# Interim Report

for

# Marginalen AB

556128-4349

January-August 2010

Marginalen AB (priv.)

556128-4349

# Interim Report
# January - August 2010

## Comments from the Managing Director

### The founding of Marginalen Bank

Finans AB Marginalen's application for bank charter was granted by the Swedish Financial Supervisory Authority on 21 June this year, and with that, the base for emphasis on Marginalen Bank Bankaktiebolag was put in place. On 30 August this year, Bank2 and Marginalen Bank Bankaktiebolag were fused. The advantage of the fusion is that operations are brought together and coordinated under the same brand name, which gives rise to cost and coordination benefits in, among other things, marketing consistency, system development and system implementation. Consultancy operations, HR, Legal and Debt collection will continue to be marketed under the Marginalen Core brand name, but as a part of the Marginal Group's product range.

### Acquisition of parts of Citibank International plc's Swedish consumer bank

The single largest occurrence during the reporting period is Marginalen's acquisition of Citibank's Swedish consumer bank, carried out during 2010. In connection with the acquisition of credit cards and unsecured loans, Marginalen has benefited from the addition of approximately 100 new employees. The business should be viewed in light of the Group's concentration on banking operations in Sweden, which were introduced in earnest in June 2008 when Bank2 was acquired. The business implies that Marginalen Bank is expanding significantly within the sphere of private customers, and is now one of Sweden's largest operators regarding unsecured loans, with approximately 70,000 new private customers.
With the aim of achieving the best possible success in the integration of new employees, a culture project, among other things, is being carried out with the aim of creating a new company culture based on the values of both of the operations.

### Trademarks

During the period, an entirely new graphic program has been initiated regarding a new trademark architecture, logotype and graphic profile for Marginalen Bank. After the end of the period, emphasis has been placed on the changing of all internal and external interfaces (visiting cards, website, letterheads, invoices etc.) to match the new graphic profile. To increase the awareness of Marginalen Bank in the marketplace, an advertising campaign encompassing TV, radio and the printed media has been created. An important part of the new branding is that Marginal Bank is a different bank, with simple products and services which the customers need and use. Instead of making our assessments based only on the scoring model and the customer's history, we will also focus on listening to people and understanding their needs. With that basis we will be able to develop our products and services. In other words, the future is as important an assessment parameter as the past.

## Ownership structure and Parent Company

Marginalen AB, which is 100% owned by Esco Marginalen AB, coordinates the subsidiary's operations. For Marginalen AB, the Parent Company, income before tax for the first eight months was TSEK 4,823 (-1,141). The Parent Company's income statement consists primarily of items attributable to operations as a holding company. The Company does not have any employees.

## Operations

Marginalen has services for private individuals and companies and offers competitive depositing and lending. Our financial services include invoice purchase and pledging, leasing and instalment services. Marginalen Core is the collective name for the services operated by Konsult AB Marginalen and Inkasso AB Marginalen. Marginalen Core delivers services within, among others, law, HR, accounting, debt collection and invoice administration.

Income before tax for the period January – August amounted to TSEK 55,807 (166,305), a decrease in income of TSEK 110,498 compared to the same period in the previous year. The Group's net interest income during the period amounted to TSEK 76,844 (32,473). The Group's operating income amounted to TSEK 316,272 (289,850), an increase in operating income of TSEK 26,422.

The increase of net interest income is mainly attributable to acquisitions made during June 2010. Discounting the acquisitions, net interest income amounted to TSEK 36,924, an increase of TSEK 4,451. The primary explanation for the increase in operating income is the acquired operations. The net effect of changes in value and reserved loan losses on operating income amounts to TSEK 133,064. Operating income was positively impacted by the acquisition price being below the actual value, which arises from the application of the Capital Asset Pricing Model (CAPM) on the acquisition date. See further information under Note 2.

Operating expenses during the period have increased by TSEK 98,952, which is primarily attributable to increased costs from acquired operations, write-down of the Bank2 brand name of TSEK 27,211, goodwill write-down of the Dutch subsidiary Lexus of TSEK 5,669 and an expansion of the Group's personnel resources. General lending at the balance sheet date amounted to TSEK 4,610,299 (2,142,577), a change which is primarily attributable to the acquired operations.

General depositing has developed well during the period and amounted to TSEK 6,946,479 (4,766,654) at the balance sheet date. The development has been a stable progression from March up to the balance sheet date. Marginalen has a competitive interest rate in relation to other depositing institutions. Foreign operations' share of the Group's income for the period is 1.5% in relation to a balance sheet total of 3.9%.

## Significant events during the reporting period

The most significant event during the period was the founding of Marginalen Bank. Finans AB Marginalen's application for bank charter was granted by the Swedish Financial Supervisory Authority on 21 June this year, and with that, the base for emphasis on Marginalen Bank Bankaktiebolag was put in place.

The single largest occurrence during the reporting period is Marginalen's acquisition of Citibank's Swedish consumer bank, carried out during 2010. In connection with the acquisition of credit cards and unsecured loans, Marginalen has benefited from the addition of approximately 100 new employees.

## Significant events after the reporting period

During September, the Company has acquired additional loans receivable from Citibank International plc's Swedish consumer bank with a nominal value of TSEK 265,365.

## Other entities within the Group

Foreign operations in the Baltic States were strengthened by a more stable interest situation which occurred in the local financial markets thanks to decreased credit loss reserves and increased income. Operations are continuing in their growth phase and are increasing lending and the debt collection balances both organically and through acquisitions. In the Benelux countries, operations are developing less well than planned as the economies have still not recovered.

## Cash flow, liquidity and investments

The period's cash flow amounted to TSEK 276,168 (1,529,359). Cash equivalents at end of period amount to 3,181,217 (2,895,201). The Company's liquidity is placed in accounts in other Swedish banks. Surplus is also invested in, among others, interest-bearing securities. Marginalen's fixed assets, tangible and intangible, amounted to TSEK 62,942 (99,044) on the balance sheet date. Change for the year is mainly attributable to write-down of the Bank2 trademark.

## Capital cover and risk management

The capital cover quota in the financial company group amounted to 1.90 (2.09) on the balance sheet date, with a capital base of TSEK 740,755 (359,357) and capital requirements of TSEK 385,677 (250,283). At the end of the most recent financial year, the capital cover quota was 1.46, the capital base was TSEK 358,474, and the capital requirement was TSEK 246,152. Marginalen Bank reports credit risk and counter party risk, operative risk, liquidity risk, market risk and strategic risk in accordance with internal risk classification methods with established policies and instructions aimed at limiting and controlling the Company's risk exposure. For more information regarding Marginalen's risks, refer to the Annual Report of 31 December 2009, Note 3, Financial risks and other risks.

## Personnel

The number of employees at the balance sheet date was 132 people (104).
Marginalen's employees have actively taken part in a project aimed at promoting the Company's new visions and values. Marginalen runs several environmental programmes in which activities have been focused towards internal environmental policy and towards developing the Company and supporting our customers with a paper-free office. Further training within money laundering and quality management QLS have been undertaken during the year.

Marginalen AB (priv.)

556128-4349

**Income Statement for The Group**

| TSEK | Note | 1 Jan 2010<br>31 Aug 2010 | 1 Jan 2009<br>31 Aug 2009 | 1 Jan 2009<br>31 Dec 2009 |
|---|---|---|---|---|
| | 1, 5 | (8 months) | (8 months) | (full year) |
| Operating income | | | | |
| Interest income | 4 | 151,763 | 115,593 | 166,806 |
| Leasing income | | 4,798 | 4,011 | 6,532 |
| Interest expenses | 4 | -79,717 | -87,131 | -114,471 |
| **Net interest income** | | **76,844** | **32,473** | **58,867** |
| Dividends received | | 182 | - | - |
| Commission revenue | | 40,180 | 19,614 | 24,479 |
| Commission expenses | | -4,321 | -4,010 | -6,149 |
| Net income from financial transactions | | -128,787 | 178,972 | 184,798 |
| Profit/loss from Acquisitions at low price | 2 | 261,851 | - | - |
| Other operating income | | 70,323 | 62,801 | 101,032 |
| **Total operating income** | | **316,272** | **289,850** | **363,027** |
| Operating expenses | | | | |
| Personnel costs | | -66,962 | -54,110 | -85,520 |
| Other administrative expenses | | -101,391 | -45,718 | -73,539 |
| Write-down and impairment charges of fixed assets | | -38,214 | -7,787 | -7,911 |
| **Total expenses before loan losses** | | **-206,567** | **-107,615** | **-166,970** |
| **Profit/loss before loan losses** | | **109,705** | **182,235** | **196,057** |
| Loan losses, net | | -53,898 | -15,930 | -29,742 |
| **Profit/loss before tax** | | **55,807** | **166,305** | **166,315** |
| Taxes on Profit/loss for the period | | 60,182 | -48,571 | -47,705 |
| **Profit/loss for the period** | | **115,989** | **117,734** | **118,610** |

**Total profit, Group**

| TSEK | 1 Jan 2010<br>31 Aug 2010 | 1 Jan 2009<br>31 Aug 2009 | 1 Jan 2009<br>31 Dec 2009 |
|---|---|---|---|
| | (8 months) | (8 months) | (full year) |
| **Profit/loss for the period** | **115,989** | **117,734** | **118,610** |
| Other total profit | | | |
| Change in Fair value | -428 | -6,878 | 2,901 |
| Exchange rate differences | -10,724 | -6,708 | -6,820 |
| **Total Other total profit** | **-11,152** | **-13,586** | **-3,919** |
| **Total profit** | **104,837** | **104,148** | **114,691** |

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556128-4349

| **Balance Sheet for The Group** | | **31 Aug 2010** | **31 Aug 2009** | **31 Dec 2009** |
|---|---|---|---|---|
| **TSEK** | **Note** | | | |
| Assets | 1 | | | |
| Cash and bank balances | | 32 | - | 38 |
| Lending to credit institutions | | 3,181,185 | 2,895,201 | 2,905,011 |
| Lending to the general public | 2 | 4,610,299 | 2,142,577 | 2,230,547 |
| Bonds and other interest-bearing securities | | 43,410 | 189,448 | 63,977 |
| Shares and participations | | 32,735 | 30,528 | 32,390 |
| Intangible fixed assets | | 58,433 | 93,071 | 93,341 |
| Tangible fixed assets, equipment | | 4,509 | 5,973 | 13,211 |
| Other assets | 2 | 118,825 | 57,647 | 46,987 |
| Prepaid expenses and accrued income | | 51,985 | 49,304 | 49,692 |
| **Total assets** | | **8,101,413** | **5,463,749** | **5,435,194** |
| | | | | |
| Liabilities and equity | | | | |
| Liabilities to credit institutions | | - | 2,549 | - |
| Deposits from customers | | 6,946,479 | 4,766,654 | 4,763,639 |
| Deferred income tax liabilities | | 159 418 | 128,504 | 130,110 |
| Other liabilities | 2 | 61,792 | 37,300 | 68,229 |
| Accrued expenses and deferred income | | 125,131 | 88,624 | 19,460 |
| **Total liabilities and equity** | | **7,292,820** | **5,023,631** | **4,981,438** |
| Subordinate liabilities | | 171,000 | 30,000 | 30,000 |
| Equity | | 637,593 | 410,118 | 423,756 |
| **Total liabilities and equity** | | **8,101,413** | **5,463,749** | **5,435,194** |

| **Changes in the Group's equity, TSEK** | Share capital | Reserves | Accumulated profit | Total |
|---|---|---|---|---|
| **Opening balance per 1 January 2009** | **10,000** | **2,560** | **293,410** | **305,970** |
| Net profit/loss for the year | - | - | 118,610 | 118 610 |
| Other profit/loss | | | | |
| Change in Fair value | - | 2,901 | - | 2,901 |
| Exchange rate differences | - | -6,820 | - | -6,820 |
| Other total profit/loss | - | -3,919 | - | -3,919 |
| **Total profit/loss** | **-** | **-3,919** | **118,610** | **114,691** |
| Transactions with shareholders | | | | |
| Group contribution received | - | - | 4,200 | 4,200 |
| Tax on Group contributions | - | - | -1,105 | -1,105 |
| **Total transactions with shareholders** | **0** | **0** | **3,095** | **3,095** |
| **Closing balance per 31 December 2009** | **10,000** | **-1,359** | **415,115** | **423,756** |
| **Opening balance per 1 January 2010** | **10,000** | **-1,359** | **415,115** | **423,756** |
| Profit/loss for the period in accordance with the income statement. | - | - | 115,989 | 115,989 |
| Other profit/loss | | | | |
| Change in Fair value | - | -428 | - | -428 |
| Exchange rate differences | - | -10,724 | - | -10,724 |
| Total Other profit/loss | - | -11,152 | - | -11,152 |
| **Total profit/loss** | **-** | **-11,152** | **115,989** | **104,837** |
| Transactions with shareholders | | | | |
| Shareholders' contribution received | - | - | 109,000 | 109,000 |
| **Total transactions with shareholders** | **-** | **-** | **109,000** | **109,000** |
| **Closing balance per 31 August 2010** | **10,000** | **-12,511** | **640,104** | **637,593** |

| ***Comparitive figures for the previous year*** | Share capital | Reserves | Accumulated profit | Total |
|---|---|---|---|---|
| **Opening balance per 1 January 2009** | 10,000 | 16,416 | 279,824 | 306,240 |
| Profit/loss for the period in accordance with the income statement. | - | - | 117,734 | 117,734 |
| Other total profit/loss | - | -13,856 | - | -13 856 |
| **Closing balance per 31 August 2009** | **10,000** | **2,560** | **397,558** | **410,118** |

**Cash flow statement for the Group**

| TSEK | 1 Jan 2010<br>31 Aug 2010 | 1 Jan 2009<br>31 Aug 2009 | 1 Jan 2009<br>31 Dec 2009 |
|---|---|---|---|
| | (8 months) | (8 months) | (full year) |
| Cash flows from operating activities | 146,750 | -89,445 | -154,653 |
| Cash flows from investing activities | -2,188,858 | -4,309 | -100,553 |
| Cash flows from financing activities | 2,318,276 | 1,623,113 | 1,794,413 |
| **Cash flow for the period** | **276,168** | **1,529,359** | **1,539,207** |
| Cash equivalents at beginning of period | 2,905,049 | 1,365,842 | 1,365,842 |
| Cash flow for the period | 276,168 | 1,529,359 | 1,539,207 |
| **Cash equivalents at end of period** | **3,181,217** | **2,895,201** | **2,905,049** |

Cash and cash equivalents correspond to the sum total of the posts “Cash and bank balances” and “Lending to credit institutions” in the balance sheet.

**Key ratios The Group 1)**

| TSEK | Note | 1 Jan 2010<br>31 Aug 2010 | 1 Jan 2009<br>31 Aug 2009 | 1 Jan 2009<br>31 Dec 2009 |
|---|---|---|---|---|
| | | (8 months) | (8 months) | (full year) |
| Financial Net | | 76,844 | 32,473 | 58,867 |
| Profit margin % | | 17.6 | 54.4 | 43.9 |
| Return on equity % | | 6.5 | 15.5 | 31.0 |
| Interest coverage ratio | | 1.7 | 2.9 | 2.4 |
| Equity/assets ratio % | | 10.0 | 8.1 | 8.3 |
| Capital cover ratio | 3 | 1.92 | 1.68 | 1.46 |
| Adjusted equity | | 808,593 | 440,118 | 453,756 |
| Balance sheet total | | 8,101,413 | 5,463,749 | 5,435,194 |
| Profit/loss before tax | | 55,807 | 166,305 | 166,315 |

1) For definitions of key ratios, refer to the Annual report for 2009

**Income Statement for Parent Company**

| TSEK | Note | 1 Jan 2010 31 Aug 2010 | 1 Jan 2009 31 Aug 2009 | 1 Jan 2009 31 Dec 2009 |
|---|---|---|---|---|
| | 1 | (8 months) | (8 months) | (full year) |
| **Operating income** | | - | - | - |
| **Operating expenses** | | | | |
| Other external expenses | | -3,877 | -755 | -2,315 |
| Total operating expenses | | -3,877 | -755 | -2,315 |
| **Operating income** | | **-3,877** | **-755** | **-2,315** |
| **Financial items** | | | | |
| Result from participations in Group companies | | -6,653 | 7,000 | 7,000 |
| Income from other securities | 4 | 23,167 | - | - |
| Interest income | | 267 | 317 | 226 |
| Interest income from Group companies | | 247 | - | - |
| Interest expenses to Group companies | | -8,326 | -7,703 | -5,282 |
| Other financial items | | -2 | - | 259 |
| **Total financial items** | | **8,700** | **-386** | **2,203** |
| **Profit/loss before tax** | | **4,823** | **-1,141** | **-112** |
| Tax on profit for the year | | -3,018 | 300 | -708 |
| **Tax for the year** | | **1,805** | **-841** | **-820** |

**Balance Sheet for Parent Company**

| **Assets** | **Note** | **31 Aug 2010** | **31 Aug 2009** | **31 Dec 2009** |
|---|---|---|---|---|
| **Fixed assets** | 1 | | | |
| Financial non-current assets | | | | |
| Shares and participations in group companies | | 492,350 | 315,258 | 309,952 |
| Receivables with Group companies | | 23,167 | - | - |
| **Total fixed assets** | | **515,517** | **315,258** | **309,952** |
| **Current assets** | | | | |
| Receivables with Group companies | 4 | 14,470 | - | 4,624 |
| Other receivables | | 5 | 487 | 1,573 |
| Prepaid expenses and accrued income | | 212 | - | 57 |
| **Total current assets** | | **14,687** | **487** | **6,254** |
| **Cash & Bank** | | **6,944** | **93,683** | **26,837** |
| **Total assets** | | **537,148** | **409,428** | **343,043** |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| *Restricted equity* | | | | |
| Share capital | | 10,000 | 10,000 | 10,000 |
| Restricted reserves | | 2,000 | 2,000 | 2,000 |
| | | **12,000** | **12,000** | **12,000** |
| *Non-restricted equity* | | | | |
| Profit/loss brought forward | | 159,028 | 56,366 | 50,848 |
| Net profit/loss for the year | | 1,805 | -841 | -820 |
| | | **160,833** | **55,525** | **50,028** |
| **Total equity** | | **172,833** | **67,525** | **62,028** |
| **Subordinate liabilities** | | **30,000** | **30,000** | **30,000** |
| **Liabilities** | | | | |
| Liabilities to credit institutions som är Group companies | | 310,099 | 297,235 | 232,127 |
| Other liabilities | | 24,216 | 14,668 | 18,888 |
| **Total liabilities** | | **334,315** | **311,903** | **251,015** |
| **Total equity and liabilities** | | **537,148** | **409,428** | **343,043** |

| Changes in the Parent Company's Equity, TSEK | Share capital | Statutory reserve | Accumulated profit | Total |
|---|---|---|---|---|
| **Opening balance per 1 January 2009** | 10,000 | 2,000 | 56,366 | 68,366 |
| Group contribution provided | - | - | -11,686 | -11,686 |
| Group contribution received | - | - | 8,992 | 8,992 |
| Shareholders' contribution provided | - | - | -3,532 | -3,532 |
| Tax on Group contributions | - | - | 708 | 708 |
| Net profit/loss for the year | - | - | -820 | -820 |
| **Closing balance per 31 December 2009** | 10,000 | 2,000 | 50,028 | 62,028 |
| **Opening balance per 1 January 2010** | 10,000 | 2,000 | 50,028 | 62,028 |
| Net profit/loss for the year | - | - | 1,805 | 1,805 |
| Shareholders' contribution | - | - | 109,000 | 109,000 |
| **Closing balance per 31 August 2010** | 10,000 | 2,000 | 160,833 | 172,833 |

| ***Comparitive figures for the previous year*** | Share capital | Statutory reserve | Accumulated profit | Total |
|---|---|---|---|---|
| **Opening balance per 1 January 2009** | 10,000 | 2,000 | 56,366 | 68,366 |
| Net profit/loss for the year | - | - | -841 | -841 |
| **Closing balance per 31 August 2009** | **10,000** | **2,000** | **55,525** | **67,525** |

| Cash Flow Statement for Parent Company TSEK | 1 Jan 2010 31 Aug 2010 (8 months) | 1 Jan 2009 31 Aug 2009 (8 months) | 1 Jan 2009 31 Dec 2009 (full year) |
|---|---|---|---|
| Cash flows from operating activities | -1,300 | 6,679 | 5,860 |
| Cash flows from investing activities | -182,398 | -78,737 | -73,431 |
| Cash flows from financing activities | 163,805 | 142,635 | 71,302 |
| **Cash flow for the period** | **-19,893** | **70,577** | **3,731** |
| Cash equivalents at beginning of period | 26,837 | 23,106 | 23,106 |
| Cash flow for the period | -19,893 | 70,577 | 3,731 |
| **Cash equivalents at end of period** | **6,944** | **93,683** | **26,837** |

Cash and cash equivalents correspond to items “Cash and bank balances” in the balance sheet

## Notes

### Note 1 Accounting principles

The Group applies the International Financial Reporting Standards, IFRS, adopted by the European Commission. In addition to these standards, the Swedish Financial Supervisory Authority's regulations, the Annual Accounts Act for Credit Institutions and Securities Companies, are also observed, as well as the requirements of the Swedish Financial Reporting Board's recommendation, RFR 1.3 Supplementary Accounting Rules for Groups. The Parent Company applies the Swedish Annual Accounts Act and follows the general advice and guidelines of the Swedish Accounting Standards Board.

The accounting principles remain unchanged from the annual report of 2009, with the exception of the Group's full application of IFRS in place of the so-called legally limited IFRS, and the Group's application of the capital asset pricing model, (CAPM) in our valuations regarding acquired credit stocks. The transition to full IFRS has not caused any changes to the income statement or the balance sheet in comparison to previous accounting principles.

Unless otherwise specified, all amounts are in thousands of Swedish kronor (SEK). Amounts in brackets refer to the previous year.

### Note 2 Acquisition of operations

On 10 June 2010, the Group acquired, from Citibank International plc ("Citibank"), portfolios of unsecured loans, valued at fair value on the acquisition date, and unsecured credit card receivables, among other things. The acquired operations are included as a subsidiary of Marginalen Bank Bankaktiebolag and Kredit AB Marginalen as of 1 June 2010.

**Information on Acquired net assets**

| | |
|---|---|
| Lending to the general public | 2,624,517 |
| Other liabilities | -100,226 |
| **Fair value of net assets.** | **2,524,291** |
| Profit/loss on Acquisitions at low price | -261,851 |
| **Acquisition price** | **2,262,440** |
| less: | |
| Unpaid purchase consideration attributable to acquisitions | -1,854 |
| Cash and cash equivalents in acquired subsidiary | - |
| **Effect of acquisitions on the Group's cash and cash equivalents** | **2,260,586** |

**Note 3 Capital cover**

| *Financial company group* | **31 Aug 2010** | **31 Aug 2009** | **31 Dec 2009** |
|---|---|---|---|
| Calculation of Capital base: | | | |
| Equity in accordance with most recent Annual Accounts, incl.primary capital | 779,551 | 422,530 | 425,012 |
| Change in Fair value - Assets held for sale 1) | -2,473 | - | -2,901 |
| Deduction for Intangible assets 1) | -66,323 | -93,173 | -93,637 |
| Primary capital (Net) | 710,755 | 329,357 | 328,474 |
| Supplementary capital | 30,000 | 30,000 | 30,000 |
| Total Capital base | 740,755 | 359,357 | 358,474 |
| | | | |
| Capital requirements: | | | |
| Credit risks – Schablon method 1) | 350,200 | 226,703 | 210,676 |
| Operative Risk – Base method 1) | 35,477 | 23,580 | 35,477 |
| Exchange rate risk | - | - | - |
| Total Capital requirements | 385,677 | 250,283 | 246,152 |
| | | | |
| Capital cover analysis: | | | |
| Capital base | 740,755 | 359,357 | 358,474 |
| Capital requirements | 385,677 | 250,283 | 246,152 |
| Capital cover ratio (Capital base / Capital requirements) | **1.92** | **1.44** | **1.46** |

1) For more information regarding these posts, refer to the annual report for 2009, Note 35

**Note 4 Transactions with related parties**

During the period, the Group has paid interest to the Parent Company, Esco Marginalen AB, which has amounted to a net sum of TSEK 1,122 (776), and received from the Parent Company a shareholders' contribution amounting to TSEK 109,000.

Marginalen AB has divested an option right to Esco Marginalen AB for TSEK 23,167.

Other customary transactions with related parties have been carried out during the period.

**Note 5 Correction of errors**

The previous year's comparitive figures in the consolidated income statement have been changed in order to correct inaccurately calculated Group eliminations. The corrections have not given rise to any effects on the year's income.

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556128-4349

We hereby confirm that, to the best of our knowledge, the Interim Report has been prepared in accordance with generally accepted accounting standards, and that the reported information is true and fair and no information of significance has been omitted which could affect the image of Marginalen as presented in the Interim Report.

Stockholm, 29 October 2010

Ewa Glennow
Managing Director

**Review report**

I have carried out a review of the attached interim report for Marginalen AB, Corporate Identity Number 556128-4349 for the period 1 January 2010 – 31 August 2010. It is the responsibility of the Board of Directors and Managing Director to ensure that the preparation and presentation of this financial interim report is carried out in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. My responsibility is to express an opinion on the interim report based on my review.

I conducted my review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially more limited in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing practices. The procedures performed in a review do not enable me to obtain a level of assurance that would make me aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information does not, in all material respects, accord with the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, 29 October 2010

Bertil Johanson
Authorised Public Accountant