



# **Carnegie Holding AB**

(Corp. Reg. No. 556780-4983, registered office Stockholm)

Parent Company of Carnegie Investment Bank AB (publ)  
and Carnegie Fonder AB

## **Interim Report**

1 January – 30 September 2011

## Interim Report 1 January – 30 September 2011

### ■ Financial data for the Group:

- Operating income amounted to SEK 1,386m (1,622<sup>1</sup>). The decline was mainly due to discontinued operations and lower activity in the market for corporate transactions.
- Operating expenses totalled SEK 1,355m (1,506<sup>1</sup>). The decline was due to implemented savings programmes. Items affecting comparability had a negative net impact of SEK 71 million (neg: 168) on earnings.
- Operating profit before items affecting comparability amounted to SEK 31m (115<sup>1</sup>). Including items affecting comparability, the Company posted a loss of SEK 40m (loss: 52<sup>1</sup>) before credit reserves.
- The loss for the period was SEK 38m (profit: 14<sup>1</sup>).
- The Company reported a strong financial position at the end of the period, with equity amounting to SEK 2.5 billion, a capital ratio of 21.5% and a Tier 1 ratio of 15.9%.

### ■ Company events

- Net inflow of SEK 900 million to Carnegie Fonder during the first nine months of 2011.
- Streamlining of the offering in Securities – market making operations for derivatives, issuance of warrants and arbitrage trading were discontinued.
- Carnegie's Danish operations ranked number one in Prospera's survey of corporate finance advisory services.

## President's comments

### Market climate remains uncertain

The sovereign debt crises in Europe have igniting considerable turmoil in the world's financial markets. One consequence of this market uncertainty is a general decline in activity: a number of structural transactions are being put on hold, private customers are becoming increasingly cautious and many institutions have a low proportion of shares in their portfolios.

All of these factors have impacted Carnegie and its results. Nonetheless, underlying operating profit was positive for the first nine months of the year. The private banking operations and the fund company reported stable earnings and continued to experience inflow of capital, which is impressive given the market turmoil. The number of transactions in the Investment Banking business area decreased following the postponement of a number of transactions due to market uncertainty. The Securities business area reported lower income than in the year-earlier period, mainly as a result of the discontinuation of parts of the business previously included in HQ Bank.

In periods of turbulence, maintaining sound cost control is crucial. Although our extraordinary expenses still remain high, the cost programmes we have implemented are gradually taking effect. We will continue working to reduce our expenses and we recently decided to reduce the Swedish IT and support operation with 30 positions, capitalizing from synergies related to the acquisitions in 2010.

The purchase of HQ Bank and HQ Fonder slightly more than a year ago has enabled Carnegie to generate a larger share of recurring income, which is reassuring in an uncertain market climate. In an effort to focus on advisory and management services, we streamlined our operations in the Securities business area during the quarter by discontinuing our market-making operations for derivatives, the issuance of warrants and arbitrage trading.

Never is the need for competent advisory services greater than in periods characterised by uncertain economic outlooks. Carnegie has cutting-edge expertise in all of its areas of operation and strong prospects for strengthening its relative position during such turbulent times. We have the advantage of offering personal and flexible service, while our size provides us with the critical mass to present a comprehensive offering in our segments.

Frans Lindelöw, *President and CEO*

1) Pro forma 2010: Includes profit from HQ Bank and HQ Fonder but excludes the trading loss of SEK 1.2bn in HQ Bank. Pro forma also excludes negative goodwill income pertaining to the acquisition of HQ Bank. The comparison figures on page 5 and onward are not pro forma.

## Operative income statement Carnegie Holding Group

(SEKm)	Jan-Sep	
	2011	Pro forma 2010 <sup>1</sup>
Securities	506	609
Investment Banking	343	448
Private Banking	412	414
Funds	126	151
<b>Operative income</b>	<b>1 386</b>	<b>1 622</b>
Personnel expenses	-854	-928
Other expenses	-502	-578
<b>Operative expenses</b>	<b>-1 355</b>	<b>-1 506</b>
<b>Profit before items affecting comparability</b>	<b>31</b>	<b>115</b>
Items affecting comparability	-71	-168
<b>Profit/loss before credit losses</b>	<b>-40</b>	<b>-52</b>
Credit reserves, net	6	93
<b>Profit/loss before taxes</b>	<b>-33</b>	<b>40</b>
Taxes	-4	-27
<b>Profit/loss for the period</b>	<b>-38</b>	<b>14</b>
Average number of employees	819	883
Number of employees at year-end (FTE)	808	858

### Income

Income during the first nine months of 2011 amounted to SEK 1,386m (1,622<sup>1</sup>). The Securities business area reported lower income due to discontinued operations in the former HQ Bank.

Income in the Investment Banking business area declined compared with the strong year-earlier period. Although underlying activity in the area was high, a number of planned transactions were postponed due to turbulence in the financial markets. The Swedish Investment Banking operations reported higher income year-on-year, while activity in the Norwegian operations was lower.

Private Banking showed a stable trend. The trend for the Funds business area was also stable, with a net inflow of approximately SEK 900m in 2011. However, income was somewhat lower due to customers shifting from equity funds to fixed-income funds, and assets under management declined due to falling share prices on stock exchanges worldwide.

### Expenses

Operating expenses during the first nine months of 2011 amounted to SEK 1,355m (1,506<sup>1</sup>). The reduction in expenses was attributable to previously implemented savings programmes.

### Items affecting comparability

The Group was charged with items affecting comparability that had a net negative impact of SEK 71m (neg: 168) during the period. These items pertained to the restructuring of the operations, primarily related to HQ Bank, and extra costs for social security contributions in Norway (see page 4). The net figure for 2011 also includes a capital gain from the sale of Carnegie Fund Management Company S.A. (see page 4).

### Profit

Operating profit for the first nine months of 2011 amounted to SEK 31m (115<sup>1</sup>). As indicated above, items affecting comparability had a negative impact of SEK 71m (neg: 168) on profit. Accordingly, a loss of SEK 40m (loss: 52<sup>1</sup>) was posted before credit reserves. Loan recoveries had a positive impact of SEK 6m (93) on profit. The net loss for the period was SEK 38m (profit: 14<sup>1</sup>).

1) Pro forma 2010: Includes profit from HQ Bank and HQ Fonder but excludes the trading loss of SEK 1.2bn in HQ Bank. Pro forma also excludes negative goodwill income pertaining to the acquisition of HQ Bank. The comparison figures on page 5 and onward are not pro forma.

## **Important events during the period**

### **Sale of Carnegie Fund Management Company S.A.**

The subsidiary Carnegie Fund Management Company S.A. (Luxembourg) was sold during the period, generating a capital gain of SEK 26m.

### **Streamlining of Securities operations**

Carnegie's Board of Directors adopted a strategic orientation for Securities instructing the business area to target its activities aimed at client trading with institutions. Accordingly, Carnegie will gradually discontinue the following operations in Securities Sweden: market making for derivatives, issuance of warrants and arbitrage trading. Carnegie will continue to conduct active market-making activities for its clients in the future.

### **New Managing Director of Carnegie's Norwegian operations**

Anders Onarheim, Managing Director of Carnegie's Norwegian operations (Carnegie ASA), has resigned from his position at Carnegie. This decision was arrived at in consensus with the Board of Directors of Carnegie ASA. Natasja Henriksen, who has worked at Carnegie since 2008, most recently as Head of Carnegie Securities Finance in Norway, has assumed the position of Managing Director of Carnegie ASA.

### **Information on additional employer contributions**

Carnegie has been ordered by the Norwegian Tax Authority to pay additional employer contributions for the period 2006-2008. The gross amount is SEK 66m, which will have a negative net impact of SEK 41m on Group earnings after tax. This expense has been charged to earnings for the third quarter. The Tax Administration's decision has been appealed in court.

### **Improved fund rating from Morningstar**

Two of Carnegie's funds were upgraded during the quarter: Likviditetsfonden and Select Sverige were upgraded from the second-highest rating to the highest by the Morningstar fund rating agency. In addition to these two funds, Carnegie's Sverigefond had already received a five-star rating.

## **Important events after the end of the period**

### **Carnegie Denmark receives top ranking in Prospera's 2011 Corporate Finance**

Carnegie's Danish operations ranked number one in Prospera's survey of the various players that offer corporate finance advisory services. The ranking, which is performed every second year, is based on telephone interviews with some 90 senior executives who are asked to rank investment banks according to expertise, organisation and various other considerations.

### **Savings programme**

In today's uncertain market situation, companies are being forced to reduce their fixed costs in order to remain competitive. Accordingly, Carnegie has decided to reduce the number of positions in its Swedish IT and support operations. In total, some 30 positions will be affected.

## Risks and uncertainties

### General information on risks and uncertainties

The business activities of Carnegie expose the Group to market, credit, liquidity and operational risks. Market risk is defined as the risk of loss due to the effect of, for example, changes in equity prices, interest rates or currency exchange rates. Credit risk is defined as the risk of loss due to a counterparty being unable to meet its obligations. Credit risk mainly arises as a consequence of loans to clients using shares as collateral. Liquidity risk is related to the need for liquidity in the day-to-day operations. Operational risk is the risk of loss resulting from inadequate or failed processes and systems or, alternatively, human error or external events. A more detailed description of the Carnegie Group's risk management is presented in the 2010 Annual Report for Carnegie Holding.

### Capital requirement and capital ratio

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

At the Carnegie Bank Group, which includes most of the Group's operations, the Tier 1 capital quotient on 30 September 2011 was 2.6, corresponding to a Tier 1 ratio of 20.6%. In the financial companies group, meaning the Carnegie Holding Group, in which Carnegie Fonder is also included, the Tier 1 capital quotient was 2.0, corresponding to a Tier 1 ratio of 15.9%.

A more detailed description of Carnegie's capital adequacy is provided in the 2010 Annual Report, as well as on Carnegie's website at [www.carnegie.se](http://www.carnegie.se).

### Capital adequacy

(SEKm)	Carnegie Bank Group		Carnegie Holding Group	
	Sep 30		Sep 30	
	2011	2010	2011	2010
<b>Capital base<sup>1</sup></b>				
Equity capital	2 024	2 525	2 428	2 514
Deductions <sup>2</sup>	-583	-590	-1 256	-1 281
Anticipated dividend	-	-	-	-
<b>Equity capital in the capital base</b>	<b>1 441</b>	<b>1 935</b>	<b>1 172</b>	<b>1 233</b>
Tier II capital (subordinated debt)	-	-	410	410
<b>Total capital base</b>	<b>1 441</b>	<b>1 935</b>	<b>1 582</b>	<b>1 643</b>
<b>Capital requirement</b>				
Capital requirement for credit risk, standardized method	168	205	172	208
Capital requirement for equity and interest rate risk	27	59	27	60
Capital requirement for currency risk	74	66	74	66
Capital requirement for operational risk, base method	290	439	317	468
<b>Total capital requirement</b>	<b>560</b>	<b>770</b>	<b>590</b>	<b>801</b>
Surplus capital	881	1 165	992	842
Tier I capital quotient	2.57	2.51	1.99	1.54
Capital quotient	2.57	5.51	2.68	2.05
Tier 1 ratio %	20.60	20.11	15.89	12.31
Capital ratio %	20.60	20.11	21.45	16.41

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

2) Intangible assets and deferred tax assets

## Investments

The Group's investments in fixed assets amounted to SEK 24m (22) during the period.

## Summary of the Parent Company

Total income in the Parent Company for the first nine months of the year amounted to SEK 9m (9). The Parent Company posted a loss before tax of SEK 24m (loss: 16) for the period. No investments were made in fixed assets during the period (-). The Parent Company's liquidity, defined as cash and lending to credit institutions, amounted to SEK 3m (2) on 30 September 2011. Equity totalled SEK 2,208m (1,743) on 30 September 2011.

## Liquidity

The Carnegie Holding Group's operations largely involve short-term obligations that mature within two months, which means that the bank does not require financing with a long duration. The Group's financing comprises equity, issued bonds and deposits from the public. Equity and bonds account for 24% of the balance-sheet total, deposits from the public for 54% and other liabilities for 22%. Most of the Group's other liabilities are non-interest bearing.

The liquidity reserve for the Carnegie Holding Group amounted to SEK 5,372m on 30 September 2011, up SEK 723 during the third quarter. The change was mainly due to reduced trading on own account and increased deposits. The composition of the liquidity reserve was as follows:

- Bank balances: SEK 4,083m
- Government securities and investments with central banks: SEK 967m
- Covered bonds: SEK 322m

The Carnegie Holding Group utilises risk-tolerance levels for liquidity that ensure that the bank always has an adequate liquidity reserve to survive periods of market turbulence. The liquidity reserve should always exceed the anticipated outflow of cash during a period of stress and must consist exclusively of bank balances and assets that can be refinanced with the Swedish Riksbank. A maximum of 40% of the liquidity reserve requirement may be derived from the refinancing of securities. This requirement ensures that the bank does not become overly dependent on its financing counterparties. The refinancing of securities on 30 September 2011 amounted to zero. The liquidity reserve should account for at least 10% of the balance-sheet total. On 30 September 2011, the liquidity reserve accounted for 39% of the balance-sheet total.

## Consolidated statements of comprehensive income<sup>1</sup>

(SEKm)	Jan-Sep		Full year
	2011	2010	2010
Commission income	1 390	1 040	1 712
Commission expenses	-176	-11	-90
<b>Net commission income</b>	<b>1 214</b>	<b>1 030</b>	<b>1 623</b>
Interest income	157	98	159
Interest expenses	-106	-75	-107
<b>Net interest income</b>	<b>51</b>	<b>23</b>	<b>52</b>
Other dividend income	0	0	0
Net profit from financial transactions	112	98	123
Capital gain from discontinued operations	26	-	-1
<b>Total operating income</b>	<b>1 402</b>	<b>1 151</b>	<b>1 796</b>
Personnel expenses	-965	-725	-1 225
Other administrative expenses	-422	-501	-719
Amortisation of intangible assets and depreciation of tangible fixed assets	-55	593	553
<b>Total operating expenses</b>	<b>-1 442</b>	<b>-634</b>	<b>-1 391</b>
<b>Profit/loss before credit losses</b>	<b>-40</b>	<b>517</b>	<b>405</b>
Credit losses, net	6	93	135
<b>Profit/loss before tax</b>	<b>-33</b>	<b>610</b>	<b>540</b>
Taxes	-4	-63	-39
<b>Profit/loss for the period</b>	<b>-38</b>	<b>547</b>	<b>501</b>
Other comprehensive income:			
Translation of foreign operations, net after tax	18	-56	-66
Hedge of net investment in foreign operations	-6	-	-
<b>Total comprehensive income for the period</b>	<b>-25</b>	<b>491</b>	<b>435</b>

1) Note that profit from the former HQ Bank is included in the comparison period in 2010 as of 3 September. The former HQ Fonder, now Carnegie Fonder, is included in the comparison figures as of 22 September 2010.

The comparison figures for the period January-September 2010 include negative goodwill recognised in the amount of SEK 643 million. The corresponding figure for full-year 2010 was SEK 656 million.

## Consolidated statements of financial position

	30 Sep	30 Sep	31 Dec
(SEKm)	2011	2010	2010
<b>Assets</b>			
Cash and bank deposits with central banks	369	457	287
Negotiable government securities	162	-	827
Loans to credit institutions	6 853 <sup>1)</sup>	6 386 <sup>1)</sup>	5 519
Loans to general public	3 082	4 437	3 617
Bonds and other interest-bearing securities	439	560	468
Shares and participations	504	1 437	1 682
Derivative instruments	328	460	343
Intangible assets	782	806	803
Tangible fixed assets	116	159	126
Current tax assets	51	56	26
Deferred tax assets	563	572	560
Other assets	407	418	577
Prepaid expenses and accrued income	176	254	243
<b>Total assets</b>	<b>13 831</b>	<b>16 001</b>	<b>15 078</b>
<b>Liabilities and shareholders' equity</b>			
Liabilities to credit institutions	374	1 589	552
Deposits and borrowing from general public	7 505 <sup>1)</sup>	7 767 <sup>1)</sup>	7 611
Securities issued	935	935	935
Short positions, shares	801	762	878
Derivative instruments	160	390	350
Current tax liabilities	65	79	65
Deferred tax liabilities	96	109	109
Other liabilities	525	633	832
Accrued expenses and prepaid income	416	686	716
Other provisions	115	127	162
Subordinated debt	410	410	410
Shareholders' equity	2 428	2 514	2 459
<b>Total liabilities and shareholders' equity</b>	<b>13 831</b>	<b>16 001</b>	<b>15 078</b>
<b>Pledged assets and contingent liabilities</b>			
Pledged assets	1 554	4 568	1 714
Contingent liabilities	82	107	96

1) Whereof SEK 588m (200) in client funds



## Consolidated statements of changes in equity

(SEKm)	Jan-Sep		Full year
	2011	2010	2010
Shareholders' equity - opening balance	2 459	2 109	2 109
Dividend paid	-6	-	-
Repayment of capital contribution	-	-525	-525
Shareholders' contribution	-	440	440
Comprehensive income for the year	-25	491	435
<b>Shareholders' equity - closing balance</b>	<b>2 428</b>	<b>2 514</b>	<b>2 459</b>

## Consolidated statements of cash flows

(SEKm)	Jan-Sep		Full year
	2011	2010	2010
Profit before tax	-33	610	540
Adjustments for items not affecting cash flow	14	-658	-500
Paid tax	-52	-9	17
<b>Cash flows from operations before changes in working capital</b>	<b>-71</b>	<b>-58</b>	<b>58</b>
Changes in working capital	501	-1 658	-2 141
<b>Cash flows from operations</b>	<b>430</b>	<b>-1 716</b>	<b>-2 083</b>
Acquisition of subsidiaries	-	1 687	1 687
Sale of subsidiaries	50	-	-
Acquisition of intangible and tangible fixed assets	-24	-22	-28
<b>Cash flows from investing activities</b>	<b>26</b>	<b>1 665</b>	<b>1 659</b>
Issue of capital	-	440	440
Dividend paid	-6	-	-
Repayment of capital contribution	-	-525	-525
Issue of convertible debentures	-	410	410
<b>Cash flows from financing activities</b>	<b>-6</b>	<b>325</b>	<b>325</b>
<b>Cash flows for the period</b>	<b>450</b>	<b>274</b>	<b>-98</b>
Cash and cash equivalents at opening balance <sup>1)</sup>	4 475	4 974	4 974
Exchangerate effects on cash and cash equivalents	50	-383	-401
<b>Cash and cash equivalents at closing balance <sup>1)</sup></b>	<b>4 975</b>	<b>4 865</b>	<b>4 475</b>

1) As of Q2 2011 cash pledged as collateral has been excluded. Comparative figures have been restated.

## Income statement of Parent Company

(SEKm)	Jan-Sep		Full year
	2011	2010	2010
Net income	9	9	12
Other external expenses	0	0	-2
Personnel expenses	-9	-11	-14
<b>Operating profit/loss</b>	<b>0</b>	<b>-1</b>	<b>-4</b>
Interest income	0	0	0
Interest expenses	-24	-15	-22
Result from investments in subsidiaries	-	-	505
<b>Profit/loss from financial items</b>	<b>-24</b>	<b>-15</b>	<b>483</b>
<b>Profit/loss before tax</b>	<b>-24</b>	<b>-16</b>	<b>479</b>
Taxes	0	0	0
<b>Profit/loss for the period</b>	<b>-24</b>	<b>-16</b>	<b>479</b>

## Statement of comprehensive income

	Jan-Sep		Full year
	2011	2010	2010
Profit/loss for the period	-24	-16	479
Other comprehensive income, net of tax	-	-	-
<b>Total comprehensive income for the period</b>	<b>-24</b>	<b>-16</b>	<b>479</b>

## Balance sheet of Parent Company

	30 Sep	30 Sep	31 Dec
(SEKm)	2011	2010	2010
<b>Assets</b>			
Shares and participations in Group companies	2 638	2 627	2 638
Deferred tax assets	0	-	0
<b>Total financial non-current assets</b>	<b>2 639</b>	<b>2 627</b>	<b>2 639</b>
Current receivables from Group companies	5	2	506
Other current receivables	2	2	1
Prepaid expenses and accrued income	1	-	0
Cash and bank	3	2	4
<b>Total current assets</b>	<b>10</b>	<b>5</b>	<b>511</b>
<b>Total assets</b>	<b>2 649</b>	<b>2 632</b>	<b>3 150</b>
<b>Liabilities and shareholders' equity</b>			
Shareholders' equity	2 208	1 743	2 238
Convertible debentures	410	410	410
Trade account payables	0	5	0
Current liabilities to Group companies	11	186	212
Other current liabilities	0	268	279
Accrued expenses and prepaid income	19	20	10
Pension provisions	2	1	1
<b>Total liabilities and shareholders' equity</b>	<b>2 649</b>	<b>2 632</b>	<b>3 150</b>
<b>Pledged assets and contingent liabilities</b>			
Pledged assets	400	400	400
Contingent liabilities	-	-	-

## **The Carnegie group**

To clarify the legal structure encompassed by this financial report, a brief description is provided below of the operations within Carnegie.

### **Carnegie Holding**

Carnegie Holding was formed on 19 March 2009 in conjunction with the Altor and Bure acquisition of Carnegie Investment Bank AB (publ) ("Carnegie Bank"). The holding company's operations consist of directly or indirectly owning, managing, issuing guarantees and loans to the banking operations and other group companies associated with financial operations. All business operations within Carnegie take place within Carnegie Bank and Carnegie Fonder AB (formerly HQ Fonder Sverige AB). Carnegie Holding is owned by Altor Fund III, the investment company Bure Equity AB, Investment AB Öresund and employees of Carnegie.

### **Carnegie Bank**

As of 3 September 2010, operations previously conducted in HQ Bank AB were included in Carnegie Bank. HQ Bank AB was merged with Carnegie Bank on 30 September 2010.

### **Carnegie Fonder**

Carnegie Holding consolidates Carnegie Fonder AB ("Carnegie Fonder") as of 22 September 2010.

## **Comparison figures**

Pages 2 and 3 present commentary on Carnegie Holding's operating results for the first nine months of 2011 compared with the nine months of 2010 pro forma, that is to say including HQ Bank and HQ Fonder. From page 4 and subsequently, the comparison figures are not pro forma.

## MISCELLANEOUS

### Accounting policies

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

The following accounting changes have come into effect as of 2011: IAS 24 (revised 2010) Related Party Disclosures, IAS 32 (amendment) Financial Instruments: Presentation, IFRS 7 (amendment) Financial Instruments: Disclosures, IFRIC 14 (amendment) Prepayments of a Minimum Funding Requirement and IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. These changes have not had any significant impact on the consolidated financial statements. In other respects, the consolidated and Parent Company accounting policies, calculation methods and presentation are essentially unchanged compared with the 2010 Annual Report.

Note that rounding may result in amounts in SEK millions not agreeing when summed. Unless otherwise specified, all comparison figures in the report refer to the corresponding period in 2010.

### Review report

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

### Certification

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

Carnegie Holding AB  
Stockholm, 14 November 2011

**Arne Liljedahl**  
Chairman

**Björn Björnsson**  
Board member

**Fredrik Cappelen**  
Board member

**Harald Mix**  
Board member

**Fredrik Strömholm**  
Board member

**Patrik Tigerschiöld**  
Board member

**Frans Lindelöw**  
President and CEO

## Review report

We have reviewed this report for the period 1 January 2011 to 30 September 2011 for Carnegie Holding AB (org nr 556780-4983). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Stockholm, 14 November 2011

PricewaterhouseCoopers AB

Michael Bengtsson  
*Authorised Public Accountant*  
*Auditor in charge*

Susanne Sundvall  
*Authorised Public Accountant*