	Oslo	20,000		
Carnegie Ltd	2941368	London	1		
Familjeföretagens Pensionsredovisning i Värmland AB	556636-7776	Karlstad	1,000		
Carnegie Properties AB	556680-5288	Stockholm	1,000		
Carnegie AB	556946-9355	Stockholm	50		
Carnegie Fastigheter AB	556946-9371	Stockholm	50		
Banque Carnegie Luxembourg S.A.[2]	1993-2201863	Luxembourg	349,999		
Subsidiary of Banque Carnegie Luxembourg S.A.					
Carnegie Fund Services S.A.		Luxembourg			
Total				**1,780,084**	**1,681,023**

1) Equity in subsidiaries is recognised less anticipated dividends to the parent company. All of the above shares are unlisted and owned 100%.
2) Entities classified as credit institutions.

Not 15 Shares in associates

			GROUP	
SEK 000s	**Corporate Reg. No.**	**Reg. office**	**2016**	**2015**
Optimized Portfolio Management Stockholm AB	556648-6832	Stockholm	–	9,846

In conjunction with Carnegie's acquisition of HQ Bank in 2010, Carnegie also gained a right to acquire HQ AB's shares in Optimized Portfolio Management Stockholm AB (OPM), which was exercised in 2011. The ownership stake of 50 percent was consolidated during the holding period as an associate because Carnegie did not have controlling influence pursuant to the terms and conditions of the shareholder agreement.

A dividend of SEK 3,500 thousand (3,000) was received from OPM in 2016, which reduced the carrying amount. The recognised share of equity during the year affected consolidated profit in the amount of SEK 107 thousand (3,883). Carnegie sold its stake in OPM in December 2016, resulting in a consolidated capital gain of SEK 8,547 thousand.

Note 16 Intangible assets

SEK 000s	GROUP 31 Dec 2016	31 Dec 2015
Goodwill		
Cost on the opening date	421,823	432,961
Attributable to divested subsidiaries	-421,823	–
Translation differences	–	-3,795
Cost on the closing date	**–**	**429,166**
Amortisation on the opening date	–	-10,345
Translation differences	–	3,831
Amortisation during the year	–	-828
Amortisation on the closing date	**–**	**-7,343**
Carrying amount (including discontinuing operations)	–	421,823
Goodwill attributable to discontinuing operations[1]	–	-421,823
Carrying amount for continuing operations	**–**	**–**

1) Goodwill for 2015 of SEK 421,823 thousand is attributable in its entirety to Carnegie Fonder AB and is included in Assets held for sale.

SEK 000s	GROUP 31 Dec 2016	31 Dec 2015
Other intangible assets[1]		
Cost on the opening date	369,156	359,777
Translation differences	486	-555
Acquisitions during the year	6,034	10,176
Attributable to divested subsidiaries	-325,841	–
Sale/scrapping	-408	-242
Cost on the closing date	**49,427**	**369,156**
Amortisation on the opening date	-131,351	-104,668
Translation differences	-441	371
Sale/scrapping	408	242
Attributable to divested subsidiaries	99,085	–
Amortisation for the year	-3,467	-27,297
Amortisation on the closing date	**-35,766**	**-131,351**
Carrying amount (including discontinuing operations)	13,661	237,805
Less: Discontinued operations[2]	–	-226,757
Carrying amount for continuing operations	**13,661**	**11,049**
Carrying amount of intangible assets, continuing operations	**13,661**	**11,049**

1) Consists of systems developed in-house, client relationships and distribution agreements. At year-end 2016, only systems developed in-house remained. The client relationships and distribution agreements were attributable to Carnegie Fonder, which was divested during the year.

2) Intangible assets for 2015 of SEK 226,757 thousand from discontinued operations comprise client relationships and distribution agreements attributable to Carnegie Fonder AB and are included in Assets held for sale.

Note 17 Tangible fixed assets

SEK 000s	GROUP 31 Dec 2016	31 Dec 2015
Computer equipment and other equipment		
Cost on the opening date	192,170	200,012
Translation differences	7,658	-7,215
Acquisitions during the year	14,038	7,493
Sale/scrapping	-6,539	-8,121
Cost on the closing date	**207,328**	**192,170**
Depreciation on the opening date	-161,469	-166,038
Translation differences	-7,670	6,358
Sale/scrapping	6,260	8,185
Depreciation for the year	-8,102	-9,975
Depreciation on the closing date	**-170,918**	**-161,469**
Carrying amount	**36,348**	**30,702**
Renovation of leased premises		
Cost on the opening date	105,711	100,996
Translation differences	2,147	-1,151
Acquisitions during the year	8,135	5,977
Sale/scrapping	-22,169	-112
Cost on the closing date	**93,825**	**105,711**
Depreciation on the opening date	-70,926	-64,497
Translation differences	-2,358	1,139
Sale/scrapping	16,339	112
Depreciation for the year	-7,929	-7,680
Depreciation on the closing date	**-64,875**	**-70,926**
Carrying amount	**28,950**	**34,785**
Total carrying amount of tangible fixed assets	**65,297**	**65,485**

Note 18 Deferred tax assets/liabilities

	GROUP		PARENT COMPANY	
SEK 000s	**31 Dec 2016**	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
Deferred tax assets				
Pensions	90,137	89,847	1,832	1,689
Capitalised loss carryforwards[1]	259,731	305,935	–	–
Other	33,730	24,604	–	–
Total deferred tax assets	**383,598**	**420,385**	**1,832**	**1,689**
Deferred tax liabilities				
Intangible assets	2,710	2,602	–	–
Other	9,550	9,986	–	–
Total deferred tax liabilities	**12,260**	**12,589**	**–**	**–**

Changes for the year – deferred tax assets	Opening balance	Deferred tax in income statement	Recognised directly against equity, exchange-rate differences, acquisitions and eliminations	Closing balance
GROUP, 2016, SEK 000s				
Pensions	89,847	290	–	90,137
Capitalised loss carryforwards[1]	305,935	-47,717	1,514	259,731
Other	24,604	7,896	1,230	33,730
Total	**420,385**	**-39,531**	**2,744**	**383,598**
Changes for the year – deferred tax liabilities				
GROUP, 2016, SEK 000s				
Intangible assets	2,603	-21	127	2,710
Other	9,986	-866	430	9,550
Total	**12,589**	**-887**	**557**	**12,260**
Changes for the year – deferred tax assets				
PARENT COMPANY, 2016, SEK 000s				
Pensions	1,689	143	–	1,832
Total	**1,689**	**143**	–	**1,832**

1) Capitalised loss carryforwards of the Group: The majority of the opening balance of capitalised loss carryforwards is attributable to Carnegie Investment Bank AB, Sweden, which utilised part of the loss carryforward during the year. At 31 December, the capitalised loss carryforward in Carnegie Investment Bank AB, Sweden, amounted to SEK 245,303 thousand. Total loss carryforwards in the Group at 31 December amounted to SEK 1,444,055 thousand (1,587,790), whereof SEK 135,119 thousand (125,029) is attributable to the parent company.

The basis for capitalised loss carryforwards is the budget for coming years, which shows that Carnegie will post positive earnings.

Note 19 Other assets

	GROUP	
SEK 000s	**2016**	**2015**
Trade and client receivables	262,082	179,610
Accounts receivable, trade	229,836	92,185
Other	87,419	63,912
Total other assets[1]	**579,337**	**335,707**

1) The remaining maturity period is less than one year.

Note 20 Prepaid expenses and accrued income

	GROUP		PARENT COMPANY	
SEK 000s	**31 Dec 2016**	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
Accrued interest	6,263	6,665	–	–
Rent	15,051	17,866	–	–
Fees	4,367	4,253	–	–
Personnel-related	11,018	9,956	–	–
Pensions	–	628	–	224
Accrued income	28,537	25,363	–	–
Other	34,104	34,181	–	–
Total prepaid expenses and accrued income[1]	**99,340**	**98,912**	–	**224**

1) The remaining maturity period is less than one year.

Note 21 Other liabilities

	GROUP	
SEK 000s	31 Dec 2016	31 Dec 2015
Trade and client payables	123,999	38,007
Accounts payable	99,374	101,822
Issue proceeds	113,037	557
Other	107,690	126,038
Total other liabilities[1)]	**444,099**	**266,424**

1) The remaining maturity period is less than one year.

Note 22 Accrued expenses and deferred income

	GROUP		PARENT COMPANY	
SEK 000s	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Accrued interest	11,117	8,803	8,012	7,967
Fees	10,091	6,528	–	–
Personnel-related	559,026	457,647	–	14,086
Pensions	20,172	3,865	–	–
Other	62,668	78,892	651	4,526
Total accrued expenses and prepaid income[1)]	**663,075**	**555,734**	**8,662**	**26,580**

1) The remaining maturity period is less than one year.

Note 23 Other provisions

	GROUP		PARENT COMPANY	
SEK 000s	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Restructuring provisions				
Opening balance	30,523	31,621	–	–
Translation differences	11	–	–	–
Utilised amounts	-7,359	-494	–	–
Reversal, unutilised amounts	-3,000	-604	–	–
Provisions for the year	54,263	–	–	–
Closing balance,restructuring reserve	**74,437**	**30,523**	**–**	**–**
Provisions				**–**
Opening balance	35,284	49,965	1,735	–
Translation differences	-108	39	–	–
Utilised amounts	-3,476	-19,655	–	–
Reversal, unutilised amounts	-16,148	-4,000	209	–
Provisions for the year	–	8,936	–	1,735
Closing balance,provisions	**15,553**	**35,284**	**–**	**1,735**
Total other provisions	**89,990**	**65,807**	**1,944**	**1,735**

Most of the provisions are expected to be utilised during 2017. The increased provision to the restructuring reserve for the year is related to an organisational change in connection with the planned divestment of operations within third-party distribution of structured products.

Note 24 Classification of financial assets and liabilities

GROUP, 31 DEC 2016, SEK 000s	Held for trading	Investments held to maturity	Loan and accounts receivable	Other financial liabilities	Non-financial assets/ liabilities	Total
Cash and bank deposits with central banks			1,244,761			1,244,761
Negotiable government securities	50,609	472,836				523,445
Loans to credit institutions			2,829,818			2,829,818
Loans to the general public			2,901,160			2,901,160
Bonds and other interest-bearing securities	1,190,326	890,143				2,080,469
Shares and participations	309,709					309,709
Derivative instruments	129,903					129,903
Shares in associates					–	–
Intangible assets					13,661	13,661
Tangible fixed assets					65,297	65,297
Current tax assets					33,982	33,982
Deferred tax assets					383,598	383,598
Other assets			579,337			579,337
Prepaid expenses and accrued income			6,263		93,077	99,340
Assets held for sale			525,059			525,059
Total assets	**1,680,547**	**1,362,979**	**8,086,398**	–	**589,615**	**11,719,539**
Liabilities to credit institutions				27,761		27,761
Deposits and borrowing from the general public				7,872,904		7,872,904
Short positions, shares	144,875					144,875
Derivative instruments	76,850					76,850
Current tax liabilities					23,741	23,741
Deferred tax liabilities					12,260	12,260
Other liabilities				336,408	107,691	444,099
Accrued expenses and prepaid income				11,117	651,958	663,075
Other provisions					89,990	89,990
Subordinated liabilities				162,119		162,119
Liabilities held for sale				525,059		525,059
Total liabilities	**221,724**	–	–	**8,935,368**	**885,640**	**10,042,733**
Equity					**1,676,806**	**1,676,806**
Total liabilities and equity	**221,725**	–	–	**8,935,368**	**2,562,446**	**11,719,539**

GROUP, 31 DEC 2015, SEK 000s	Held for trading	Investments held to maturity	Loan and accounts receivable	Other financial liabilities	Non-financial assets/ liabilities	Total
Cash and bank deposits with central banks			1,580,789			1,580,789
Negotiable government securities	693,655					693,655
Loans to credit institutions			2,410,581			2,410,581
Loans to the general public			3,539,647			3,539,647
Bonds and other interest-bearing securities	1,899,342					1,899,342
Shares and participations	257,832	6,138				263,970
Derivative instruments	75,148					75,148
Shares in associates					9,846	9,846
Intangible assets					11,049	11,049
Tangible fixed assets					65,485	65,485
Current tax assets					31,653	31,653
Deferred tax assets					420,385	420,385
Other assets			335,707			335,707
Prepaid expenses and accrued income			6,665		92,247	98,912
Assets held for sale			83,785		714,172	797,957
Total assets	**2,925,977**	**6,138**	**7,957,174**	–	**1,344,838**	**12,234,127**
Liabilities to credit institutions				3,058		3,058
Deposits and borrowing from the general public				8,651,197		8,651,197
Short positions, shares	104,327					104,327
Derivative instruments	82,936					82,936
Current tax liabilities					12,323	12,323
Deferred tax liabilities					12,589	12,589
Other liabilities				137,793	128,631	266,424
Accrued expenses and prepaid income				8,803	546,930	555,733
Other provisions					65,807	65,807
Subordinated liabilities				162,119		162,119
Liabilities held for sale				34,600	195,102	229,702
Total liabilities	**187,263**	–	–	**8,997,570**	**961,383**	**10,146,216**
Equity					**2,087,911**	**2,087,911**
Total liabilities and equity	**187,263**	–	–	**8,997,570**	**3,049,294**	**12,234,127**

Note 25 Pledged assets and contingent liabilities

	GROUP		PARENT COMPANY	
SEK 000s	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Assets pledged for own debt				
Pledged assets for:				
Deposited securities	340,118	354,932	–	–
whereof own securities	–	3,140	–	–
whereof cash	340,118	351,792	–	–
Derivative instruments	499,661	266,068	–	–
whereof own securities	220,619	90,514	–	–
whereof cash	279,042	175,554	–	–
Other liabilities	30,294	7,315	–	–
whereof own securities	–	–	–	–
whereof cash	30,294	7,315	–	–
Total pledged assets for own liabilities	**870,074**	**628,315**	–	**–**
Other pledged assets				
Pledged assets for:				
Deposited securities on clients' account	230,973	91,554	–	–
whereof own securities	–	1,013	–	–
whereof cash	230,973	90,541	–	–
Derivative instruments on clients' account	298,244	173,164	–	–
whereof own securities	270,065	5,405	–	–
whereof cash	28,179	167,759	–	–
Trade in securities clients' account and own account	592,849	622,058	–	–
whereof own securities	214,175	214,081	–	–
whereof client securities	–	261,455	–	–
whereof cash	378,674	146,522	–	–
Total other pledged assets	**1,122,066**	**886,776**	–	**–**
Contingent liabilities and guarantees				
Contingent liabilities	142,704	121,070	112,509	115,249
Guarantees	397,430	267,955	–	–
Total contingent liabilities and guarantees	**540,134**	**389,025**	**112,509**	**115,249**

Note 26 Operational leasing

	GROUP	
SEK 000s	31 Dec 2016	31 Dec 2015
Contracted payments relating to land and buildings		
Within one year	63,708	63,461
Later than one year but within five years	124,169	194,187
Later than five years	7,711	11,392
Other contracted payments		
Within one year	9,433	10,019
Later than one year but within five years	4,132	3,187

The amounts in the table primarily relate to rent for premises. Leasing contracts are indexed. The current value was not calculated.

Note 27 Related-party transactions

The following disclosures are presented from Carnegie Holding's perspective, that is, how Carnegie Holding's figures were affected by transactions with related parties. Lending has taken place on market terms. Information on remuneration to key persons in executive positions is presented in Note 6.

	GROUP		PARENT COMPANY	
SEK 000s	**31 Dec 2016**	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
Related-party transactions with the CEO and board of directors				
Deposits/liability	3,640	2,260	–	–
Interest expenses	7	1	–	–
Lending/assets	978	887	–	–
Interest income	30	57	–	–
Pledged assets and guarantees	33,474	31,583	–	–
Related-party transactions with Group companies				
Deposits/liability			37,692	104
Interest expenses			216	388
Lending/assets			310,000	28,395
Interest income			–	62
Sales			5,100	10,200
Related-party transactions with the owners				
Deposits/liability	173,181	172,871	170,130	170,086
Interest expenses	8,050	20,007	8,012	20,002
Purchases	120	41	–	–
Sales	–	21,620	–	–

For other transactions with owners, see Consolidated statements of changes in equity (page 48) and Parent company statements of changes in equity (page 51).

Related-party transactions with others				
Deposits/liability	1,165	3,726	–	–
Interest expenses	–	5	–	–
Lending/assets	1,000	1,000	–	–
Interest income	431	1	–	–
Purchases	2,482	–	–	–
Sales	55,171	9,443	–	–

Other related parties are Carnegie Holding Denmark A/S, CAM Fondmeglerselskap A/S, Carnegie Personal AB and Stiftelsen D. Carnegie & Co. Carnegie Fonder AB is also classified as an other related party for 2016.

Note 28 Significant events after 31 December 2016

No significant events have occurred after the closing date.

The annual report was approved for publication by the Board of Directors on 28 March 2017.

Note 29 Risk and capital management

Credit risks

Reported amounts refer to the Group. Standard & Poor's long-term credit rating is used to report the credit quality of assets not yet due for payment and whose value has not been impaired.

Carnegie's total credit risk exposure per exposure class

GROUP, 31 DEC 2016, SEK 000s	AAA, AA–	A+, A–	BBB+, BBB–	No external rating available	Past due but not reserved	Provisions
Governments and central banks	1,695,749	–	–	–	–	–
Institutional exposures	3,394,587	2,175,709	1,887	17,604	–	–
Corporate exposures	105,555	682	33,383	3,582,877	11,699	182,569
Retail exposures	–	–	–	693,903	–	27,739
Total	**5,195,892**	**2,176,391**	**35,271**	**4,294,384**	**11,699**	**210,308**

GROUP, 31 DEC 2015, SEK 000s	AAA, AA–	A+, A–	BBB+, BBB–	No external rating available	Past due but not reserved	Provisions
Governments and central banks	2,274,874	–	–	–	–	–
Institutional exposures	2,966,420	1,130,109	540	68,616	–	–
Corporate exposures	138,107	–	24,922	4,024,834	–	220,258
Retail exposures	–	–	–	707,615	–	9,437
Total	**5,379,401**	**1,130,109**	**25,463**	**4,801,065**	**–**	**229,695**

Pledged assets

Carnegie's corporate and retail exposures are primarily collateralised with pledged liquid financial securities (known as margin lending). Only a small fraction of these exposures are unsecured (in blanco). Exposures are usually secured by a diversified portfolio of financial collateral.

The majority of clients have assets whose worth far exceeds the utilised credit amount. However, there are large differences in loan-to-value amongst individual clients. Equities are the most common form of collateral used in custodian account loans. No individual security accounts for more than 3 percent of utilised collateral.

Exposure refers to the size of outstanding credit secured by the individual instrument. 'Other collateral' refers to funds, structured products, guarantees and pledged custodian accounts with underlying financial collateral.

Loss provisions

Impairments are based on individual assessments for each counterparty (specific reserves). Carnegie has identified this method as the most appropriate because the portfolio contains few homogeneous groups.

Carnegie considers various parameters in assessing whether an impairment need is indicated. These parameters are described in Carnegie's internal control documents. An impairment need may arise as a result of various events, such as increased risk due to changes in the client's financial statements and/or changes in the composition of pledged collateral. Carnegie performs regular reviews of specific impairment requirements.

As of 31 December 2016, the value of collateral the bank is holding for loans where the value has been impaired was SEK – million (13).

All renegotiated loan receivables were given new terms in the form of renegotiated interest rates and amortisation plans.

Financial assets past due for payment for which no provisions have been made are handled according to Carnegie's procedures for doubtful receivables and are assessed regularly in operations. Individual decisions are taken in every case and may include the realisation of collateral through the sale of pledged listed securities. At year-end, there was one past due receivable whose terms were renegotiated. This receivable has not been impaired because the collateral has a large surplus value in relation to the outstanding exposure.

The value of assumed financial assets was SEK – million (1) at the end of the period. All assumed assets are equities, and Carnegie's strategy is to gradually sell these assets. The entire value of the assumed assets refers to realised pledges.

Liquidity risk

The table below provides a maturity analysis of the contracted maturity of financial assets and liabilities. Carnegie calculates and stress tests the liquidity reserve daily to ensure that liquidity targets are met and that liquid assets are available to meet contractual and modelled cash flows.

Contracted maturities of financial assets and liabilities, 31 Dec 2016

GROUP, 31 DEC 2016, SEK 000s	Upon demand	<3 months	>3 months but <1 year	>1 but less than 2 years	>2 but less than 5 years	> 5 years	Interest effect	N/A	Total
Negotiable government securities	72,173	415,057	36,215	–	–	–	–	–	523,445
Bonds and other interest-bearing securities	–	661,059	1,306,355	33,966	11,490	63,249	–	4,349	2,080,469
Shares and participating interests	–	–	–	–	–	–	–	309,709	309,709
Total financial assets	**72,173**	**1,076,116**	**1,342,570**	**33,966**	**11,490**	**63,249**	**–**	**314,059**	**2,913,623**
Liabilities to credit institutions	16,743	11,018	–	–	–	–	–	–	27,761
Deposits and borrowing from the general public	7,823,960	48,944	–	–	–	–	–	–	7,872,904
Short positions, shares	–	–	–	–	–	–	–	144,875	144,875
Other liabilities	–	444,099	–	–	–	–	–	–	444,099
Accrued interest expenses	–	11,117	–	–	–	–	–	–	11,117
Total financial liabilities	**7,840,703**	**515,178**	–	–	–	–	–	**144,875**	**8,500,756**
Derivatives									
Assets at market value	–	116,809	12,642	452	–	–	–	–	129,903
Liabilities at market value	–	69,483	6,937	429	–	–	–	–	76,850

Note 29 Risk, liquidity and capital management, cont.

Contracted maturities of financial assets and liabilities, 31 Dec 2015

GROUP, 31 DEC 2015, SEK 000s	Upon demand	<3 months	>3 months but <1 year	>1 but less than 2 years	>2 but less than 5 years	> 5 years	Interest effect	N/A	Total
Negotiable government securities	–	501,164	192,491	–	–	–	–	–	693,655
Bonds and other interest-bearing securities	–	–	1,005,215	893,735	–	–	392	–	1,899,342
Shares and participating interests	3,120	–	–	–	–	–	–	260,850	263,970
Total financial assets	**3,120**	**501,164**	**1,197,706**	**893,735**	**–**	**–**	**392**	**260,850**	**2,856,967**
Liabilities to credit institutions	2,223	835	–	–	–	–	–	–	3,058
Deposits and borrowing from the general public	8,498,987	152,210	–	–	–	–	–	–	8,651,197
Securities issued	–	–	–	–	–	–	–	–	–
Short positions, shares	2,551	–	–	–	–	–	–	101,776	104,327
Other liabilities	–	266,424	–	–	–	–	–	–	266,424
Accrued interest expenses	–	8,803	–	–	–	–	–	–	8,803
Total financial liabilities	**8,503,760**	**428,272**	**–**	**–**	**–**	**–**	**–**	**101,776**	**9,033,809**
Derivatives									
Assets at market value	5,619	52,778	16,735	16	–	–	–	–	75,148
Liabilities at market value	3,657	69,059	10,209	12	–	–	–	–	82,936

Market risks
Reported amounts refer to the Group. Amounts for the preceding year are stated in brackets.

Equity price risk
Carnegie's own exposure to equity and equity-related instruments consists of both assets and liabilities among balance sheet items. At year-end, the total value of these assets and liabilities amounted to SEK 661 million (526). Of that amount, SEK 455 million (368) related to shares and SEK 207 million (158) to derivative instruments. The net exposure at year-end was SEK 213 million (152).

Assets and liabilities are measured at fair value, which corresponds to the market price. Equity positions consist of both long and short positions in shares and share-based derivative instruments, primarily listed in Sweden and other Nordic marketplaces. A simultaneous price change of -3% of all equity holdings in the Group's trading book would have had an effect on earnings of SEK 0.5 million (-0.6) at year-end. A +3% price change at the same date would have had an effect on earnings of SEK 0.2 million (1.5) in the Group. The derivative positions consist of held or sold contracts for forwards, call options, put options and warrants.

Volatility risk
Exposure to volatility risk is measured in Vega, which describes the change in value of the position if the volatility in the position increases by one percentage point. At year-end, Carnegie had volatility risk of Vega SEK 0.4 million (0.1). The exposure in the Group represents the net of positions with negative or positive Vega exposure.

Scenario analysis
The risks in operations where risk-taking is an element of the business consist mainly of equity price risk and volatility risk. These risks are measured by simulating the effect on earnings of a combined change of share prices and volatility. Carnegie focuses on and has limits for the maximum potential loss for two specific scenarios: a medium scenario and a stress scenario. The medium scenario means that prices in the entire equity market change by ±3% simultaneously with a change in market volatility of ±10 percent. The greatest potential loss in such a scenario is called the Medium Max Loss and was at year-end SEK 1.0 million (0.8). The stress scenario means that prices in the entire equity market change by ±10% and that market volatility changes by ±40 percent. The greatest potential loss in such a scenario is called Stress Max Loss and amounted to SEK 3.2 million (3.3) at year-end.

The market risk for structured products is based on parameters that are relevant to the instruments in the portfolio. These are stress-tested at the level that applies to equity-related products, but consist of risk factors other than share price and volatility. At year-end, the aggregate portfolio risk within structured products was SEK 0.9 million (0.8) for MML and SEK 3.0 million (2.6) for SML.

Currency risk
Currency risk is divided into structural and operational currency risk. Structural currency risk arises in financing of foreign subsidiaries and branches with equity or subordinated loans in another currency. Operational currency risk arises in ongoing business operations. Carnegie has limited operational currency exposure and includes only liquid currencies.

Interest risk in the trading book
Carnegie's own trading book is affected by interest-rate changes through holdings of bonds and derivative instruments. At year-end, the effect on earnings of the trading book in connection with an interest rate increase of 200 basis points was SEK 0.5 million (1.6). The interest risk in the trading book is limited and is calculated and reported daily to risk management and senior management.

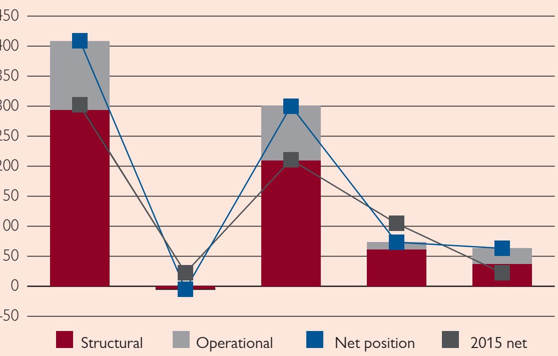
Interest risk in other operations
During the year, the bank elected to place portions of its liquidity in bonds with longer terms. This provides better yield on invested funds, but also increases the interest risk in the bank book.

Carnegie regularly performs sensitivity analyses that calculate the effects on the balance sheet of interest rate changes. In the analysis, an interest-rate shock is simulated that corresponds to a sudden and sustained parallel shift of 200 basis points applied on the yield curves to which the positions are linked. At year-end, the outcome from such an upward shift of 200 basis points was SEK 24.3 million (27.9).

Capital adequacy analysis
The capital adequacy analysis applies to Carnegie Holding AB and subsidiaries (the Group). For a specification of subsidiaries, see Note 14 Shares and participating interests in Group companies.

Carnegie analyses future capital requirements through the Internal Capital Adequacy Assessment Process (ICAAP), which means that future capital requirements can be guaranteed. For more information about the ICAAP, see page 44.

Currency exposure for the Group at 31 December 2016



Note 29 Risk, liquidity and capital management, cont.

SEK 000s	31 Dec 2016	31 Dec 2015
Capital adequacy		
Capital base	1,463,630	1,334,468
Risk exposure amount	6,635,491	6,488,205
Capital requirement	530,839	519,056
Surplus capital	932,791	815,412
Common Equity Tier 1 capital ratio (CET1), %	19.6%	18.1%
Tier 1 capital ratio, %	19.6%	18.1%
Capital adequacy ratio, %	22.1%	20.6%
Capital buffer requirement		
Total CET1 requirement including buffer requirement, %	8.3%	7.7%
whereof: Capital conservation buffer, %	2.5%	2.5%
whereof: Countercyclical capital buffer, %	1.3%	0.7%
CET1 available as buffer, %	15.1%	13.6%
Capital base		
Equity instruments and associated premium reserve	921,976	921,976
Retained earnings and reserves	754,831	1,165,935
Planned dividend	-100,000	–
Goodwill and intangible assets	-13,661	-609,627
Deferred tax assets	-259,731	-305,935
Direct and indirect holdings	–	–
Further value adjustments	-1,902	–
Total common equity Tier 1 capital	**1,301,511**	**1,172,350**
Additional Tier 1 capital		
Preference shares	–	–
Total Tier 1 capital	**1,301,511**	**1,172,350**
Tier 2 capital		
Perpetual convertible debentures	162,119	162,119
Total capital base	**1,463,630**	**1,334,468**

Capital requirement for credit risks

Carnegie applies the standard method for calculating credit risks.

The table below shows the capital requirements for all risk categories at Carnegie. The corresponding risk exposure amount is calculated as the capital requirement divided by 8 percent.

SEK 000s	31 Dec 2016	31 Dec 2015
Capital requirements from exposures to:		
Central counterparties	167	226
Institutional exposures	54,996	38,181
Corporate exposures	34,333	42,726
Retail exposures	13,167	11,963
Exposures to funds	1	1,910
Exposures in the form of covered bonds	15,725	14,857
Equity exposures	–	1,969
Other items	54,199	47,309
Total capital requirement for credit risks	**172,586**	**159,141**
Capital requirement for market risks		
Settlement risk	363	99
Total capital requirement for settlement risks	**363**	**99**
Equity price risk		
Specific risk	10,276	22,893
General risk	4,950	5,322
Non-delta risk	–	2,938
Total capital requirement for equity risks	**15,226**	**31,153**
Interest rate risk		
Specific risk	2,121	5,266
General risk	411	1,327
Total capital requirement for interest risks	**2,533**	**6,593**
Currency risk	68,002	53,717
Total capital requirements for currency risks	**68,002**	**53,717**
Capital requirement from credit valuation adjustment risk		
Credit valuation adjustment risk	1,690	1,732
Total capital requirement for credit valuation adjustment risk	**1,690**	**1,732**
Capital requirement for operational risks		

Carnegie applies the base method for calculating operational risks. The capital requirement is calculated as 15% of the income indicator, which represents the average operating revenue of the three most recent financial years.

Income indicator	1,801,811	1,775,971
Capital requirement for operational risks	**270,272**	**266,396**

Note 30 Information on statements of cash flows

	GROUP		PARENT COMPANY	
SEK 000s	**2016**	**2015**	**2016**	**2015**
Interest paid	29,262	57,392	8,434	33,720
Interest received	89,285	109,282	9	–
Adjustments for items not affecting cash flow				
Anticipated dividends from subsidiaries	–	–	-310,000	-25,020
Capital gain from sale of subsidiaries	-143,280	–	–	–
Expense related to additional purchase consideration, as yet unpaid	–	29,630	–	29,630
Income from Valot Group, not yet received	–	-25,020	–	–
Depreciation, amortisation and impairment of assets	25,328	45,476	–	–
Change in provisions for balance sheet items	24,279	-15,654	856	3,961
Share of profit in associates	-107	-3,883	–	–
Capital gain from sale of associates	-8,547	–	–	–
Unrealised changes in value of financial instruments	-18,601	40,350	–	–
Total adjustments for items not affecting cash flow	**-120,928**	**70,899**	**-309,144**	**8,571**

	GROUP		PARENT COMPANY	
SEK 000s	**2016**	**2015**	**2016**	**2015**
Cash and cash equivalents[1)]				
Cash and bank deposits with central banks	1,244,761	1,580,789	–	–
Negotiable government securities	523,445	693,655	–	–
Loans to credit institutions	3,214,538	2,325,268	1,457	6,399
Loans to credit institutions, not payable on demand	-34,343	-34,955	–	–
Less, pledged cash	-819,172	-944,970	–	–
Cash and cash equivalents at end of year	**4,129,229**	**3,619,787**	**1,457**	**6,399**

1) Cash and cash equivalents consist of cash and bank balances with banks and comparable institutions and short-term liquid investments that can easily be converted to a known amount of cash and are exposed to only insignificant risk of changes in value. Accordingly, loans that are not payable on demand and pledged cash are not included.

Note 31 Subordinated liabilities

The parent company issued 204,486 convertibles in 2010, which were purchased by Investment AB Öresund. The nominal and settled amount per convertible was SEK 2,003.57. Total nominal amount: SEK 409,702,015. Investment AB Öresund later transferred all convertibles to Carhold Holding AB, which in turn transferred 120,769 convertibles to Creades AB and the remaining 83,717 convertibles to Investment AB Öresund in 2013.

Parts of the convertible debenture were repaid in mid-December 2015: 123,571 convertibles at face value of SEK 247,583,148 plus accrued interest of SEK 12,035,292. Simultaneously, the remaining 80,915 convertibles were transferred to Altor AM Group Holding 1 S.a.r.l. The convertible debenture amounted to SEK 162,118,867 at year-end 2016 and at year-end 2015. Calculated at 5 percent, interest for the current year amounts to SEK 8,264 thousand (20,002).

Note 32 Reporting by country

As required by Swedish Regulation FFFS 2008:25, the following table provides information about the nature of the business, geographical territory, average number of employees, operating income, operating profit/loss and tax on profit for each country in which Carnegie is established, meaning where Carnegie has a physical presence. Carnegie is considered to have a physical presence in a country if Carnegie has a subsidiary or branch in that country. Carnegie has not received any government subsidies. The group designated "Other" includes the countries where each country's total income is less than 10% of total income for the Group.

GROUP			2016				2015			
Country	Business[1)]	Geographical territory	Average number of employees	Operating income[2)], SEKm	Operating profit/loss, SEKm	Tax, SEKm	Average number of employees	Operating income[2)], SEKm	Operating profit/loss, SEKm	Tax, SEKm
Denmark	IB, SEC, PB	Denmark	85	227	-10	–	82	259	6	-2
Norway	IB, SEC	Norway	76	302	95	-27	73	230	33	-2
Sweden	IB, SEC, PB, F, SP	Sweden	350	1,322	560	–	380	2,166	534	34
Other		London, New York, Finland, Luxembourg	108	435	48	-17	108	448	72	-19
Eliminations			–	-66	-410	8	–	-789	-356	-34
Total			**619**	**2,219**	**283**	**-36**	**642**	**2,313**	**289**	**-23**

1) IB= Investment Banking, SEC=Securities, PB=Private Banking, F=Funds, SP=Structured Products. Discontinued operations are included up to the date of divestment, which for 2016 means that Carnegie Fonder is included for the period of January to April and operations within third-party distribution of structured products are included for the full year.

2) Total operating income shown on this table is distributed by country according to where Carnegie has its physical presence, meaning where Carnegie has a subsidiary or branch.

Note 33 Discontinued operations

The sale of Carnegie Fonder AB was executed in late April 2016 as decided by the Board of Directors in September 2015. In December 2016, the Board of Directors decided that operations within third party distribution of structured products (below: Structured Products) will be sold in 2017. Financial information concerning discontinued operations is presented below in accordance with IFRS 5 Non-current assets held for sale and discontinued operations.

Profit/loss from discontinued operations[1)]

	GROUP	
SEK 000s	2016	2015
Operating income	151,937	365,678
Operating costs[2)]	-166,152	-264,932
Operating profit/loss	**-14,215**	**100,746**
Net financial income/expense	-528	153
Profit before tax	**-14,743**	**100,899**
Income tax	-8,824	7,227
Profit/loss from discontinued operations after tax	**-23,567**	**108,125**
Profit from sale of subsidiary	143,280	–
Profit from discontinued operations	**119,713**	**108,125**

1) Includes profit/loss, group items and capital gain upon sale with regard to Carnegie Fonder AB and profit/loss with regard to the parts of Structured Products to be sold.
2) Whereof SEK - million (-21) relates to amortisation of intangible assets, net after reversal of deferred tax. Operating costs for 2016 include a provision to the restructuring reserve of SEK 50 million related to the parts of Structured Products to be sold.

Assets and liabilities held for sale[1)]

	GROUP	
SEK 000s	31 Dec 2016	31 Dec 2015
Loans to the general public	4,542	–
Intangible assets[2)]	–	648,580
Tangible fixed assets	–	2,410
Current receivables	–	93,389
Cash	520,517	53,577
Total assets	**525,059**	**797,957**
Deposits and borrowing from the general public	525,059	–
Current liabilities	–	179,699
Deferred tax liabilities[2)]	–	50,003
Total liabilities	**525,059**	**229,702**

1) Assets and liabilities held for sale refers to the parts of Structured Products to be sold for 2016 and Carnegie Fonder for 2015.
2) Refers to consolidated surplus values.

Cash flow from discontinued operations

	GROUP	
SEK 000s	2016	2015
Cash flow from operating activities	127,540	147,583
Cash flow from investing activities	-587	–
Cash flow from financing activities[1)]	-156,617	-145,092
Cash flow for the period	**-29,664**	**2,491**
Cash at beginning of year	582,369	579,878
Cash at end of year	**552,705**	**582,369**

1) Group contribution paid.

Disclosures on the divestment of Carnegie Fonder AB

Profit upon sale

	GROUP
SEK 000s	30 April 2016
Consideration received	
Cash	–
Shares in CARAM AB[1)]	824,206
Total consideration	**824,206**
Carrying amount of sold net assets	-680,926
Profit before tax	143,280
Income tax	–
Profit after tax	**143,280**

1) After the divestment of Carnegie Fonder AB, the shares in CARAM AB (formerly C Asset Management Partners AB) were distributed to the owners of Carnegie Holding AB.

Carrying amounts of assets and liabilities at time of sale

	GROUP
SEK 000s	30 April 2016
Intangible assets[1)]	648,579
Tangible fixed assets	2,595
Current receivables	221,658
Cash	32,188
Total assets	**905,020**
Current liabilities	174,092
Deferred tax liabilities[1)]	50,002
Total liabilities	224,094
Net assets	680,926

1) Refers to consolidated surplus values.

Note 34 Potential disputes

Carnegie is from time to time involved in legal disputes to an extent that can be expected in a business of the type operated by Carnegie.

A number of Danish institutional investors have commenced legal proceedings in a Danish court against several defendant parties, including OW Bunker A/S in bankruptcy, with regard to the losses of approximately DKK 850 million plus interest suffered by the investors as shareholders in OW Bunker A/S as a consequence of the company's bankruptcy. An investors' association, Foreningen OW Bunker-investor, has also initiated similar proceedings with regard to approximately DKK 300 million plus interest. Carnegie was one of the banks that assisted OW Bunker A/S and its owners in connection with the flotation of the company on Nasdaq Copenhagen in March 2014. During the year, another group of institutional investors announced that they are considering tort action against Carnegie for the losses they incurred due to the bankruptcy. However, Carnegie is not a party to any legal dispute and no formal claims have been made against Carnegie. The Danish institutional investors and Foreningen OW Bunker-investor have confirmed that they do not intend at present to take a position concerning any legal measures that could affect Carnegie, but reserve the right to do so in future. Carnegie applies customary processes and procedures to provide due and proper assistance in connection with initial public offerings and will accordingly vigorously contest any demands that may be presented.

Note 35 Disclosures concerning number of shares

The number of shares outstanding at 31 December 2016 was 2,168,350 with a quotient value of SEK 110.135 per share. All outstanding shares are ordinary shares.

Note 36 Disposition of profit

Disposition of profit

At the disposal of the annual general meeting, SEK

Premium reserve	683,165,000
Retained earnings	667,941,589
Net profit for the year	293,936,853
Total	**1,645,043,442**

The Board of Directors proposes the following disposition of profit:

Dividend to shareholders	100,000,000
To be carried forward	1,545,043,442
Total	**1,645,043,442**

The Board of Directors is proposing that the 2017 AGM endorses a dividend of SEK 46.118 per share for a total distribution to shareholders of SEK 100,000,000 and that the AGM authorises the Board of Directors to set the date upon which the dividend will be paid.

Certification

The Board of Directors and the CEO hereby certify that the annual report was prepared in accordance with the Swedish Annual Accounts Act (ÅRL), the Swedish Financial Supervisory Authority's regulations and general recommendations regarding the annual accounts of credit institutions and securities companies (FFFS 2008:25) and recommendation RFR 2 Reporting of Legal Entities; that it provides a fair presentation of the parent company's financial position and earnings and that the Board of Directors' report provides a fair presentation of the company's operations, financial position and earnings; and that it describes significant risks and uncertainties facing the company.

The Board of Directors and the CEO hereby certify that the consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU; the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL); FFFS 2008:25; and RFR 1, Supplementary Accounting Principles for Corporate Groups; that the consolidated financial statements provide a fair presentation of the Group's financial position and earnings; and that the Board of Directors' Report provides a fair presentation the Group's operations, financial position and earnings and describes significant risks and uncertainties facing the companies included in the Group.

Stockholm, 28 March 2017

Bo Magnusson
Chairman

Ingrid Bojner

Klas Johansson

Anders Johnsson

Andreas Rosenlew

Harald Mix

Björn Jansson
President and CEO

Our audit report was submitted 2017-03-28
PricewaterhouseCoopers AB

Michael Bengtsson
Authorised public accountant
Lead auditor

Martin By
Authorised public accountant

Auditor's report

To the annual meeting of the shareholders of Carnegie Holding AB, corporate registration number 556780-4983.

Report on the Audit of the Financial Statements and Consolidated Financial Statements

Opinions

We have audited the financial statements and consolidated financial statements of Carnegie Holding AB for the 2016 financial year. The company's financial statements and consolidated financial statements are presented on pages 36-79 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2016 and of its financial performance and its cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent company and the group in accordance with the ethical requirements relevant to our audit of the financial statements in Sweden and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors and the CEO are responsible for the preparation of the financial statements and consolidated financial statements and for their fair presentation in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and, in respect of the consolidated financial statements, in accordance with IFRSs as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as management determines is necessary to enable the preparation of financial statements and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the consolidated financial statements, the Board of Directors and the CEO are responsible for assessing the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting Unless the Board of Directors and the CEO intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the financial decisions of users taken on the basis of these financial statements and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. . The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion on the financial statements and consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements and consolidated financial statements, including the disclosures, and whether the financial statements and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit. We also communicate significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinions

In addition to our audit of the financial statements and consolidated financial statements, we have conducted an audit of the management of Carnegie Holding AB by the Board of Directors and CEO in 2016 and the proposal on disposition of the company's profit or loss. We recommend to the annual meeting of shareholders that the profit be disposed in accordance with the proposal in the board of directors' report and directors and the CEO be discharged from liability for the financial year.

Basis for Opinion

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent company and the group in accordance with the ethical requirements relevant to our audit of the financial statements in Sweden and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed disposition of the company's profit or loss. In connection with a proposed dividend, this involves, among else, assessment of whether the dividend is justifiable with consideration given to the demands with respect to the size of equity in the parent company and the group imposed by the nature, scope and risks associated with operations and the Group's consolidation requirements, liquidity and financial position in general.

The board of directors is responsible for the company's organisation and for management of the company's affairs. Among else, this includes regular assessment of the company's and the group's financial position and ensuring that the company's organisation is structured in such a manner that accounting, management of funds and the company's financial affairs in general are monitored in a satisfactory manner. The chief executive officer shall attend to the day-to-day management of the company pursuant to guidelines and instructions issued by the Board of Directors and, among else, take the measures necessary to ensure that the company's accounting records are prepared and maintained pursuant to law and that management of funds is conducted in a sound manner.

Auditor's responsibility

Our objective regarding the audit or management, and thus our opinion concerning discharge of liability, is to obtain audit evidence sufficient to assess, with reasonable assurance, whether any director or the chief executive officer has in any material respect:

- taken any action or committed a negligent breach that may result in liability to the company
- in any other way, acted in contravention of the Companies Act, the Annual Accounts Act for Credit Institutions and Securities Companies, the Banking and Financing Business Act, or the Articles of Association.

Our objective regarding audit of the proposed disposition of the company's profit or loss, and thus our opinion on the proposal, is to assess with reasonable assurance whether the proposal is consistent with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect measures or negligence that might results in liability to the company or that a proposed disposition of the company's profit or loss is not consistent with the Companies Act.

As part of an audit in accordance with generally accepted auditing practices in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The audit of management and the proposed disposition of the company's profit or loss is based primarily on the audit of the accounting records. Any additional audit measures taken are based on our professional judgement, proceeding from risk and materiality. This means that we focus our audit on such actions, areas and circumstances that are material to the business and where departures and breaches would have significant impact on the company's situation. We review and examine decisions taken, bases for decision, actions taken and other circumstances relevant to our opinion on discharge of liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm, 28 March 2017
PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant
Lead auditor

Martin By
Authorised Public Accountant

Definitions of key data

Average number of employees
Number of full-time equivalent employees at the end of each month divided by number of months.

Capital adequacy ratio
Total regulatory capital base as a percentage of risk-weighted assets.

Common equity Tier 1 capital ratio
Total regulatory common equity Tier 1 capital as a percentage of risk-weighted assets.

Cost/income (C/I) ratio
Total costs before credit losses as a percentage of total income.

Number of employees at the end of the year
Number of full-time equivalent employees at the end of the year.

Operating C/I ratio
Operating expenses as a percentage of operative income.

Operating expenses
Operating expenses excluding variable remuneration, financing costs and credit losses.

Operating profit margin
Operating profit as a percentage of operating income.

Operating profit or loss
Operating profit or loss excluding variable remuneration, financing costs and credit losses.

Profit margin
Profit as a percentage of total income.

Return on equity
Profit for the year divided by average equity, adjusted for the effect of deferred tax on loss carryforwards. For 2014 and earlier years, profit for the year is adjusted for the effect of remeasurement of deferred tax on loss carryforwards.

Return on equity, continuing operations
Profit or loss from continuing operations for the year divided by average equity (2015: pro forma), adjusted for the effect of deferred tax on loss carryforwards.

Return on total assets
Profit divided by average assets.

Addresses

Sweden

Head office:
Carnegie Investment Bank AB (publ)
Regeringsgatan 56
103 38 Stockholm
+46 858 86 88 00

Sankt Eriksgatan 6
Box 2143
403 13 Gothenburg
+46 31 711 34 00

Stortorget 9
211 22 Malmö
+46 40 12 00 00

www.carnegie.se

Denmark

Carnegie Investment Bank,
Filial af Carnegie Investment Bank AB (publ), Sweden
Overgaden neden Vandet 9B
DK-1414 Copenhagen K
+45 32 88 02 00

www.carnegie.dk

Finland

Carnegie Investment Bank AB,
Finland Branch
Södra Esplanaden 22
FI-00130 Helsinki
+358 9 61 87 11

www.carnegie.fi

Norway

Carnegie AS
Fjordalleen 16, Aker Brygge
PO Box 684 Sentrum
NO-0106 Oslo
+47 22 00 9300

www.carnegie.no

Luxembourg

Banque Carnegie Luxembourg S.A.
Le Dôme (A)
15, rue Bender
L-1229 Luxembourg
+352 40 40 30-1

www.carnegie.lu

UK

Carnegie Investment Bank AB,
UK Branch
Finwell House
26 Finsbury Square
London EC2A 1DS
+44 20 7216 40 00

www.carnegie.co.uk

USA

Carnegie, Inc.
20 West 55th Street, 10th floor
New York, NY 10019
+1 212 262 58 00

www.carnegieinc.com

www.carnegie.se | +46 8 58 86 88 00