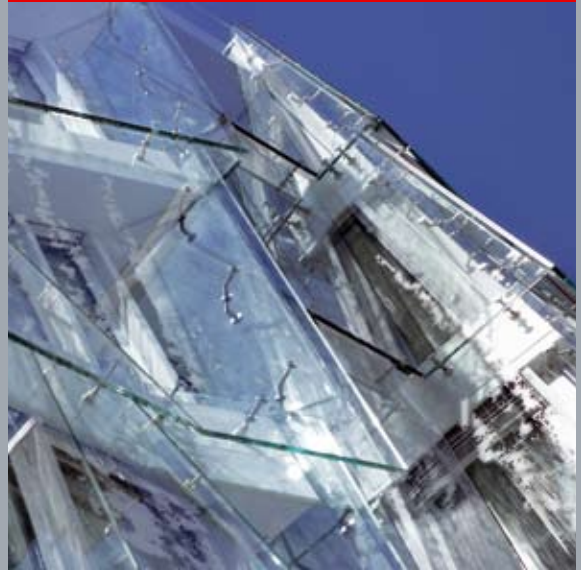




ANNUAL REPORT



2008



Liber, Utilis,
Amicus Fidelis

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Board of Directors

Anders Fällman (until April 17, 2009)

Chairman
CEO & President,
Moderna Finance AB
Stockholm, Sweden

Anders Ek (from April 23, 2009)

Chairman,
Stockholm, Sweden

Pierre Arens

Managing Director,
Banque Invik S.A.,
Luxembourg

Lorenzo Garcia

CEO,
Scribona AB,
Stockholm, Sweden

Albert Hansen

Independent Director,
Luxembourg

Frédéric Wagner

Independent Director,
Zürich, Switzerland

Paul Wolff

Independent Director,
Luxembourg

Management

Pierre Arens*

Managing Director

Peter Engelberg*

Deputy Managing Director,
Head of Corporate and Trust Services

Torben Madsen*

Deputy Managing Director,
Head of Wealth Management

Johan Modenius

Senior Vice President,
Head of Card Solutions

Gaston Colbach

Senior Vice President,
Head of Risk and Compliance

Kerstin Norin

Branch Manager,
Banque Invik Luxembourg Filial
Stockholm

Auditors

PricewaterhouseCoopers S.à r.l.

Luxembourg

* in agreement with article 7 of the law dated April 6, 1993 on the financial sector



Board of Directors' report

Banque Invik S.A. (hereafter referred to as "Bank") is a Luxembourg based bank with a branch office in Stockholm. The Bank's primary operations involve Wealth Management, Credit and Prepaid Card operations and Corporate Services. Despite extremely adverse conditions for the financial industry, operations within the Bank developed positively during the year. This was due to a strong positioning in the market and a clear focus on its marketing activities and business efforts, which contributed to further client growth within the international client base.

The Bank's treasury activity has remained very conservative, using only first rate banks as counterparties.

The Bank has retained a prudent approach towards the volatile market environment by increasing certain general reserves associated with banking risk and additionally made value adjustments where appropriate to ensure that its balance sheet is fairly and properly stated.

Total balance sheet amounted to EUR 582 million at the end of the year. The contraction in the balance sheet compared with 2007 reflects customer choices to reassess their cash positions over the year and to reduce debt through usage of accessible liquidity placed with the Bank.

Total gross revenues for the Bank remained strong at EUR 66.7 million compared to EUR 64.3 in 2007. Net interest income grew by 40% as a result of higher interest margins in a tighter liquidity environment. Net fee income only slightly decreased by 8% compared to 2007. This has been sustained by increased activity in the Card business whereas smaller volumes were traded on behalf of our customers in Wealth Management. General administrative expenditure for the Bank has increased by 11%. This is a consequence of the rapidly evolving international and regulatory framework.

At the end of 2008 the Bank employed 64 staff. Including all the Bank's subsidiaries the total staff employed was 103.

The Bank maintained its prudent approach towards its lending activity with all loans fully covered by high quality assets and/or guarantees. The liquidity ratio is strong at 64.2% well above the 30% requirement.

The Bank has no direct exposure to the mortgage market and has not suffered from the effects of the sub-prime crisis, contrary to the negative overall trend in the market.

2008 has been another very good year for the Bank. The overall net result after taxes amounted to EUR 7.05 million, thus ending the second best year in the Bank's 19 years of existence.

We would like to express our deep appreciation to our clients for their loyalty to the Bank and thank the personnel for their efforts and dedication.

Risk Management

The Bank is active in trading securities and foreign currencies for its clients and does not undertake proprietary trading. The Bank is a net placer of funds on the inter-bank market and chooses the counterparties for the placements it operates with due care and diligence.

As a result of the credit and securities trading policy, the Bank's exposure to market risks is limited.

The Bank has a conservative approach towards covering foreign exchange transactions from its client base directly

Board of Directors' report (Cont'd)

in the market. Operational risks are covered with vigilance via high quality systems and trained staff. The effort is ongoing and will be enhanced by additional investments in appropriate systems and processes when necessary.

Deposit guarantee and investor compensation scheme

At the end of 2008, the Bank has recorded a provision amounting to EUR 198 400 in connection with this deposit guarantee and investor compensation scheme.

During the year the Bank made advance payments in relation to a call for guarantee arising from the suspension of payment of three Luxembourg credit institutions, amounting to EUR 62 948.

The Management of the Bank does not consider part or all of the advance payments made to the AGDL to be recoverable and therefore did not book a receivable.

Outlook

The outlook for the Bank is positive, the stigma of uncertainty on shareholder level is now removed and this should stabilize the client base and help it grow.

The businesses have made steps towards building relationships with legal firms in Scandinavia to increase the business activity in the Corporate Services operation which will benefit the Wealth Management area as well.

The Wealth Management business is looking into opening up an FX fund using industry experts with a proven track

record and the potential to increase AuM and therefore revenues is high whilst keeping costs down.

The Credit Cards business is focusing on a niche B2B offer and relies on a brand new IT platform and a stable, well trained, staff base. The experience and efforts made over the last years in this area should allow it to contain risks at a low level.

The new owners of the Bank have offered their support by using their contacts and know-how to broaden the business relationships with the Bank.

Parent Company - Change in shareholding

In July 2008, the Bank's parent company, Invik & Co. AB ("Invik"), established in 1985 in Sweden, changed name to Moderna Finance AB, with the status of a financial conglomerate under Swedish supervision.

On March 20, 2009 Scribona Nordic AB entered into an agreement with Moderna Finance AB, the Bank's shareholder, to acquire all shares of the Bank.

Scribona Nordic AB is a fully owned subsidiary of Scribona AB, a Company listed on the Swedish Stock Exchange. The acquisition and offer were conditional upon the approval of the relevant financial supervisory authority. The authorization was obtained and the sale was completed on April 17, 2009.

There are no other subsequent events to be reported other than those already reported in the financial statements for the year ended December 31, 2008.

Board of Directors' report (Cont'd)

Allocation of unappropriated earnings

The following amounts are at the disposal of the Annual General Meeting of the Shareholders:

	EUR
Profit brought forward	158 307
Profit for the year	7 049 597
	7 207 904

It is proposed at the Annual General Meeting of the Shareholders that the unappropriated earnings at the disposal of the Annual General Meeting are allocated as follows:

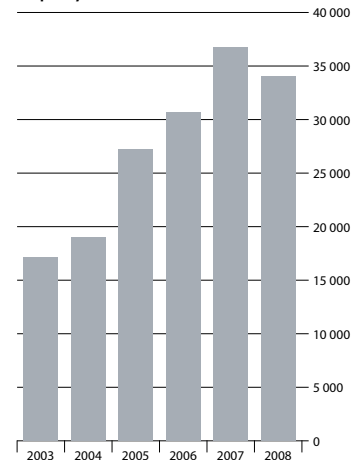
	EUR
To the legal reserve	-
To the reserve relating to net worth tax credit	1 250 000
Dividend to the Shareholders	-
To be carried forward	5 957 904
	7 207 904

It is proposed at the Annual General Meeting of the Shareholders that a transfer from the special reserves to the free reserves is made.

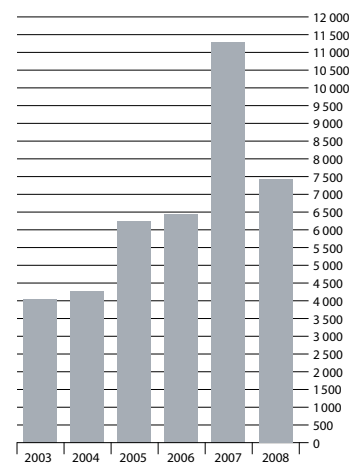
The Special Reserves contain balances relating to prior years for net worth tax credits which must be held for a minimum of five years. The reserves relating to 2002 and 2003 can now be released from the special reserve to the free reserve.

	EUR
Transfer to free reserve from special reserve	660 000

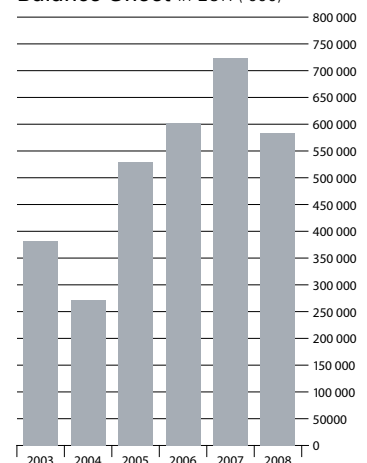
Equity & Reserves in EUR ('000)



Profit before Taxes in EUR ('000)



Balance Sheet in EUR ('000)



Board of Directors' report (Cont'd)

Business Areas

2008 has been another profitable year for the Bank and all areas contributed well to the development, putting in practice the strategic positioning of the Bank as a tailor-made solution provider for its entrepreneurial and business clients.

Wealth Management

The Wealth Management operations comprise of advisory services for private banking clients, discretionary asset management and private banking. Asset management and private banking operations are conducted at the head office of Banque Invik in Luxembourg and are directed towards Nordic and Continental European entrepreneurs.

Despite extremely adverse conditions, Wealth Management operations defended their position well during the year 2008, showing a constant level of high revenues, matching decreased fee income by a better interest margin. The existing customer base was retained and even grew marginally with new clients from Central and Eastern Europe, where wealthy private individuals demand flexible tailor-made advisory services.

Corporate Services

The Bank offers to its private entrepreneurial client base a large range of fiduciary, trust, corporate and domiciliation services, therefore meeting the continuous needs of an international clientele in a global business environment. To that end, the Bank's corporate services department profits from a vast network of specialist advisors in various legislations.

The Bank also provides corporate finance advisory to an increasing number of international medium-sized companies with registered offices primarily in the Nordic

countries. During 2008, given the strains on available liquidity, the operations in this field were reduced but the client base and volume of requests have increased and expectations are positive for the future.

Card Operations

The Bank offers a unique range of payment services and issues cards on licenses from Visa and MasterCard. The Bank issues credit cards for and to high net worth individuals, corporate cards and co-branded cards for clients in consumer sales. The Bank also has extensive experience of prepaid cards and issues a variety of prepaid cards that are profiled with various partners.

The Bank's credit card clientele decreased their card spending in 2008 and pressure was exercised by regulators on the fee structures of the world's global credit card operators. Yet the Bank's card offer managed to be highly successful and contributed substantially to the Bank's profit for the year. Wealthy private individuals have been highly profitable in 2008 and are a promising segment for the Bank's Card business.

The positive trend for Internet sales and the advantage of a Luxembourg incorporation of an e-commerce hub have also resulted in an increase of transaction volumes for credit card acquiring, contributing positively to the profit for the Bank in 2008.

Luxembourg, 23 April 2009
The Board of Directors

Brief economic review of 2008 and the future*

2008 was a year that left the world in financial turmoil and the financial system as we knew it came to a complete collapse.

The failure of Lehman Brothers in mid-September was the trigger which left investors in despair and gave an already looming financial crisis the necessary fuel for complete chaos. A large global Investment Bank such as Lehman Brothers was unable to meet its debt obligations, this triggered a significant slowdown and ultimate decline in inter-bank lending which in turn meant banks were unwilling to lend to businesses and individuals.

Furthermore a deterioration in the US economic indicators and house prices showed a dramatic widening in both money market and bond spreads as well as a major decrease in equity values. This was followed by a record increase in volatility in both 'over the counter' ("OTC") and exchange traded financial products. The true essence of this problem is to be found in the Debt / GDP ratio which has been spinning out of control for decades. A severe contraction is needed for further financial stabilization.

Europe has shown how dependent it is on the financial stability in the US. This has been playing out with the dollar strengthening against the Euro since June 2008. We believe this trend is here to stay.

The US current account deficit is likely to shrink and we will see European and Asian surpluses become much smaller than what investors have become accustomed to. Economic imbalances should start to improve and will be helped by a decrease in US consumer spending. This will further support the dollar along with what we believe is to be a decrease in interest rate differentials between the two currencies.

The political side will likely also play a major economic role in the remainder of 2009 as the US will move more swiftly on economic policy to support a recovery. However foreign exchange volatility will remain high throughout 2009.

Emerging market currencies with a focus on Eastern Europe will suffer further corrections as capital outflows and semi-pegged currencies to the Euro will find it increasingly difficult to stay afloat. So we expect a bumpy road ahead for foreign exchange. With regards to other Non-Euro currencies, from a fundamental standpoint, selling of NOK and SEK has been overdone against both the EUR and USD, but we would still remain cautious over the next 3-6 months from buying into Scandinavian currencies as financial turmoil and the search for safe havens has never shown any support for these types of currencies. Risk apprehension and positive equity returns still play an integral role.

Brief economic review of 2008 and the future* (Cont'd)

Equity markets have continued declining through 2009 despite significant stability, so called 'bail out' packages from governments and central banks for finance and industry giants.

However, write downs and reductions in earnings expectation are still major themes in the equity markets. We believe it is too early to sustain a recovery, as deflation will become a theme along with continued falling house prices throughout 2009. This will weigh heavily on world indices. In particular stocks in European and Asian countries, with a strong bias towards exports, will find it increasingly difficult to deliver steady returns for investors.

Outlook for 2009 and beyond

From an economic standpoint Switzerland's entry to deflation has really put a theme on the table for the remainder of 2009.

Both Europe and the US are heading in the same direction, which dampens the economic outlook of the future. Investors need to be reminded that deflation will squeeze the availability of credit; as the real price of lending goes up, deflation de facto increases your debt burden.

Devaluation would only make things worse as the problem would simply be exported. The "Japanese scenario" of a zero rate policy and lack of expansionary growth lasted for more than a decade and clearly should be avoided at all costs.

2009 should also show further adjustments to housing prices in Europe with as much as a 25% fall despite further interest rate cuts by the ECB.

The idea that central banks can in a global collaboration continue to print money to save the financial system is not realistic. The US house market should stabilise in 2010 and along with more sound fundamentals and transparent financial regulation these factors will be the catalysts for recovery which should tend towards signs of prosperity.

* The opinion expressed in this review is unaudited.

Independent Auditor's report

Report on the annual accounts

Following our appointment by the Board of Directors dated May 5, 2008 we have audited the accompanying annual accounts of Banque Invik S.A., which comprise the balance sheet as at December 31, 2008, and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

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

Opinion

In our opinion, these annual accounts give a true and fair view of the financial position of Banque Invik S.A. as of December 31, 2008, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is in accordance with the annual accounts.

Luxembourg, 7 May, 2009

PricewaterhouseCoopers S.à r.l.
Réviseur d'entreprises

Represented by
Rima Adas

Balance sheet as at December 31, 2008

(expressed in EUR)

ASSETS	Note(s)	2008 EUR	2007 EUR
Cash in hand, balances with central banks and post office banks	4	9 294 491	12 170 042
Loans and advances to credit institutions			
• repayable on demand		38 008 076	40 091 225
• other loans and advances		129 833 654	275 478 698
Loans and advances to customers	5.2	383 432 953	369 912 396
Shares and other variable-yield transferable securities	6	861 745	35 806
Shares in affiliated undertakings	5.1, 6, 7.1	93 035	2 770 223
Intangible assets	7.1, 7.2	4 391 285	2 654 720
Tangible assets	7.1, 7.3	1 660 637	1 459 296
Other assets	8	2 225 977	2 413 891
Prepayments and accrued income		12 616 930	16 808 882
Total assets		582 418 783	723 795 179

The accompanying notes form an integral part of these annual accounts.

Balance sheet as at December 31, 2008

(expressed in EUR)

LIABILITIES	Note(s)	2008 EUR	2007 EUR
Amounts owed to credit institutions			
• repayable on demand		1 250 612	2 059 582
• with agreed maturity dates or periods of notice		36 446 017	33 760 173
Amounts owed to customers	5.2		
• other debts			
- repayable on demand		95 087 397	161 357 584
- with agreed maturity dates or periods of notice		394 298 173	469 234 914
Other liabilities	9	909 409	1 058 733
Accruals and deferred income		12 426 528	11 367 202
Provisions			
• Provisions for pensions and similar obligations		71 990	143 714
• Provisions for taxation		3 263 837	5 426 237
• Other provisions		3 390 256	2 649 354
Fund for general banking risks		585 676	342 838
Subscribed capital	10, 12	13 170 000	13 170 000
Share premium account	10, 12	1 785 209	1 785 209
Reserves	11, 12	12 525 775	11 024 000
Profit brought forward	12	158 307	1 660 082
Profit for the financial year	12	7 049 597	8 755 557
Total liabilities		582 418 783	723 795 179

The accompanying notes form an integral part of these annual accounts.

Off balance sheet information as at December 31, 2008

(expressed in EUR)

	Note(s)	2008 EUR	2007 EUR
Contingent liabilities	14.1	1 223 790	1 636 911
of which:			
• Guarantees and assets pledged as collateral security		500 000	850 000
Commitments	14.2	245 399 839	264 175 366

The accompanying notes form an integral part of these annual accounts.

Profit and loss account for the year ended December 31, 2008

(expressed in EUR)

	Note(s)	2008 EUR	2007 EUR
Interest receivable and similar income		36 802 633	30 828 381
Interest payable and similar charges		(30 375 879)	(26 250 727)
Income from transferable securities		3 724 221	-
• income from shares and other variable-yield transferable securities		2 874 221	-
• income from shares in affiliated undertakings		850 000	-
Commissions receivable		22 925 479	25 147 931
Commissions payable		(9 617 478)	(10 715 127)
Net profit on financial operations		1 405 814	4 386 376
Other operating income	15.3	5 531 825	3 970 305
General administrative expenses		(16 217 977)	(14 564 551)
• staff costs		(7 045 976)	(5 943 269)
of which:			
- wages and salaries		(5 571 307)	(4 976 066)
- social security costs		(826 450)	(772 584)
of which: pensions costs		(332 279)	(197 877)
• other administrative expenses		(9 172 001)	(8 621 282)
Value adjustments in respect of intangible and tangible assets	7.1	(1 865 861)	(934 952)
Other operating charges	15.2	(770 413)	(2 961 161)
Value adjustments in respect of loans and advances and provisions for contingent liabilities and commitments		(2 956 808)	(1 324 927)
Value re-adjustments in respect of loans and advances and provisions for contingent liabilities and commitments		1 665 477	3 706 025
Value adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings	5.1, 7.1	(2 512 188)	-

The accompanying notes form an integral part of these annual accounts.

Profit and loss accounts for the year ended December 31, 2008 (Cont'd)

	Note(s)	2008 EUR	2007 EUR
Transfers to the fund for general banking risks		(242 838)	-
Tax on profit on ordinary activities		(429 526)	(2 407 605)
Profit on ordinary activities after tax		7 066 481	8 879 968
Other taxes not shown in the preceding items		(16 884)	(124 411)
Profit for the financial year		7 049 597	8 755 557

The accompanying notes form an integral part of these annual accounts.



Notes to the annual accounts as at December 31, 2008

Note 1 - General

Banque Invik S.A. ("the Bank") was incorporated as a "Société Anonyme" in the Grand Duchy of Luxembourg on January 25, 1989. The Bank is principally active in the following areas: private banking, credit cards, treasury, corporate advice and domiciliation services.

At year-end the shareholding of the Bank is held at 99.9 % by Moderna Finance AB (formerly Invik & Co. AB) and 0.1 % by Invik Trading AB, Sweden.

The parent company for which consolidated financial statements are prepared is Moderna Finance AB, registered in Sweden. The consolidated financial statements of Moderna Finance AB are available at their registered office at Engelbrektsplan 1, Stockholm, Sweden. The parent company of the largest group for which consolidated financial statements are prepared and the ultimate undertaking is Milestone Ehf, which is incorporated in Iceland.

The Bank has established a branch in Stockholm, Sweden on September 15, 1996.

Note 2 - Summary of significant accounting policies

2.1. Basis of presentation

These annual accounts have been prepared in conformity with accounting principles generally accepted in the banking sector in the Grand Duchy of Luxembourg. The accounting policies and the valuation principles are determined and applied by the Board of Directors, except those which are defined by law and by the regulations in Luxembourg.

On the basis of the criteria set out by the Luxembourg law, the Bank is exempted from establishing consolidated accounts and a consolidated director's report for the year ended December 31, 2008. In accordance with the amended law of June 17, 1992, the said accounts were consequently presented on an unconsolidated basis for approval by the annual general meeting of shareholders.

2.2. Foreign currencies

The annual accounts are expressed in euro ("EUR"). The Bank has adopted a multi-currency accounting system, as a result of which assets and liabilities are recorded in the currencies in which they were created.

For the preparation of the annual accounts, amounts in foreign currencies are translated into EUR on the following basis:

2.2.1. Spot transactions

Assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rate applicable at the balance sheet date.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

2.2.1. Spot transactions (Cont'd)

Income, charges and purchases of fixed assets are recorded in the currency in which they are collected or disbursed and are translated into EUR at the rates ruling on the transactions dates.

Unsettled spot foreign exchange transactions are translated into EUR at the spot rate of exchange prevailing on the balance sheet date. Foreign exchange gains and losses resulting from spot transactions not hedged by forward transactions are accounted for in the profit and loss account for the year.

Foreign exchange gains and losses resulting from spot transactions hedged by forward transactions are neutralized through "prepayments and accrued income" and "accruals and deferred income" accounts. Differences arising due to the disparity between spot and forward exchange rates are amortised in the profit and loss account pro-rata temporis.

2.2.2. Forward transactions

Unsettled forward exchange transactions are translated into EUR at the forward rate prevailing on the balance sheet date for the remaining maturity.

Unrealised exchange losses on forward foreign exchange contracts are recognised currently in the profit and loss account. Unrealised exchange gains on forward foreign exchange contracts are not included, and are only recognised when ultimately realised, except when such contracts form an economic unit with off-setting foreign exchange transactions.

2.3. Intangible and tangible fixed assets

Intangible and tangible fixed assets are valued at cost less accumulated depreciation. The acquisition cost includes the costs to purchase the assets. Depreciation is provided for on a systematic basis over the estimated useful life of the related assets or at the rates specified below.

In case of durable reduction in value, intangible and tangible assets are subject to value adjustments, regardless of whether their utilization is limited. The valuation at the inferior value is not maintained if the reasons for which the value adjustments were made no longer exist.

2.3.1. Intangible assets

Intangible fixed assets are amortised on a straight-line basis at the following rates per year:

Formation expenses	20 %
Software	20 to 33.33 %

Goodwill are amortised on a straight-line basis over their estimated useful lives within a period not exceeding five years. The useful life time concerning software depends on the evolution of IT with a view to the products involved.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

2.3.2. Tangible assets

Tangible assets are used by the Bank for its own operations and amortised on a straight-line basis over their estimated useful lives at the following rates:

Rate

Office equipment	20/25/33.33 %
Hardware	25/33.33 %
Other	2/20/25 %

2.4. Valuation of variable-yield transferable securities

The Bank holds neither an investment portfolio of financial fixed assets nor a trading portfolio.

The structural securities portfolio is valued at the lower of cost or market value. A value adjustment is made when the market value at the balance sheet date is lower than the acquisition cost. The valuation at the inferior value is not maintained if the reasons for which the value adjustments were made no longer exist.

2.5. Valuation of affiliated undertakings

Securities having the characteristics of shares in affiliated undertakings are valued at their acquisition cost in their original currency. Where a diminution in value has occurred which is considered to be permanent in nature, an adjustment is made to the carrying value of the related security.

2.6. Loans and advances

Loans and advances are stated at disbursement value less repayments made and any value adjustments required. Accrued interests are recorded in the balance sheet caption "prepayments and accrued income".

The policy of the Bank is to establish specific provisions for doubtful debts in accordance with the circumstances and for amounts specified by the Board of Directors. These provisions are deducted from the appropriate asset account balances.

2.7. Fund for general banking risks

The Bank has created a fund for general banking risks intended to cover particular risks associated with banking operations. Increases or decreases to this fund are determined based on the profit after tax, but before determining the profit for the financial year, and are not subject to limitations.

2.8. Lump-sum provision

A general reserve for potential risk on balance sheet and off balance sheet items has been booked. This tax deductible provision is deducted from the corresponding assets. The lump-sum provision calculated on off balance sheet items is booked under the item "provision for liabilities and charges: other provisions".

Notes to the annual accounts as at December 31, 2008 (Cont'd)

Note 3 - Analysis of financial instruments

3.1. Strategy reflecting the use of financial instruments

The Bank's strategy is to provide active trading in all kind of securities and foreign currencies for the account of clients. The Bank does not trade or take positions for its own account. In addition, the Bank advises its customers in financial matters, including asset management:

- for short term investments: to invest in cash deposits with automatic renewals at maturity;
- for medium term investments: to invest at the clients' requests in shares, investment funds and bonds tailored to the customers' risk profile with a 3 to 5 year investment perspective.

The Bank does not trade financial instruments, other than hedging positions taken in relation with customers' transactions.

3.2. Analysis of financial instruments

3.2.1. Information on primary financial instruments

The tables below analyse the level of primary non-trading financial instruments of the Bank, in terms of carrying amounts, into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

3.2.1.1. Analysis of financial instrument- Primary non-trading instruments

(at carrying amount - EUR) as at December 31, 2008

Instrument class (financial assets)	Primary non-trading instruments					Total
	less than 3 months	> 3 months to 1 year	> 1 year to 5 years	> 5 years	No-maturity	
Cash in hand, balances with central banks and post office banks	-	-	-	-	9 294 491	9 294 491
Loans and advances to credit institutions	167 132 865	708 865	-	-	-	167 841 730
Loans and advances to customers	104 981 005	275 818 191	2 334 692	299 065	-	383 432 953
Shares and other variable-yield transferable securities	-	-	-	-	861 745	861 745
Total financial assets	272 113 870	276 527 056	2 334 692	299 065	10 156 236	561 430 919
Non financial assets	-	-	-	-	20 987 864	20 987 864
Total assets	272 113 870	276 527 056	2 334 692	299 065	31 144 100	582 418 783

Instrument class (financial liabilities)						
Amounts owed to credit institutions						
• repayable on demand	1 250 612	-	-	-	-	1 250 612
• with agreed maturity dates or periods of notice	36 446 017	-	-	-	-	36 446 017
Amounts owed to customers						
• repayable on demand	95 087 397	-	-	-	-	95 087 397
• repayable at term or with notice	115 292 405	276 873 799	2 131 969	-	-	394 298 173
Total financial liabilities	248 076 431	276 873 799	2 131 969	-	-	527 082 199
Non financial liabilities	-	-	-	-	55 336 584	55 336 584
Total liabilities	248 076 431	276 873 799	2 131 969	-	55 536 584	582 418 783

As at December 31, 2008, the Bank held no primary trading financial instruments.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

3.2.1.2. Analysis of financial instruments

Primary non-trading instruments

(at carrying amount - EUR) as at December 31, 2007

Primary non-trading instruments

Instrument class (financial assets)	less than 3 months	> 3 months to 1 year	> 1 year to 5 years	> 5 years	No-maturity	Total
Cash in hand, balances with central banks and post office banks	-	-	-	-	12 170 042	12 170 042
Loans and advances to credit institutions	315 569 923	-	-	-	-	315 569 923
Loans and advances to customers	134 571 998	232 801 800	2 232 732	305 866	-	369 912 396
Shares and other variable-yield transferable securities	-	-	-	-	35 806	35 806
Total financial assets	450 141 921	232 801 800	2 232 732	305 866	12 205 848	697 688 167
Non financial assets	-	-	-	-	26 107 012	26 107 012
Total assets	450 141 921	232 801 800	2 232 732	305 866	38 312 860	723 795 179

Instrument class (financial liabilities)	less than 3 months	> 3 months to 1 year	> 1 year to 5 years	> 5 years	No-maturity	Total
Amounts owed to credit institutions						
• repayable on demand	2 059 582	-	-	-	-	2 059 582
• with agreed maturity dates or periods of notice	33 760 173	-	-	-	-	33 760 173
Amounts owed to customers						
• repayable on demand	161 357 584	-	-	-	-	161 357 584
• repayable at term or with notice	245 853 485	221 121 000	2 260 429	-	-	469 234 914
Total financial liabilities	443 030 824	221 121 000	2 260 429	-	-	666 412 253
Non financial liabilities	-	-	-	-	57 382 926	57 382 926
Total liabilities	443 030 824	221 121 000	2 260 429	-	57 382 926	723 795 179

As at December 31, 2007, the Bank held no primary trading instruments.



Notes to the annual accounts as at December 31, 2008 (Cont'd)

3.2.2.1. Description of the derivative financial instruments used

The Bank enters into the following derivative instruments for hedging purposes:

- **Currency forwards** represent commitments to purchase foreign and domestic currency, including undelivered spot transactions.
- **Currency swaps** are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies.

3.2.2.2. Analysis of derivatives / Financial instruments

The tables below analyse the level of derivative financial instruments (non-trading) within the Bank, broken down in terms of notional amount, into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. OTC derivative instruments and exchange-traded instruments are separately disclosed.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favourable or unfavourable as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

3.2.2.2. Analysis of derivatives / Financial instruments (Cont'd)

Derivative non-trading instruments

(disclosed on basis of nominal amounts OTC as at December 31, 2008)

In EUR	Less than 3 months	> 3 months to 1 year	> 1 year to 5 years	> 5 years	Total	Fair Value	
						Positive	Negative
Swaps	14 312 963	-	-	-	14 312 963	547 609	(545 795)
Total	14 312 963	-	-	-	14 312 963	547 609	(545 795)

Derivative non-trading instruments

(disclosed on basis of nominal amounts) OTC as at December 31, 2007

In EUR	Less than 3 months	> 3 months to 1 year	> 1 year to 5 years	> 5 years	Total	Fair Value	
						Positive	Negative
Currency							
Forwards	141 246 583	218 313 902	-	-	359 560 485	4 661 648	(4 578 603)
Swaps	32 708 644	-	-	-	32 708 644	38 934	(35 901)
Total	173 955 227	218 313 902	-	-	392 269 129	4 700 582	(4 614 504)

Notes to the annual accounts as at December 31, 2008 (Cont'd)

3.3. Credit risk

3.3.1. Description of credit risk

In general the Bank applies the following credit policy:

- for interbank transactions: to place funds with “first class” banks within the internal limits fixed by the Board of Directors;
- for loans granted to customers: fully collateralised by cash, marketable securities and /or guarantees; securities-collateralised loans must be covered by securities whose market value is or exceeds 140% of the loan granted to the customer.

All the loans have to be approved by a credit committee composed of senior managers of the Bank. In addition, loans exceeding EUR 1 mio must be signed by 1 director and, when exceeding EUR 5 mio by 2 directors mandated by the Board.

3.3.2. Measurement of credit risk exposure

Information on credit risk as it relates to financial instruments is disclosed on the basis of the carrying amount that best represents the maximum credit risk exposure at the balance sheet date without taking account of any collateral.

With respect to derivative instruments dealt in other than a recognized regulated market (OTC), the carrying amount (principal or notional amount) does not reflect the maximum risk exposure.

The Bank calculates credit risk associated with OTC derivative instruments using the original exposure approach. The disclosure is restricted to the risk equivalent amounts obtained under this method, in accordance with the provisions of CSSF circular 2006/273.

The table below discloses the level of credit exposure in terms of notional amounts, risk-equivalent amounts and net risk exposure adjusted for collateral, if any, broken down by the degree of credit worthiness of the counterparty based on internal ratings.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

3.3.2. Measurement of credit risk exposure (Cont'd)

Credit risk information

OTC derivative instruments (in EUR) as at December 31, 2008

	Notional amount*(1)	Risk-equivalent amount (2)	Collateral (3)	Net risk exposure (4)=(2)-(3)
Currency swaps				
• weighting at 2 %	14 311 150	286 223	-	286 223

*net of the effect of any enforceable netting agreements

Credit risk information

OTC derivative instruments (in EUR) as at December 31, 2007

	Notional amount*(1)	Risk-equivalent amount (2)	Collateral (3)	Net risk exposure (4)=(2)-(3)
Currency forward and swaps				
• weighting at 2 %	392 373 393	2 756 069	-	2 756 069

*net of the effect of any enforceable netting agreements

Figures disclosed in this note are notional amounts and correspond to the receivable amounts whereas in all other concerned notes the information disclosed is the payable exposure.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

3.3.2.1. Analysis of credit risk exposure as at December 31, 2008

Credit risk on financial instruments (internal risk method)

Notional amount*

Risk equivalent amount**

Counterparty solvency based on internal ratings:

Inter-bank placings:	153 939 808	28 929 063
• Cash in hand, central banks and post office banks	9 294 491	-
• Banks OECD, (all first class banks)	143 899 560	28 779 912
• Banks non OECD	745 757	149 151
Loans and advances to customers:	405 188 273	33 267 380
• Category A (collateralised by cash deposits)	352 977 935	-
• Category B (collateralised by transferable securities)	15 637 181	15 637 181
• Category C (staff loans)	945 394	791 518
• Category D (credit card balances)	30 644 145	11 855 063
D1 - guaranteed by banks	23 200 025	4 640 005
D2 - cash collateral	229 062	-
D3 - other balances	7 215 058	7 215 058
• Category E (other loans)	4 983 618	4 983 618
Brokers	1 441 093	1 441 093
Shares and other variable-yield transferable securities	861 745	861 745
Guarantees granted to customers:	1 223 790	34 340
• Category A (collateralised by cash deposits)	1 189 450	-
• Category E (other guarantees)	34 340	34 340
Credit commitments:	245 399 839	-

* The notional amount is compensated with the lump-sum provision and specific provisions for doubtful debts, when applicable.

** The risk equivalent amount corresponds to the net risk exposure calculated based on weighted amounts according to the criteria set for the capital adequacy ratio. It also takes into consideration collateral, if any.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

3.3.2.2. Analysis of credit risk exposure as at December 31, 2007

Credit risk on financial instruments (internal risk method)	Notional amount*	Risk equivalent amount**
Counterparty solvency based on internal ratings:		
Inter-bank placing:	304 472 215	58 460 435
Cash in hand, central banks and post office banks	12 170 042	-
Banks OECD, (all first class banks)	29 066 060	58 413 212
Banks non OECD	236 113	47 223
Loans and advances to customers:	382 403 213	59 967 390
• Category A (collateralised by cash deposits)	303 655 296	-
• Category B (collateralised by transferable securities)	42 703 028	42 703 028
• Category C (staff loans)	862 316	701 092
• Category D (credit card balances)		
D1 - guaranteed by banks	23 267 750	4 653 550
D2 - cash collateral	5 103	-
D3 - other balances	7 984 510	7 984 510
• Category e (other loans)	3 925 210	3 925 210
Brokers	10 776 933	10 776 933
Shares and other variable-yield transferable securities	35 806	35 806
Guarantees granted to customers:	1 636 911	37 791
• Category A (collateralised by cash deposits)	1 599 120	-
• Category E (other guarantees)	37 791	37 791
Credit commitments:	264 175 366	-

* The notional amount is compensated with the lump-sum provision and specific provisions for doubtful debts, when applicable.

** The risk equivalent amount corresponds to the net risk exposure calculated based on weighted amounts according to the criteria set for the capital adequacy ratio. It also takes into consideration collateral, if any.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

3.3.3. Concentrations of credit risk

The tables below show credit risk concentration as it relates to financial instruments from on- and off-balance sheet exposures by geographic location and economic sector.

Geographic concentrations of credit risk

Geographic zone	Credits and other balance sheet items		Commitments & guarantees		OTC derivatives	
	2008	2007	2008	2007	2008	2007
OECD (*)	551 845 864	674 406 006	243 169 724	253 357 169	7 768 254	387 226 963
NON OECD	9 585 055	23 282 161	3 453 905	12 455 108	6 544 709	5 042 166
Total	561 430 919	697 688 167	246 623 629	265 812 277	14 312 963	392 269 129

(*) The exposure towards OECD countries takes into account loans for EUR 297 mio (2007: EUR 227 mio) granted to non OECD countries, which are guaranteed by deposits made by companies located in OECD countries.

Concentration of credit risk by economic sector

The table below shows that credit exposure on credit institutions constitutes 46 % of the total credit risk of the Bank as at December 31, 2008 (2007: 51%).

Economic sector	Credits and other balance sheet items		Commitments & guarantees		OTC derivatives	
	2008	2007	2008	2007	2008	2007
Banks	177 136 221	327 739 965	196 310 452	171 461 205	7 135 532	196 006 770
Private clients	37 646 137	77 433 818	41 449 346	62 187 769	7 148 312	35 703 364
Telecom	296 496 173	229 857 599	291 038	400 144	-	110 057 099
Others	50 152 388	62 656 785	8 572 793	31 763 159	29 119	50 501 896
Total	561 430 919	697 688 167	246 623 629	265 812 277	14 312 963	392 269 129

Notes to the annual accounts as at December 31, 2008 (Cont'd)

3.3.3. Concentrations of credit risk (Cont'd)

As an active participant in the international banking markets, the Bank has a significant concentration of credit risk with other first class financial institutions that are all approved by the Board. In total, credit risk exposure to financial institutions amounts to EUR 380,6 mio at December 31, 2008 (2007: EUR 695,2 mio) of which EUR 203,4 mio (2007: EUR 367,5 mio) is linked to off-balance sheet items.

3.4. Market risk

The Bank's exposure on market risk in connection with its own portfolio of shares and other variable-yield transferable securities as well as the exposure pertaining to affiliated undertakings and loans granted to customers collateralised by securities has decreased compared to last year. This type of lending activity is limited and represents as per year-end 4% of the loans granted to customers. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

The Bank's strategy is very conservative; all trading activities are customer based.

The swaps positions as per year-end have been concluded purely for hedging purposes.

Note 4 - Cash in hand, balances with central banks and post office banks

In accordance with the requirements of the European Central Bank, the Luxembourg Central Bank implemented effective January 1, 1999, a system of mandatory minimum reserves which applies to all Luxembourg credit institutions. The minimum reserve balance as at December 31, 2008 held by the Bank with the Luxembourg Central Bank amounted to EUR 9 162 189 (2007: EUR 11 979 041).

Notes to the annual accounts as at December 31, 2008 (Cont'd)

Note 5 - Shares in affiliated undertakings

5.1. Summary of shares in affiliated undertakings

At December 31, 2008, the Bank held at least 20 % of the capital of the following companies:

Name	Registered office	% of participation	Net book value at 31.12.08	Total Shareholders' equity unaudited 31.12.2008
			EUR	EUR
Shares in affiliated undertakings				
Smart Transfer Ltd	Ireland	48.5 %	-	(933 907)
Inlux Norge AS	Norway	100 %	12 697	12 697
Modern Treuhand BV	Netherlands	100 %	18 400	254 015
Modern Treuhand S.A.	Luxembourg	99.9 %	30 969	19 592
Modern Processing S.A.	Luxembourg	99.9 %	30 969	31 000
			93 035	

The investment in Banque Invik Asset Management S.A. ("BIAM") is the result from The Modern Funds Management Company S.A.'s ("MFMC") merger by absorption of BIAM, subsequently renamed Banque Invik Asset Management S.A. As a result of the merger, earlier value adjustments on the participation have been written off and recorded in the profit and loss accounts as value re-adjustments.

In August 2008, the Bank acquired the existing customer contracts of BIAM with the valuation based upon the projected gross assets under management ("AuM") of these clients over 2009. The acquisition of the BIAM customers was treated as goodwill by the Bank and amounted to EUR 2 mio, refer to Note 7.1.

In October BIAM was liquidated with all its assets and liabilities transferring to the Bank.

During the year the Bank honoured its capital calls for

the Joint Venture Smart Transfer Limited ("ST"), set up 2007 with the Ireland based payment terminals operator Payzone PLC. Inter alia due to adverse market conditions in the credit and payment industries, and the restructuring of ST's second shareholder's funding base, ST has ended a second consecutive loss making year. The funding difficulties of the co-shareholders, the difficult trading conditions and high barriers of entry into new markets have led the Management of the Bank to make a value adjustment and write down the whole value of its investment in ST, refer to Note 7.1.

The net asset value ("NAV") of Inlux Norge AS ("IN") was below the carrying value of the investment in the books of the Bank. Therefore a value adjustment was made to reduce value of the investment in line with the NAV as at December 31, 2008.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

5.2. Loans and advances to and debts owed to affiliated undertakings

Assets	2008 EUR	2007 EUR
Loans and advances to customers	2 901 746	1 759 212
Liabilities		
Amounts owed to customers	2 367 409	16 175 113

Note 6 - Transferable securities

Quoted and unquoted transferable securities

	Quoted securities 2008 EUR	Unquoted securities 2008 EUR	Total 2008 EUR	Total 2007 EUR
Shares and other variable-yield securities	-	861 745	861 745	35 806
Shares in affiliated companies	-	93 035	93 035	2 770 223
	-	954 780	954 780	2 806 029

Visa Inc. made an Initial Public Offering on the New York Stock Exchange ("NYSE") and converted the shareholding of each of its members accordingly and contributed in kind 32,526 Class C shares to the Bank as a result of its membership of Visa Europe Limited.

These shares must be retained for a minimum of three years and can only be traded between other Visa members. As of October 16, 2008, the Bank received a Share contribution-in-kind amounting to EUR 836 409.



Notes to the annual accounts as at December 31, 2008 (Cont'd)

Note 7 - Fixed assets

7.1. Movements in fixed assets

	Gross value			Gross value at the end of the financial year
	Gross value at the beginning of the financial year	Additions/ transfers	Disposals/ transfers	
	EUR	EUR	EUR	EUR
Shares in affiliated undertakings	2 770 223	1 000 000	(1 165 000)	2 605 223
Intangible fixed assets				
of which:	11 016 903	3 167 111	-	14 184 014
• formation expenses	158 208	-	-	158 208
- concessions, patents, trademark and similar rights	10 167 018	1 167 111	-	11 334 129
- goodwill	691 677	2 000 000	-	2 691 677
Tangible fixed assets	3 926 769	949 400	(1 479 170)	3 396 999
of which:				
• technical equipment and machinery	3 923 611	949 400	(1 479 170)	3 393 841
• payment on account	3 158	-	-	3 158

	Value adjustments			Carrying amount	
	Cumulative value adjustments at the beginning of the financial year	Value adjustments	Reversal of value adjustments	Cumulative value adjustments at the end of the financial year	Net book value at the end of the financial year
	EUR	EUR	EUR	EUR	EUR
Shares in affiliated undertakings	-	2 512 188	-	2 512 188	93 035
Intangible fixed assets					
of which:	8 362 183	1 430 546	-	9 792 729	4 391 285
• formation expenses	158 208	-	-	158 208	-
- concessions, patents, trademark and similar rights	7 512 298	1 118 693	-	8 630 991	2 703 138
- goodwill	691 677	311 853	-	1 003 530	1 688 147
Tangible fixed assets	2 449 285	435 315	(1 169 259)	1 715 341	1 681 658
of which:					
			Less lump-sum provision		(21 021)
					1 660 637
• technical equipment and machinery	2 449 285	435 315	(1 169 259)	1 715 341	1 678 500
• payment on account	-	-	-	-	3 158

Notes to the annual accounts as at December 31, 2008 (Cont'd)

7.2. Intangible assets

Intangible assets include software used by the Bank within the framework of its activities.

Furthermore as mentioned in Note 5.1, the Bank acquired the goodwill of Banque Invik Asset Management S.A.

7.3. Tangible fixed assets

Tangible assets under EUR 868 are recorded directly into profit and loss account.

All tangible assets are used by the Bank for its own operations.

Note 8 - Other assets

"Other assets" at December 31, 2008 comprise:

	2008 EUR	2007 EUR
Receivables from affiliated companies	716 269	587 317
Receivables from domiciliation fees	807 075	1 461 070
Other	702 633	365 504
	2 225 977	2 413 891

Note 9 - Other liabilities

"Other liabilities" comprise the following items at December 31, 2008:

	2008 EUR	2007 EUR
Payables to affiliated companies	-	209 370
Privileged creditors	340 738	448 531
Other creditors	568 671	400 832
	909 409	1 058 733

Notes to the annual accounts as at December 31, 2008 (Cont'd)

Note 10 - Subscribed capital

- The Bank has an authorised capital of EUR 40 158 751 divided into 21 900 000 A shares and 5 100 000 B shares without any par value.
- The Bank has an issued corporate capital of EUR 13 170 000 divided into 8 780 000 A registered shares without any par value, fully paid in. In addition the Bank has at its disposal a share premium for a value of EUR 1 785 209.
- The Class A shares entitle holders thereof to dividends. The Class B shares entitle the holders thereof to a cumulative preferential dividend of 0.1 % of the nominal value of the Class B shares and to a dividend equal to the dividend declared for the Class A shares.
- Each Class A share is entitled to one vote. The Class B shares do not carry a right to vote except in the circumstances as provided by the law.

Note 11 - Reserves

Reserves include:

11.1. Legal reserve

In accordance with Luxembourg law, the Bank must transfer at least 5 % of its annual profit to the legal reserve until this reserve equals 10 % of subscribed capital. The legal reserve is not distributable.

11.2. Special reserve

In accordance with the tax law in force since January 1, 2002, the Bank reduced the Net Wealth Tax (NWT) burden on the amount of the Corporate Income Tax (CIT). In order to comply with the tax law, the Bank decided to allocate under non-distributable reserves (item "special reserve") an amount that corresponds to five times the amount of credited NWT. This reserve is non-distributable for a period of five years from the year following the one during which the NWT was credited.

11.3. Free reserve

The free reserve represents profits of prior years that have been appropriated by the Annual General Meeting of shareholders to a specific reserve referred to as "free reserve". The Annual General Meeting may approve the distribution of this reserve.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

Note 12 - Changes in shareholders' equity

The movements of shareholders' equity of the Bank may be summarised as follow:

	Subscribed Capital	Share premium account	Reserves	Net profit brought forward	Profit for the year	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Balance at December 31, 2007	13 170 000	1 785 209	11 024 000	1 660 082	8 755 557	36 394 848
Transfer to legal reserve	-	-	359 225	(359 225)	-	-
Transfer to special reserves	-	-	1 142 550	(1 142 550)	-	-
Transfer to free reserves	-	-	-	-	-	-
Profit brought forward	-	-	-	-	-	-
Dividends paid	-	-	-	-	(8 755 557)	(8 755 557)
Current year profit	-	-	-	-	7 049 597	7 049 597
Balance at December 31, 2008	13 170 000	1 785 209	12 525 775	158 307	7 049 597	34 688 888

The appropriation of last year's result was approved by the Annual Meeting of Shareholders on May 27, 2008.

Note 13 - Positions in foreign currencies

	2008 EUR	2007 EUR
Total amount of assets in foreign currencies	466 695 260	498 248 417
Total amount of liabilities in foreign currencies	463 635 498	560 377 775

Notes to the annual accounts as at December 31, 2008 (Cont'd)

Note 14 - Contingent liabilities and commitments

14.1. Contingent liabilities

Contingent liabilities included in Off Balance Sheet accounts at December 31, 2008 comprised:

	2008 EUR	2007 EUR
Guarantees and other direct substitutes for credit	500 000	850 000
Counter-guarantees	-	60 881
Other	723 790	726 030
	1 223 790	1 636 911

Contingent liabilities include contingent liabilities in relation with affiliated companies amounting to EUR 148 412 (2007: EUR 148 412).

14.2. Off balance sheet commitments

	2008 EUR	2007 EUR
Forward and Swaps currency transactions	14 312 963	392 269 129
Confirmed credits not used	245 399 839	264 175 366
	259 712 802	656 444 495

Confirmed credits not used include credits to affiliated companies amounting to EUR 25 682 (2007: EUR 43 840). There were no Forward and Swaps currency transaction to affiliated companies in 2008 (2007: EUR 46 482 545).

Notes to the annual accounts as at December 31, 2008 (Cont'd)

14.3. Deposit guarantee and investor compensation scheme

All credit institutions in Luxembourg are members of the non-profit making "Association pour la Garantie des Dépôts, Luxembourg" (AGDL).

The exclusive objective of the AGDL is the establishment of a system of mutual guarantee of cash deposits and of receivables arising from investment operations made by individuals with members of the AGDL, without distinction of their nationality or residence, by corporations incorporated under Luxembourg or another European Union member state law, which are authorised, because of their size, to prepare an abridged balance sheet in conformity with the applicable law, as well as by those corporations of a similar size as defined by law of another European Union member state.

The AGDL reimburses to the deposit holder the amount of his guaranteed cash deposits and to the investor the amount of his guaranteed receivable with a maximum foreign currency equivalent limit of EUR 20 000 per guaranteed cash deposit and EUR 20 000 per guaranteed receivable arising from investment operations other than that relating to a cash deposit.

At December 31, 2008, the Bank maintained a provision in connection with this deposit guarantee and investor compensation scheme. In the context of the claims made by the AGDL in 2008, the Bank used its existing AGDL provision.

The Management of the Bank does not consider part or all of the advance payments made to the AGDL to be recoverable as at December 31, 2008 and therefore did not book a receivable.

14.4. Management and fiduciary services

The Bank has provided the following management and representative services to third parties in the course of the financial year:

- investment management and advice;
- safekeeping and administration of securities;
- company management and administration.



Notes to the annual accounts as at December 31, 2008 (Cont'd)

Note 15 - Profit and loss account

15.1. Breakdown of income by geographic market

By application of Article 69 (2) of the law on the annual accounts of credit institutions, sources of income have not been analysed by geographic region.

15.2. Other operating charges

Other operating charges at December 31, 2008 represent:

	2008 EUR	2007 EUR
AGDL provision	162 148	-
Loss on sale of tangible assets	33 260	-
Claim provision	300 000	-
Other assets write down	268 374	-
Other costs	6 631	1 161
Investment write down	-	2 960 000
	770 413	2 961 161

The investment write down in 2007 is related to the investment in Modern Funds Management Company S.A. ("MFMC") renamed thereafter Banque Invik Asset Management S.A. ("BIAM") and was made in order to absorb reported losses from earlier years.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

15.3. Other operating income

Other operating income at December 31, 2008 represents:

	2008 EUR	2007 EUR
Sale participation in Altlorenscheuerhof	-	1 123 024
Income from transfer in promoter-ship of Modern Funds	-	1 477 013
Sale of bad debt on the retail side	-	215 520
Liquidation profit on BIAM	2 044 450	-
Vat Provision release / refund	385 000	117 232
Income relating to prior years (including reversal of provisions)	1 725 946	882 691
Receivable from distributors on prepaid card packages	1 060 752	41 715
Rental income from sub-lease	108 100	-
IT development cost refund	80 000	-
Other income	127 577	13 110
	5 531 825	3 970 305

In October 2008, Banque Invik Asset Management S.A. ("BIAM") was liquidated in order to utilise the tax losses transferred from Modern Funds Management Company S.A. ("MFMC") against retained profits. The profit on the liquidation of BIAM was transferred to the Bank being the parent company. Refer to Note 5.1.

15.4. Tax charge

The Bank is liable to taxes on income, capital and net assets. The Luxembourg tax authorities have assessed year 2003 for income taxes. Tax liabilities are recorded under "Provisions for taxation" in the balance sheet.

Notes to the annual accounts as at December 31, 2008 (Cont'd)

Note 16 - Information relating to personnel employed and management

16.1. Personnel employed

The average number of employees during the financial year is detailed as follows:

	2008	2007
Senior management	5	4
Management	5	8
Employees	54	48
Total	64	60

16.2. Members of the Board and managerial bodies

	Board of Directors		Managerial bodies	
	2008 EUR	2007 EUR	2008 EUR	2007 EUR
Remuneration	45 000	45 000	1 070 016	1 121 879
Loans and advances	-	-	-	-
Other commitments	-	-	-	-
Commitments relating to pension	-	-	1 410 091	1 900 014

Notes to the annual accounts as at December 31, 2008 (Cont'd)

Note 17 - Fees of the Independent Auditor

The fees of the independent auditor of the Bank for the year ending December 31, 2008 are as follows:

	2008 EUR	2007 EUR
Audit	348 650	247 000
Other services	30 000	-
	378 650	247 000

Notes to the annual accounts as at December 31, 2008 (Cont'd)

Note 18 – Other matters

18.1. Credit card balances receivables

Kaupthing Bank Luxembourg S.A. (Kaupthing) acted as partner bank with the Bank to offer to their clients credit cards processed by the Bank. On October 8, 2008, the Tribunal d'arrondissement de Luxembourg, sitting in commercial matters, has declared the suspension of payments for Kaupthing.

As at December 31, 2008, the Bank had towards Kaupthing's customers, credit card balances receivables amounting to approximately EUR 1.5 Mio.

In the absence of information on the capacity of Kaupthing to continue its activity, the risks involved in this case cannot be quantified at this stage.

The Bank has recorded a value adjustment of EUR 0.9 Mio on the concerned credit card balances to cover the risk associated with this situation.

18.2. Potential litigation

In 2008, a contracting partner of the Bank claimed the non-respect of an exclusive clause subject to the purchase of a minimum of memberships and asked for a compensation of EUR 1.5 Mio. As at December 31, 2008, the Bank contested the level of the compensation and proposed a settlement out of court.

Note 19 – Subsequent events

On March 20, 2009 Scribona Nordic AB entered into an agreement with Moderna Finance AB, the Bank's shareholder, to acquire all shares of the Bank.

Scribona Nordic AB is a fully owned subsidiary of Scribona AB, a company listed on the Swedish Stock Exchange. The sale was completed on April 17, 2009. Furthermore the loan to the Parent Company referred to in Note 5.2 was fully repaid on closure of the sale of the Bank.

Proceedings to liquidate Inlux Norge AS, a wholly owned subsidiary of the Bank, commenced in 2009. The company was dormant and any profit on liquidation will be transferred to the Bank, refer to Note 5.1.

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