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Lars Seier Christensen
Joint Chief Executive Officers

Kim Fournais

“This has been a year of accelerated growth, development and expansion. We have moved into new product groups, expanded our market, and followed through on our core business model.”

SAXO BANK ANNUAL REPORT 2003

Since 1992, the men and women at Saxo Bank have been serving serious traders worldwide. With one foot solidly in the world of information technology and the other foot in the global capital markets, Saxo Bank is an original and highly adaptable financial services provider.

During the year completed we welcomed many new clients and partners. Their embrace of our capability and unique value proposition encourages us. Their commitment to our business underscores the importance of our client station, the suite of products and trading services we offer, and the utility of our information resources.

With an expanding product set that now includes online futures contracts as well as managed funds and soon, fixed income, we help introduce the dynamic world of capital markets to an expanding client base worldwide.

In 2003, we forged new and deeper relationships with banks, brokerage firms and other capital markets participants. They look to us for our ability to serve as a facilitator. We seek to perform as an effective business partner able to aggregate liquidity and distribute trading capabilities to both institutional and retail markets.

From private investors to financial professionals, from corporate clients to full white label engagements, Saxo Bank is proud to serve as a blue chip business partner.

SAXO BANK. SERIOUS TRADING. WORLDWIDE.

We connect thousands of clients in over a hundred countries throughout the world to the global capital markets. Our technology and service advantage translates into tens of thousands of trades each day. Private investors, institutional clients, introducing brokers and white label partners look to us for our multi-lingual capabilities and cutting-edge suite of trading and risk management tools.

Albania
Andorra
Antilles
Argentina
Armenia
Australia
Austria
Bahamas
Bahrain
Belarus
Belgium
Benin
Bermuda
Brazil
Bulgaria
Cameroon
Canada
Cayman Islands

China
Colombia
Costa Rica
Cyprus
Czech Republic
Denmark
Dominica
Dominican Republic
Egypt
Estonia
Finland
France
Gambia
Georgia
Germany
Gibraltar
Greece
Hungary

Iceland
India
Indonesia
Iran
Ireland
Israel
Italy
Japan
Jordan
Kazakstan
Kenya
Korea
Kuwait
Latvia
Lebanon
Libya
Liechtenstein
Lithuania



Luxembourg
Macedonia
Malaysia
Malta
Mauritius
Mexico
Moldova
Monaco
Mongolia
Morocco
Myanmar
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Panama

Philippines
Poland
Portugal
Qatar
Romania
Russia
Saint Kitts And Nevis
San Marino
Saudi Arabia
Singapore
Slovakia
Slovenia
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Syria

Taiwan
Tanzania
Thailand
Trinidad And Tobago
Tunisia
Turkey
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay
Venezuela
Virgin Islands
Yemen
Yugoslavia
Zambia



Henrik Hviid Klæbel
Chief Operations Officer

Henning Skovlund
Member of the Board

John Korsø Jensen
Member of the Board

Eric Frydenlund Michelsen
Vice Chief Executive Officer

Teddy Jacobsen
Member of the Board

Karen Elisabeth Heltoft
Head of Legal & Compliance

Shailendra Robin Patel
Chief Financial Officer

Lars Seier Christensen
Joint Chief Executive Officer

Henrik Thufason
Chairman of the Board

Kim Fournais
Joint Chief Executive Officer

Peter Lerbrandt
Vice Chairman of the Board

COMPANY INFORMATION

COMPANY

Saxo Bank A/S
Smakkedalen 2
DK-2820 Gentofte
Denmark
Reg. No. 1149
CVR No. 15 73 12 49
Registered Office: Gentofte

BOARD OF DIRECTORS

Henrik Thufason	Chairman of the Board
Peter Lerbrandt	Vice-Chairman of the Board
John Korsø Jensen	Board Director
Henning Skovlund	Board Director
Teddy Jacobsen	Board Director

SENIOR MANAGEMENT

Lars Seier Christensen	Joint Chief Executive Officer
Kim Fournais	Joint Chief Executive Officer
Eric Frydenlund Michelsen	Vice Chief Executive Officer
Shailendra Robin Patel	Chief Financial Officer

MANAGEMENT GROUP

Hans-Petter Bjørnstad	Executive Director, Global Head of Sales
Daniel Darst	Executive Director, Global Head of Marketing
Karen Elizabeth Heltoft	Executive Director, Head of Legal & Compliance
Steen Jakobsen	Executive Director, Head of Fund Management & Analysis
Henrik Hviid Klæbel	Executive Director, Chief Operations Officer
Troels Toftelund Madsen	Executive Director, Chief Technology Officer
Claus Nielsen	Executive Director, Global Head of Trading
Ole Rossing	Executive Director, Chief Information Officer
Flemming Skov	Director, Head of Software Engineering
Michael van Kampen	Director, Human Resources

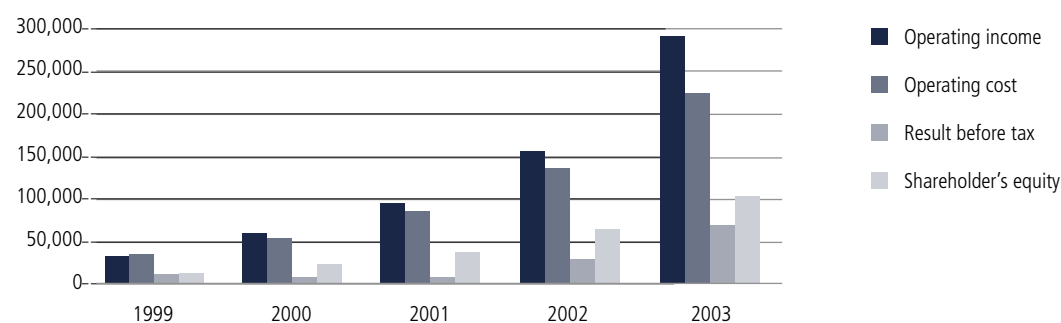
SAXO BANK IN FIGURES

FINANCIAL HIGHLIGHTS (DKR. '000)	2003	2002	2001	2000	1999
Operating Income	286,783	157,677	97,006	65,218	31,850
Profit/loss on ordinary operations before tax	65,923	23,919	10,239	10,622	-1,129
Result before tax	65,923	23,919	10,239	10,622	10,431
Total assets *)	1,823,121	849,595	446,814	291,752	137,834
Shareholders' equity, end of year	101,413	71,195	58,075	25,861	18,628
No. of employees (average)	174	122	93	46	34
Balance Sheet Highlights (DKR. '000)					
Total weighted assets	590,153	410,653	145,148	96,754	36,896
Core share capital less statutory deductions	94,122	63,834	49,626	25,300	18,626
Share capital and subordinated capital	168,586	63,834	49,626	25,300	19,626
Average shareholders' equity	86,304	64,635	41,968	22,245	12,927
Loans and advances, beginning of the year	40,290	36,725	25,519	28,415	15,584
Loans, guarantees and provisions	64,011	41,328	37,136	25,866	28,415
Deposits	1,363,146	677,681	354,509	218,759	102,181
Ordinary costs	221,025	135,460	90,071	56,327	32,979
10% requirement as per BSL § 28	164,815	77,893	38,874	-	-
Ratios and Key Figures					
Solvency Ratio	28.6%	15.5%	34.2%	26.1%	53.2%
Core Capital Ratio	15.9%	15.5%	34.2%	26.1%	50.5%
Return before tax on shareholders' equity	76.4%	37.0%	24.4%	47.8%	80.7%
Return after tax on shareholders' equity	52.3%	25.0%	17.2%	31.6%	88.2%
Cost/core income ratio	1.30	1.18	1.11	1.19	0.98
Interest rate risk	0.4%	0.7%	1.4%	-	-
Foreign exchange positions	345.6%	332.1%	162.5%	200.8%	47.4%
Exchange rate risk	6.5%	13.8%	3.3%	2.6%	0.7%
Loans, advances and provisions proportional to deposits	4.6%	6.0%	10.5%	11.8%	27.8%
Additional liquidity proportional to the demand of liquidity	748.0%	725.6%	728.8%	-	-
The total of large engagements/liable capital	52.0%	12.1%	48.2%	-	-
Part of debts with reduced interest rate	0.0%	0.0%	0.0%	-	-
Provisions ratio	1.0%	1.2%	1.1%	0.3%	0.0%
Loss and provisions ratio	0.4%	0.3%	1.6%	2.0%	1.1%
Growth of loans and advances	55.1%	9.7%	43.9%	-10.2%	82.3%
Loans and advances proportional to share capital	0.6	0.6	0.6	1.0	1.5

Certain key figures are reported only for the period during which the company has operated as a bank. Prior to June 2001, the company operated as a brokerage firm.

*) Values of open derivative positions in 1999 are reported in the balance sheet on a net basis in accordance with the then prevailing accounting principles.

FINANCIAL HIGHLIGHTS (DKR '000)



Profit on ordinary activities before tax rose to Dkr. 66 million, an increase of 176% from 2002. Net operating income reached a record Dkr. 287 million, an increase of 82% during the year.

MANAGEMENT REVIEW 2003

IN 2003, SAXO BANK ACHIEVED POSITIVE RESULTS POSTING GROWTH IN REVENUE, EARNINGS AND SHAREHOLDERS' EQUITY AS WELL AS SIGNIFICANT GAINS ACROSS A NUMBER OF CRITICAL CLIENT, PRODUCT AND SERVICE METRICS.

Profit on ordinary activities before tax rose to Dkr. 66 million, an increase of 176% from 2002. Net operating income reached a record Dkr. 287 million, an increase of 82% during the year. Shareholders' equity increased by 42% to Dkr. 101 million. Management is therefore pleased to report on the continued development of the bank's business model, strategic focus and plans for continued, sustainable growth.

SIGNIFICANT STRATEGIC HIGHLIGHTS OF THE YEAR

2003 has been a year of accelerated growth, development and expansion. The bank has moved into new product groups, expanded markets, and followed through on the core business model. In an environment marked by increased competition from traditional providers and new entrants as well as continued downward pressure on pricing and margins, Saxo Bank has been able to broaden its client base while expanding trading volumes across all instruments. The bank has planned for growth and has taken the necessary steps to accommodate the challenges that accompany it. This has been achieved, in part, from the continued expansion of worldwide distribution courtesy of white label partnerships combined with the introduction of more products and product depth.

Continued growth in trading volumes confirmed the scalability of the SaxoTrader platform and the inherent advantages of the aggregated liquidity model. Trading volumes grew in each of the product lines during 2003 as did the number of clients actively using the bank's award-winning online trading platform.

Saxo Bank is gratified to welcome new investors and traders directly and through partners. Client growth in 2003 reflected the increased focus on white label relationships with the bank's partners plus a continued capability to attract and serve Introducing Brokers as well as retail, corporate and institutional clients coming directly to Saxo Bank.

With the number of active white label relationships reaching 35 by the end of the year, the bank has introduced new, more efficient processes in account management, IT, business projects and customer relations to successfully launch and service these partners. In keeping pace with this growth, the bank has also expanded its ranks with experienced and senior talent in all areas including technology, marketing, business management, legal and compliance, sales management, account management, trading, market making, back office operations, customer relations and quantitative analysis. With 226 professionals at year end, Saxo Bank is organized to work closely with existing clients and partners while pursuing further opportunities for expansion.

Entering 2004, the bank is already posting relative parity in the acquisition of new clients from the three principal sources: Introducing Brokers, White Label Partners, and direct Saxo Bank clients.

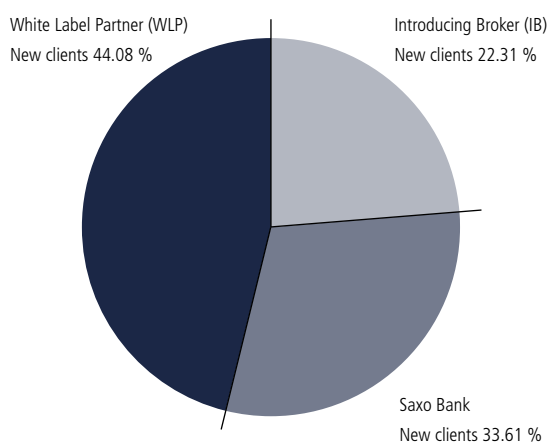


Mikkel
Denmark

Lars
Denmark

The balance of sources from which we derive our new business underscores our strategic commitment to secure growth from multiple channels, reducing dependency on any single line of business or client type.

SOURCES OF NEW CLIENTS IN 2003



Clients have long expressed an interest in the futures markets through the investment trading facilities and now, with infrastructure support from multiple providers, including most recently Deutsche Bank, the bank is able to deliver this service, including market indices, interest rates, bonds and equities as well as the mini-contracts on crude oil, gold, silver and natural gas.

At the beginning of the year, the bank introduced its first managed assets product, a unitized managed FX fund under the direction of Saxo Bank Fund Management. The strategy is built on the efficient management of a technical model that looks at a series of technical and quantitative indicators. Staying active in the market and taking advantage of opportunities in both bearish and bullish environments, this absolute return strategy forms the core for subsequent products that will be introduced during the new year, including a Macro Fund that is able to participate in Stocks on Margin, Futures and other capital markets products in addition to FX crosses. The Saxo Bank Managed FX Fund has been managed in-house since December of 2000, with a cumulative track record through December

31, 2003 of 37% (gross of fees and costs). Over the course of the year the fund has demonstrated its attractiveness with a major increase in the assets under management.

With the market seeking increased gearing, the bank was able to respond with double and triple leveraging across multiple base investment currencies. Saxo Bank clients also have the option to use their investment in the fund as collateral for their investment trading account. Towards the end of the year the managed funds product offering was further improved by the introduction of the first of a subscription series of capital guaranteed bond products built on the underlying managed FX strategy. The bank will continue to offer guaranteed products with the assurance of capital preservation during the coming year.

AN EXPANDED STRATEGIC FOCUS

The business strategy behind the managed FX fund program widens the scope of the bank's marketplace. For less active traders, the Saxo Bank Managed FX Fund, and soon the complementary Macro Fund, offers a participation strategy that may be more suitable for investors who would prefer to engage a professional manager to handle their capital markets trading.

Furthermore the bank is able to attract external fund managers to use the bank's trading platform for their own portfolio trading. The immediate benefits to the external fund managers are the ready, highly liquid and competitive access to the global capital markets and the ability to leverage the integrated operational, compliance and reporting infrastructure available within the SaxoTrader platform. This offering can provide significant cost savings as well as a more efficient basis for operating and marketing their managed funds. Towards the end of 2003, the first external manager began using the SaxoTrader platform for his own fund product which is now marketed to the manager's own clients.

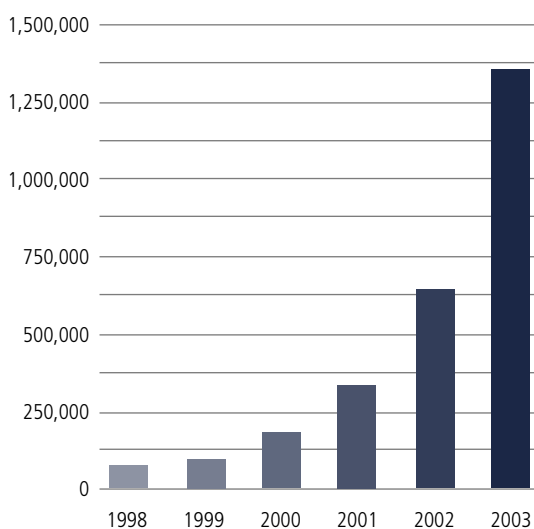


Joyce
Singapore

Claus
Denmark

During the year, the bank gained client assets and industry recognition as its position as a facilitator in the capital markets industry became more clearly defined. Given the dynamism of the capital markets and the dramatic gains capable through the Internet and advanced technology, Saxo Bank defies easy categorization.

CLIENT ASSETS
(DKr. '000)



For active traders, Saxo Bank has staked a larger footprint through vertical integration of liquidity provision, facilitation via straight-through processing and market making, and ultimately global distribution. Today, clients look for competitive pricing, efficient access to the global capital markets and a full suite of information and analytical tools. As a facilitator the bank can link other banks with other distribution channels, brokerage firms with local sales forces, and of course, Saxo Bank's own clients with a substantial inventory of liquidity.

This business model underscores the importance of collaboration in which the bank continuously uncovers opportunities to align commercial goals with partners and competitors alike to expand the marketplace. The technology is invaluable to many of Saxo Bank's peers in the industry. For large banks seeking a broader client base, the bank can serve a useful function as a distributor of their liquidity. For retail brokerage firms seeking to access the capital markets, the bank provides an instant channel into deeper inventories.

In 2003, the bank also identified opportunities to build win-win situations with other providers so that the benefits of the complementary capabilities are magnified. In addition to white label partners, the bank has been able to supplement its overall capabilities while offering other partners ready access to broader markets through engagements both with multi-bank platforms, and directly through additional bank liquidity providers.

AWARD-WINNING TRADING TECHNOLOGY

Through the continued investment in technology, a number of significant enhancements to the product coverage, functionality and utility of the trading platform has been unveiled. Clients and partners are able to maintain the required access to global capital markets, overview of trading activities, risk monitoring, account and portfolio reporting while viewing market dynamics.

With the addition of online futures trading, for example, the platform's overall capabilities were instantly expanded and is also exponentially increased in terms of functionalities within trade modules, analysis and account management.

Other significant projects that the bank has undertaken during 2003 include a transition to providing clients and partners with the benefits of dynamic FX spreads in pricing, delivering more readily the intrinsic value of greater market liquidity and establishing protocol and pricing configurations to support smaller FX trade sizes.

The bank has also coordinated multiple registration and data management processes into a unified client registration and activation process, which in turn has helped streamline and reduce the overall complexity within due diligence and know-your-client (KYC) procedures. One example of this cross-fertilization of ideas and initiatives is the introduction of an advanced publication process, the Saxo Publisher. This custom-engineered application simplifies the analysts' daily commentary and analysis publications, enables the generation of high quality news and marketing updates and helps coordinate and combine communications.

In addition, the bank introduced the concept of an automated scenario flow process triggered by a simple download, website visit or inquiries for



Kristian
Denmark

Vitali
Russia

The bank's ongoing investment in IT continues to deliver dividends as product development, client acquisition, marketing and account management initiatives all benefit from the greater engagement between them and IT.

more information. The creation of this scenario engine promises to help expand the reach of communications to clients and partners.

Language support for the client station, and the introduction of Chinese streaming news, planned for early 2004, underscores the ongoing commitment to improving the overall ease of use and client experience on the platform. With an ever-expanding global marketplace, the demand for native language fluency is growing. This year the bank introduced enhanced chat and help facilities within SaxoTrader across a range of languages including Chinese, Arabic, Japanese and Russian.

Among other enhancements introduced during 2003 was the introduction of online support for placing three-way contingent FX orders. This important refinement reflects the bank's growing ability to equip clients and partners with means to actively monitor and manage their market-related risks.

During the latter part of the year, Saxo Bank successfully introduced a trading strategy module for selected users of the SaxoTrader platform. Over time, this service will integrate into the white label version of the trading platform, providing partners with the benefit of extending this service to their clients.

The trade recommendations and related trading strategies are highlighted and updated directly on the trading platform and can be executed simply. This facility provides a value-added service expected to appeal to general investors. It may also prove useful in reactivating many clients who otherwise have been unable to exploit the full capabilities of the trading platform.

Clients and partners have also been provided with greater, more instant access to the capital markets throughout the world. This important client service objective has been achieved after making significant efforts during the year to develop and estab-

lish mutually profitable relationships with liquidity partners, commercial partners and other technology facilitators. Saxo Bank now offers trading support in over 120 different crosses in the global FX markets, principal stocks listed on 18 international stock exchanges, financial futures on the most important electronic futures exchanges as well as principal indices from capital markets worldwide.

New and substantial interfaces have been established to access deeper liquidity and new products including indices and markets in the Far East, Australia and the developing countries of Eastern Europe.

During the autumn of 2003, Direct Market Access trading for stocks on margin (CFDs) was introduced on the SaxoTrader for a limited number of clients with an expectation to make the facility available to all clients and partners during the first half of 2004. As a direct result of this enhancement, the bank has also been able to implement dynamic, streaming pricing for stocks based on the prevailing market depth (Volume Weighted Average Pricing) and plans to adopt similar technology for providing greater liquidity within the FX markets.

Added to these specific enhancements are other easy-to-use, product-based icons and more flexible management of clients' positions including the option allowing the client to bypass normal first-in, first-out (FIFO) based closing of traded positions in preference for an individual strategy.

The introduction of a composite, instrument-specific information profile provides the user with instant analysis for any given instrument of the related market pricing, historical charting, related news and important background information. This one-stop overview empowers the serious investor while enabling the partners to add significant valuable data for their clients.



Christos
Greece

Øistein
Norway

With IT resources accounting for almost one third of the employees Saxo Bank is better able to enter new markets with new products while maintaining technology advantages in core areas.

The bank was privileged to accept two significant industry awards this year in recognition of the SaxoTrader and the reputation and confidence it affords Saxo Bank and the clients. In November, the Euromoney Technology Awards confirmed this capability with the accolade of "Best Cross-Product Trading Platform for Private Investors". Later that month, the readers of FX Week voted Saxo Bank as a top three bank for FX Dealing and top three for automated dealing platform, and a top ten bank for FX overall. Gratified with this recognition, the responsibility of serving clients worldwide continues to be the driving passion of the bank.



THE ANATOMY OF THE WHITE LABEL PROGRAM

As stated in previous annual reports, the development and deployment of the white label partnership programme continues to be a central element of the overall business plan. Suitably regulated and licensed financial providers such as banks and brokerage firms are able to accelerate their entry into online investment trading by white labelling the SaxoTrader platform. This relationship in which both parties gain the advantages of each other's mutual strengths, enables the SaxoTrader to be introduced to increasingly diverse markets greater than could be achieved through a traditional distribution model.

The appetite for trading volumes remains strong and growing, and is well fed by the agency of white label partners. The geographic reach is substantially enhanced through these relationships.

Local providers and distributors know their marketplace best. This division of labour enables Saxo Bank to concentrate on its strengths – technology, risk management and trading – in support of the partners' local sales, marketing and account management.

With new relationships in Europe, America and the Far East, the bank is experiencing growth in trading volumes during all open market hours. The staffing and language capability support relationships throughout the world. Now with Australian, New Zealand and other Far East markets available through the SaxoTrader, the bank is gaining volume across more and more time zones.

At the same time, the bank continues to upgrade the multi-lingual services offered. The website at www.saxobank.com is being upgraded to offer fourteen languages including Chinese, Arabic and Russian. More and more partners are turning to Saxo Bank for support in their web marketing and client development. The bank believes that the advantage offered through this multi-lingual capability will be well appreciated by partners worldwide.

In addition to the language support provided, the regulatory and legal office has gained significant expertise worldwide. For many partners, the knowledge of local securities law and regulatory requirements is an invaluable service.

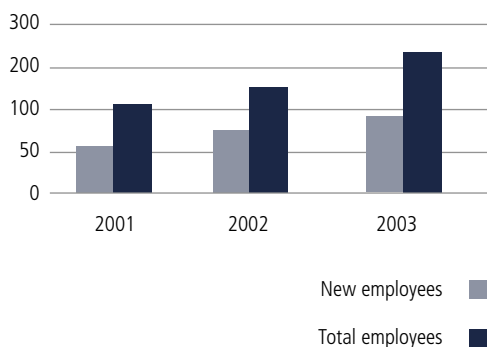


Li
China

Ariane
Denmark

EXPANDING PROFESSIONAL CAPABILITIES

HEADCOUNT GROWTH OVER THREE YEARS



While growth in a service business typically requires concurrent expansion in people investment, Saxo Bank has been able to achieve substantial scalability through its business model. The number of employees increased from 153 to 226 during 2003, with significant additions made in sales management, account management, trading and market making, marketing, business projects and customer service.

The bank will continue to further strengthen its multi-national workforce through a combination of focused recruitment programmes, internal personnel development and training and the launch of the Saxo Bank graduate academy, which will seek to attract the brightest graduates to help complement the future workforce.

The technology requirements for engaging with partners throughout the world have demanded that the alignment of the technology, business and service disciplines is accelerated. Project management in the IT group has taken on a more prominent role. The bank has established smaller subgroups with dedicated and specialized focus in front office, back office, STP, web and data management. With IT resources accounting for almost one third of the employees, Saxo Bank is better able to enter new markets with new products while maintaining technology advantages in core areas.

The growing role of business projects management and back office service protocol is manifest in the

depth and volume of initiatives implemented to facilitate more efficient account management and risk management services. The bank has been able to accelerate the timetable for providing clients and partners with reconciled, end-of-day statements some four hours faster than before with further process efficiencies in the pipeline.

The introduction of new account management, risk management and client reporting tools have been the direct result of coordinated effort by the sales, service, operations and IT units. An example is the introduction of online account statements, which are designed to empower clients and partners with independent, online account management.

Ensuring the overall security and integrity of the bank's critical business information, trading and systems operations and property has meant that the bank has given top priority to the Business Control unit. Included in a number of important initiatives and objectives organised and implemented during 2003, were the establishment and further refinement of appropriate data and IT security infrastructures and contingency procedures as well as active deployment of recommendations provided by the bank's auditors and regulators.

Such initiatives in turn further strengthen the level of infrastructure support afforded to partners, thereby releasing the partners from complex and capital intensive operations in support of operating an online trading platform and instead allowing them to focus available resources on maximizing the commercial opportunities created by mutual efforts.

Marketing strategy and creative services were also expanded significantly during the year. Marketing project management was integrated with the website and content sharing functions to build out a broader and more experienced group in which the bank provides a suite of creative services such as copywriting, web and print design and video production. These marketing capabilities are available on a selective basis for partners, as the bank seeks to help them build brand awareness and drive traffic to their websites for downloading the client station.

A more personalized view of the bank is distributed daily in a video-cast through which market outlook, insight and commentary is made public.



Henrik
Denmark

Wayne
USA

Key focus will be on continuing to offer a greater choice of products, and easier, more efficient account management while providing superior quality service to existing clients and partners.

These daily broadcasts are carried by a growing number of content sharing partners and interested trading sites whose members look to Saxo Bank for the capital markets intelligence. Coupled with the steadily expanding base of registered news and analysis subscribers, Saxo Bank is carving its own path as a provider of market information. Registered members on the website at www.saxobank.com, now boast a cumulative member total in excess of 300,000 since its inception.

The importance of making available high quality data and analysis for members is a central tenet of the approach. The bank has made significant progress in bringing more quality sources of analysis and data to the site and the SaxoTrader. Early in 2004 Saxo Bank will be introducing Market News International. This world-class news and information service enhances the depth and range of the service and should strengthen clients' access to meaningful market discussion. The bank hopes to expand the list of providers during the next several months, as the demand for leading-edge, intelligent analysis is high.

THE OUTLOOK FOR 2004

Saxo Bank expects to advance a number of important initiatives throughout 2004 and into the coming years. As the business model continues to confirm the sensibility of the bank's role as a facilitator, the bank expects to engage with a widening roster of liquidity providers, technology peers and distribution sources.

Key focus will be on continuing to offer a greater choice of products, and easier, more efficient account management while providing superior quality service to existing clients and partners. The necessary adjustments and additions have already been made to the staff and organization to enable the bank to properly manage and advance the business needs of both the partners and Saxo Bank. This effort is expected to translate into new and better business procedures and processes

throughout the organization, not only in sales and trading, but also in back office, cash management, IT and customer relations.

During the coming year the bank expects to launch a new version of the SaxoTrader, truly a significant signal to the industry that the bank is not prepared to rest on its hard-earned laurels. The product suite, too, will grow. This is critically important for the vitality, as the bank would like to widen the marketplace to which it caters.

The trading platform targets serious traders, professionals, for whom the USD 10,000 minimum account level is not an impediment. A product strategy for investors who seek to participate in capital markets trading but at lower investment levels will also be launched. This new Saxo platform is scheduled to become available during the latter part of the first half of 2004. Through this platform, which will not require an application download, but rather can be accessed and utilized directly through a secure internet account, the reach of the bank will be substantially expanded.

The planned introduction of online fixed income trading on the SaxoTrader will also open up new markets and investment opportunities for the bank and the clients and partners as well helping the bank to further advance the client base. For many investors throughout the world, fixed income is clearly a core product used in their portfolio strategies. The bank anticipates the addition of corporate, sovereign and emerging market bonds on a worldwide basis later in the second half of 2004.

The bank is also approaching the institutional trading market. For corporations and financial institutions alike, seeking efficient FX trading facilities based on secure settlement for their treasury and FX hedging requirements, Saxo Bank through the facilities offered by the CLS Bank (Continuous Linked Settlement) network, will be positioned to be a provider of choice.



Remonda
United Kingdom

Jakob
Denmark

We combine thoughtful business planning with decisive commercial and technical forward motion based on a passion for this industry and its technological possibilities.

Through the third party CLS relationship with UBS, Saxo Bank is now a participating party in this global settlement process. The expectation is that institutional clients will find the combination of trading strengths in the SaxoTrader plus the margin-free settlement capabilities of CLS a winning combination. The bank also plans to advance a significant sales and service effort toward the corporate treasury market during the coming year with a unique combination of the CLS capabilities, coupled with the integrated, online trading facilities through specialised version of the SaxoTrader platform.

FINAL THOUGHTS FOR 2003 AND THE YEAR AHEAD

This year the bank anticipated continued growth in trading volumes, product throughput and revenues and was prepared to support this growth with the required investment in technology, personnel and infrastructure. At the centre of the strategy is the continued development of the technology.

While 2003 brought a series of important landmarks in business, change management and marketplace strategy, the management expects 2004 to prove even more demanding. And the challenge is welcome!

Saxo Bank's philosophy is practical and proven. We combine thoughtful business planning with decisive commercial and technical forward motion based on a passion for this industry and its technological possibilities. We thank our clients and partners as we move ahead and continue to create a powerful and cost-effective investment trading facility.



David
Denmark

Ana Maria
Columbia

FINANCIAL REVIEW 2003

RESULT

Saxo Bank reported an increase of 180% in operating profit after tax in 2003 of Dkr. 45 million compared to the profit after tax of Dkr. 16 million in 2002. This result was in line with management's expectations and represents continued, steady growth within the bank's core investment trading business.

Operating Income during 2003 reached a record Dkr. 287 million, compared with Dkr. 158 million in 2002, which is a year-to-year increase of 82%. Trading income from foreign exchange trading continued to make the largest contribution with an increase of 89% during the year, whilst trading income from the other asset classes also showed positive growth trends during the year, with equity trading operations showing growth of just over 41% and futures trading delivering an increase of 74% in related operating income due mainly to the introduction of the online futures trading facilities.

Operating costs during the year rose by 63% to Dkr. 221 million, due principally to the continued investment by the bank in technology, related capital expenditure and personnel as well the positive development of increased performance-related bonus payments, which rose by 183% from the previous year.

Much of the capital expenditure undertaken by the bank during 2003 was in support of the further strengthening of the core IT infrastructure used to support the bank's operations of the SaxoTrader trading platform, the backup contingency facilities needed to ensure, smooth, efficient 24-hour operations and the expansion of the bank's domicile into the adjoining office premises located in Gentofte, Denmark.

The average number of employees rose during the year from 122 to 174 with the bank succeeding in strengthening the management team with suitably experienced, skilled professionals throughout all areas of the bank's operations and also in recruiting a number of qualified engineers, business, project and sales management individuals.

BALANCE SHEET, SOLVENCY AND EQUITY

The combined assets of the bank increased by 115% to Dkr. 1,823 million during the year, whilst the net value of short-term cash and government bond holdings increased by 114% to Dkr. 1,460 million from Dkr. 683 million at the end of the previous year. This was principally due to the overall increase in the bank's client base, the related margin collateral deposits and also in part to the success of the bank's managed funds programme.

The annual result after tax was Dkr. 45 million. The board recommends to the general meeting of the shareholders that Dkr. 15 million of the profit be distributed as dividend to the shareholders and Dkr. 30 million is allocated to the shareholders' equity bringing the total shareholders' equity to Dkr. 101 million at the end of 2003 compared to Dkr. 71 million a year earlier.

The bank's solvency ratio was 28.6% as at the end of the financial year, aided partly by the contribution of the result to the shareholders' equity and partly by the acquisition of the 7-year, subordinated loan of EUR 10 million issued by Deutsche Bank in June 2003.

The ratio of the bank's largest engagements when compared with available capital was 52%, which together with the solvency ratio, remains respectively within and above the required levels. Increased market making operations resulted in an increase in the overall exposures undertaken by the bank and this is reflected in the reported higher levels of exchange rate risk and the proportionate value of the open Foreign Exchange positions.



Didier
France

Mahmoud
Egypt

FINANCIAL RISKS

The bank continues to operate efficient market making functions in support of the bank's foreign exchange and CFD trading operations. All other products supported on the bank's online, trading platform are ordinarily fully hedged in compliance with the prevailing operating mandate issued to the management by the Board.

The Board continues to emphasise that the financial risks of the bank are monitored at all times and that the bank keeps risk profiles, which reflect a fair balance between the need to maintain the desired quality service levels for the clients and partners and the need to ensure that the bank can easily eliminate any risks within the prevailing market conditions whilst seeking to contribute to core earnings.

The bank has deployed Value-at-Risk (VaR) based risk measurement methodologies and enhanced, real-time risk exposure management tools enabling management and market making desks alike to monitor and control the applied board level trading limits across individual instruments, market sectors and asset classes. With real-time measurement and revaluation of all traded exposures, the bank's risk management systems and procedures are suitably employed to manage and control any market risks that arise.

With further automation of the bank's trading platform and related risk management systems, the bank can also organise an automatic hedge, if and when necessary, of all client-related trading flows, irrespective of which markets are being serviced as a result of this increased sophistication. With the integration of additional liquidity and infrastructure partners, the bank is also actively working to ensure that sufficient liquidity can be accessed at any time without constraining the growth in client-related trading volumes.

OUTLOOK FOR 2004

The outlook for 2004 for the industry in general is considered to be better than 2003 and for Saxo Bank in particular the recent growth trends are expected to continue. Management has factored a realistic expectation into the continuing growth rates of the business and accordingly expects an improved profit on ordinary activities for 2004 compared to 2003.

With several important business initiatives already planned for 2004 including the expansion of the supported product base, the introduction of new partners and improved trading facilities, the bank expects to achieve continued, steady growth in all areas of the principal business operations.

Operating costs are expected to increase in support of the planned expansion. With the continued growth in client base and trading volumes, together with the ongoing investments in personnel, technology and infrastructures, the bank is well positioned to maintain a firm foothold within the online investment trading market.

POST BALANCE SHEET EVENTS

No events occurring after the balance sheet date have had any significant influence on the financial position of the bank as of December 31, 2003.

BOARD OF DIRECTORS

At an extraordinary general meeting on October 17, 2003 Teddy Jacobsen and Henning Skovlund were elected as new members of the Board of Directors. Jens Fournais wished to resign as member of the Board and the mandate of Klaus Grunert, as publicly appointed member, expired at the end of year 2003.

The new board subsequently elected Henrik Thufason as new Chairman and Peter Lerbrandt as Vice Chairman.

ANNUAL GENERAL MEETING

The bank's annual general meeting will be held at 3.00 p.m. on Tuesday March 16, 2004 at Smakkedalen 2, DK-2820 Gentofte.

SHAREHOLDER INFORMATION

The following shareholders have registered shareholdings of more than 5% of the bank's share capital.

Internet Invest Holding A/S, Smakkedalen 2,
DK-2820 Gentofte

Ecolex A/S, Nytorv 5, DK-1450 Copenhagen K.

AUTHENTICATION OF ACCOUNTS

It is proposed that the Annual Report for 2003 be submitted to the general meeting of the company's shareholders and board of directors for formal adoption.

Copenhagen, March 16, 2004

Executive Management

Lars Seier Christensen

Kim Fournais

Board of Directors

Henrik Thufason
(Chairman of the Board)

Peter Lerbrandt
(Vice-Chairman of the Board)

John Korsø Jensen

Henning Skovlund

Teddy Jacobsen

AUDITORS' REPORT 2003

TO THE SHAREHOLDERS OF SAXO BANK A/S

We have audited the annual accounts of Saxo Bank A/S for the financial year January 1 – December 31, 2003. The annual accounts are the responsibility of the Bank's Board of Directors and Executive Management. Our responsibility is to express an opinion on the annual accounts based on our audit.

BASIS OF OPINION

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting policies used and significant estimates made by the Board of Directors and Executive Management, as well as evaluating the overall annual accounts presentation. We believe that our audit provides a reasonable basis for our opinion. Our audit has not resulted in any qualification.

OPINION

In our opinion, the annual accounts give a true and fair view of the Bank's assets, liabilities and financial position at December 31, 2003 and of the result of its operations for the financial year January 1 – December 31, 2003 in accordance with the Danish accounting legislation for banks.

Copenhagen, March 16, 2004

KPMG C. Jespersen
Statsautoriseret Revisionsinteressentskab

AP Statsautoriserede Revisorer
Statsautoriseret Revisionsinteressentskab

Hans Jørgen Borgen Henrik O. Larsen
State Authorised Public Accountants

Jørgen Christiansen Anders Ladegaard
State Authorised Public Accountants

ACCOUNTING POLICIES APPLIED

GUIDING PRINCIPLES

The annual accounts for 2003 have been prepared in accordance with the Commercial Banks and Savings Banks Act, the Danish Executive Order on Presentation of Accounts of Banks and guidelines issued by the Danish Financial Supervisory Authority.

With reference to section 115 of the Danish Executive Order on Presentation of Accounts of Banks, no consolidated annual accounts have been prepared as the annual accounts of the bank and the subsidiary company, I.I. Real Estate A/S form part of the consolidated accounts of the parent company, Internet Invest Holding A/S, Smakkedalen 2, Gentofte, Denmark. The information required according to section 115 concerning the Saxo Bank Group is disclosed in note 22.

The accounting policies are unchanged compared to last year.

INTEREST AND COMMISSION

Interest receivable and payable, commissions and premiums on forward transactions are stated on an accruals basis. Dividends, fees and other commission revenue are recognised as income when received.

LOANS AND ADVANCES

Loans and advances (loans, client margin requirements) have been reviewed individually, in accordance with generally accepted accounting principles, to assess risks of loss, and amounts have been written off or provided for as appropriate. Total provisions and losses have been recognised in the profit and loss account under "loss and provisions for bad debts".

TANGIBLE AND INTANGIBLE ASSETS

Tangible and intangible fixed assets have been included at cost less accumulated depreciation/amortisation. Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are:

<i>Inventory, refurbishments and company cars</i>	<i>5 years</i>
<i>IT equipment</i>	<i>3 years</i>

Assets with a cost of less than Dkr. 10,500 are charged to the profit and loss account in the year of acquisition. Intangible fixed assets are amortised over the expected useful lives of the assets. The maximum amortisation period is 5 years.

Internally developed intangible assets are recognised as expenses when incurred.

SECURITIES

Securities are measured at fair value at the balance sheet date. For securities quoted on stock and securities exchanges officially quoted prices are used. The value adjustment has been included in the profit and loss account.

ACCOUNTS IN FOREIGN CURRENCIES

Accounts and positions held in foreign currencies have been stated at the official market rates as at the end of the year. Realised and unrealised gains and losses have been included in the profit and loss account.

FINANCIAL INSTRUMENTS

Open forward exchange transactions, futures and options, etc. have been stated at the market value. Net premiums on forward transactions relating to foreign exchange and securities have been stated on an accruals basis and included in the profit and loss account under "interest receivable".

The value adjustments of forward exchange transactions, futures and options deriving from changes in interest rates, rates of exchange, etc. after entering into the contract have been included in the profit and loss account under "price and exchange rate adjustments".

Average market values are calculated based on quarterly computations.

Financial instruments with a positive market value are included in "other assets" and financial instruments with a negative market value are included in "other liabilities".

**PARTICIPATING INTERESTS
IN SUBSIDIARY COMPANIES**

Participating interests in subsidiary companies comprise shares in subsidiary companies. The shares are valued according to the equity method. Accordingly they are stated in the balance sheet of the parent company at the proportionate share of the net asset values of the subsidiaries, and the parent company's proportionate share of the profits and losses of the subsidiaries is stated in the profit and loss account of the parent company under "Profit/loss of participating interests in subsidiary companies".

WARRANTS ISSUED TO EMPLOYEES

The estimated market value of warrants issued to the bank's employees is included in the profit and loss account as staff costs and added to shareholders' equity.

TAX

Tax for the year comprises current and deferred tax and is provided for at existing tax rates.

Current tax is calculated based on the profit before tax and adjusted for non-taxable income and expenses. The bank is included in the on account tax scheme.

Deferred tax is calculated on all time differences arising between profit before tax and the taxable income and is included under "provisions for obligations" or "other assets" at the expected realisable value.

Profit and Loss Account

(DKr. '000)	Note	2003	2002
Interest receivable	1	76,496	58,355
Interest payable	2	-46,507	-36,419
Net interest receivable		29,989	21,936
Fees and commissions receivable		44,246	9,408
Fees and commissions payable		-137,775	-38,951
Net interest, fees and commissions receivable		-63,540	-7,607
Price and exchange rate adjustments	3	350,323	165,284
Other ordinary income	4	332	1,756
Staff costs and administrative expenses	5	-209,125	-127,561
Depreciation of tangible assets and amortisation of intangible assets	6	-10,510	-6,974
Other ordinary charges		-1,113	-795
Loss and provisions for bad debts		-277	-130
Result of participating interests in associated companies		-167	-54
Profit on ordinary activities before tax		65,923	23,919
Tax	7	-20,821	-7,787
Net profit for the financial year		45,102	16,132

Proposed Allocation of Profits

Net profit for the financial year	45,102	16,132
Total amount for distribution / to be allocated	45,102	16,132
Dividends	14,923	3,844
Allocated to shareholders' equity	30,179	12,288
Total allocation	45,102	16,132

Balance Sheet as at December 31

(DKr. '000)	Note	2003	2002
ASSETS			
Cash in hand and demand deposits with central banks		76	54
Receivables from credit institutions and central banks	10	342,325	76,763
Loans and advances	11	62,493	40,290
Bonds	12	1,055,249	566,291
Equities, etc	13	16	0
Participating interest in associated companies	14	409	576
Intangible assets	15	7,291	7,361
Tangible assets	16	16,718	13,246
Other assets		333,828	142,886
Prepayments		4,716	2,128
Total assets		1,823,121	849,595
SHAREHOLDERS' EQUITY AND LIABILITIES			
Debt to credit institutions and central banks	17	0	9,713
Deposits	18	1,363,146	677,681
Other liabilities	19	282,036	88,789
Provisions for commitments	20	2,063	2,217
		1,647,245	778,400
Subordinated loan	21	74,463	0
Shareholders' equity			
Share capital		45,219	45,219
Other reserves		444	405
Share premium account		410	410
Retained earnings		55,340	25,161
Total shareholders' equity		101,413	71,195
Total shareholders' equity and liabilities		1,823,121	849,595
OFF-BALANCE SHEET ITEMS			
Guarantees, etc.		901	531
Other liabilities		33,505	36,625
Total off-balance sheet items		34,406	37,156

Changes in Capital

(DKr. '000)	Share Capital	Share Premium Account	Other Reserves	Retained Earnings	Total
Beginning 2002	45,000	0	202	12,873	58,075
Net profit for the year allocation	0	0	0	12,288	12,288
Capital increase through non-cash contribution	219	410	0	0	629
Issue of warrants	0	0	207	0	207
Repurchase of warrants	0	0	-4	0	-4
End 2002/Beginning 2003	45,219	410	405	25,161	71,195
Net profit for the year allocation	0	0	0	30,179	30,179
Issue of warrants	0	0	45	0	45
Repurchase of warrants	0	0	-6	0	-6
End 2003	45,219	410	444	55,340	101,413

The share capital consists of 45,219,000 shares with a nominal value of DKr. 1.00. The bank has only issued one class of share.

The bank has sold/issued warrants to the bank's employees as follows:

Year of issue	Amount Issued	Exercised/ Repurchased	Outstanding	Strike Price	Expiry
2000	454,500	9,000	445,500	2.78	2004
2001	927,000		927,000	2.78	2004
2002	744,750		744,750	2.78	2006
2003	87,000		87,000	5.28	2007
Total	2,213,250	9,000	2,204,250		

SOLVENCY (DKR. '000)	2003	2002
Core share capital less statutory deductions	94,122	63,834
Share capital and short-dated subordinated capital	168,586	63,834
Weighted items not included in traded portfolio	150,972	88,850
Weighted items with market risk included in traded portfolio	439,181	321,803
Total weighted items	590,153	410,653
Core capital ratio, %	15.9%	15.5%
Solvency ratio, %	28.6%	15.5%

Pledges and Contingent Liabilities

(DKr. '000)	Note	2003	2002
OFF-BALANCE SHEET ITEMS, Guarantees			
Danish Guarantee Fund		901	531
Total guarantees		901	531
OFF-BALANCE SHEET ITEMS, Other Liabilities			
Office rent obligations for premises at Smakkedalen 2 & 4		23,787	25,209
Other rental and lease commitments		9,718	11,416
Total other liabilities		33,505	36,625

A significant proportion of the bank's deposits and bond holdings held with investment brokers, banks and other credit institutions have been provided as security for the bank's margin requirements arising from the bank's financial trading with these institutions.

Credit Risk

LOANS, ADVANCES AND GUARANTEES BY SECTOR AND INDUSTRY	2003	2002
Credit, finance and insurance	98%	97%
Property and trading administration , business service	2%	3%
Total corporate sector	100%	100%
Private customers	0%	0%
Total	100%	100%
CREDIT RISK, DERIVATIVE FINANCIAL INSTRUMENTS		
(DKr.'000)		
Positive market value, counterparty with risk weighting of 20%	59,702	14,239
Positive market value, counterparty with risk weighting of 100%	236,284	58,305
Total credit risk, derivative financial instruments	295,986	72,544
Accumulated provisions (DKr. '000)		
Accumulated provisions against loans, advances and guarantees at December 31	617	507
Total accumulated provisions	617	507
Accumulated provisions against loans, advances and guarantees as percentage at December 31	1.0%	1.2%

Market Risk

(DKr. '000)	2003	2002
Total assets in foreign exchange	1,712,055	773,436
Total liabilities in foreign exchange	1,574,956	722,376
Exchange rate indicator 1	325,336	211,981
Exchange rate indicator 1 as percentage of core capital	345.6	332.1
Exchange rate indicator 2	6,095	8,779
Exchange rate indicator 2 as percentage of core capital	6.5%	13.8%
Interest rate risk		
Total interest risk on loans etc.	366	415
Interest rate risk (according to size) broken down by currency		
DKK	243	499
USD	1,277	-95
EUR	-285	260
JPY	-1,360	-155
GBP	-100	55
CHF	76	173
Other	515	-322

Market Risk

DERIVATIVE FINANCIAL INSTRUMENTS (DKr. '000) / Specified by remaining life Dec. 31

	Three months and below		Over 3 months to 1 year		Over 1 year to 5 years		Over 5 years	
	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value
Currency contracts								
Forwards/futures bought	6,371,405	129,805	265,634	(1,461)	1,476	3	-	-
Forwards/futures sold	(6,750,417)	(54,360)	(282,663)	1,939	(1,476)	(3)	-	-
Swaps	-	-	-	-	-	-	-	-
Options bought	2,340,671	27,719	1,112,876	38,117	-	-	-	-
Options written	(1,725,248)	(11,310)	(1,152,898)	(40,948)	-	-	-	-
Interest rate contracts								
Forwards/futures bought	163,946	(403)	28,111	15	-	-	-	-
Forwards/futures sold	(164,243)	801	(28,111)	(15)	-	-	-	-
FRAs bought	-	-	-	-	-	-	-	-
FRAs sold	-	-	-	-	-	-	-	-
Swaps	-	-	-	-	-	-	-	-
Options bought	76,201	780	-	-	-	-	-	-
Options written	(76,201)	(780)	-	-	-	-	-	-
Equity contracts								
Forwards/futures bought	377,872	16,472	-	-	-	-	-	-
Forwards/futures sold	(398,033)	2,613	-	-	-	-	-	-
Options bought	239,129	8,433	58,229	5,325	4,409	579	-	-
Options written	(239,147)	(8,433)	(58,229)	(5,325)	(4,409)	(579)	-	-
Commodity contracts								
Forwards/futures bought	21,065	401	6,487	165	-	-	-	-
Forwards/futures sold	(21,050)	(342)	(6,489)	(178)	-	-	-	-
Options bought	218	1	326	77	-	-	-	-
Options sold	(218)	(1)	(326)	(77)	-	-	-	-
Other contracts								
	-	-	-	-	-	-	-	-

Market Risk

DERIVATIVE FINANCIAL INSTRUMENTS (DKr. '000)

	2003		2002		2003		2002	
	Notional amount	Net market value	Notional amount	Net market value	Market value		Market value	
					Positive	Negative	Positive	Negative
Currency contracts								
Forwards/futures bought	6,638,514	128,347	2,601,498	136	141,785	13,439	11,351	11,216
Forwards/futures sold	(7,034,555)	(52,425)	-2,807,468	19,421	42,683	95,108	30,445	11,025
Swaps	-	-	-	-	-	-	-	-
Options bought	3,453,547	65,836	1,549,454	13,006	65,836	-	13,006	-
Options written	(2,878,146)	(52,258)	-1,090,282	-9,868	-	52,258	-	9,868
Interest rate contracts								
Forwards/futures bought	192,057	(388)	10,516	-13	457	845	23	36
Forwards/futures sold	(192,354)	786	-10,290	-213	883	97	0	213
FRAs bought	-	-	-	-	-	-	-	-
FRAs sold	-	-	-	-	-	-	-	-
Swaps	-	-	-	-	-	-	-	-
Options bought	76,201	780	118,872	2,356	780	-	2,356	-
Options written	(76,201)	(780)	(118,872)	-2,356	-	780	-	2,356
Equity contracts								
Forwards/futures bought	377,872	16,472	67,419	-3,839	18,096	1,624	1,072	4,910
Forwards/futures sold	(398,034)	2,613	-69,791	8,563	10,406	7,793	9,795	1,232
Options bought	301,767	14,337	107,882	1,774	14,337	-	1,774	-
Options written	(301,785)	(14,337)	-106,177	-1,730	-	14,337	-	1,730
Commodity contracts								
Forwards/futures bought	27,552	566	7,494	-2,180	610	45	268	2,448
Forwards/futures sold	(27,539)	(520)	-7,434	2,118	35	555	2,448	330
Options bought	544	78	270	6	78	-	6	-
Options sold	(544)	(78)	(270)	(6)	-	78	-	6
Other contracts	-	-	-	-	-	-	-	-
Total	109,027		27,175		295,986	186,959	72,544	45,370

Market Risk

DERIVATIVE FINANCIAL INSTRUMENTS (DKr. '000)

	2003		2002		2003		2002	
	Average market value		Average market value		Market value of non-guaranteed contracts		Market value of non-guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Currency contracts								
Forwards/futures bought	74,158	10,505	13,679	6,827	141,657	13,437	11,176	11,216
Forwards/futures sold	27,826	38,150	26,414	7,994	42,674	94,993	30,445	10,850
Swaps	-	-	-	-	-	-	-	-
Options bought	29,852	-	6,717	-	65,836	-	13,006	-
Options written	-	23,620	-	5,316	-	52,258	-	9,868
Interest rate contracts								
Forwards/futures bought	2,165	284	87	379	-	-	-	-
Forwards/futures sold	210	2,021	430	462	-	-	-	-
FRAs bought	-	-	-	-	-	-	-	-
FRAs sold	-	-	-	-	-	-	-	-
Swaps	-	-	-	-	-	-	-	-
Options bought	2,162	-	1,493	-	-	-	-	-
Options written	-	2,162	-	1,493	-	-	-	-
Equity contracts								
Forwards/futures bought	6,931	3,874	3,970	4,801	17,303	1,619	1,060	4,897
Forwards/futures sold	12,036	3,367	11,851	3,789	10,111	7,484	9,770	1,217
Options bought	7,695	-	1,716	-	-	-	-	-
Options written	-	7,675	-	1,682	-	-	-	-
Commodity contracts								
Forwards/futures bought	425	843	85	532	-	-	-	-
Forwards/futures sold	734	467	536	112	-	-	-	-
Options bought	83	-	91	-	-	-	-	-
Options sold	-	72	-	91	-	-	-	-
Other contracts								
	-	-	-	-	-	-	-	-
Total market value	164,277	93,039	67,069	33,479	277,581	169,791	65,457	38,048
Total market value after netting					277,581	-	65,457	-

Average market value is reported using the quarterly mark-to-market values.

Market Risk

UNSETTLED SPOT TRANSACTIONS (DKr. '000)

	2003		2002		2003		2002	
	Notional amount		Market value		Market value		Net market value	
			Positive	Negative	Positive	Negative		
Currency contracts								
Foreign exchange transactions bought	280,806	1,740,803	14	7,075	32,999	6,560	(7,061)	26,439
Foreign exchange transactions	(284,752)	1,796,039	7,748	9	23,241	6,916	7,739	16,325
Interest rate transactions bought	-	-	-	-	-	-	-	-
Interest rate transactions sold	-	-	-	-	-	-	-	-
Equity transactions bought	-	-	-	-	-	-	-	-
Equity transactions sold	-	-	-	-	-	-	-	-
Total	-3,946	3,536,842	7,762	7,084	56,240	13,476	678	42,764

Liquidity Risk

Details of liquidity risk are stated in notes 10, 11, 17 and 18.

Notes to the Profit and Loss Account

NOTE (DKr. '000)	2003	2002
1 Interest receivable/premium on		
Receivables from credit institutions and central banks	26,535	27,986
Loans and advances	18,958	11,425
Bonds	13,899	8,215
Other interest income	1	40
Derivative financial instruments		
Foreign exchange contracts	10,460	8,329
Share contracts	6,643	2,360
Total derivative financial instruments	17,103	10,689
Total interest receivable	76,496	58,355
2 Interest payable to		
Credit institutions and central banks	-10,202	-13,584
Deposits	-32,255	-21,398
Subordinated loan	-1,887	0
Derivative financial instruments		
Share contracts	-2,163	-1,437
Total interest payable	-46,507	-36,419
3 Price and exchange rate adjustments		
Bonds	14	121
Shares	318,600	153,170
Derivative financial instruments		
Share contracts	31,554	11,967
Commodities contracts	155	26
Total derivative financial instruments	31,709	11,993
Total price and exchange rate adjustments	350,323	165,284
4 Other ordinary income		
Administrative and IT services	332	1,756
Total other ordinary income	332	1,756

Notes to the Profit and Loss Account

NOTE (DKr. '000)	2003	2002
5 Staff costs and administrative expenses		
Salaries and remuneration of Board of Directors, Chief Executive Officers and Board of Representatives		
Chief Executive Officers	-4,909	-3,600
Board of Directors	-444	-260
Total	-5,353	-3,860
Staff costs		
Salaries	-125,758	-71,613
Pensions	-822	0
Social security expenses	-11,980	-7,308
Total	-138,560	-78,921
Other administrative expenses	-65,212	-44,780
Total staff costs and administrative expenses	-209,125	-127,561
6 Depreciation on intangible and tangible assets		
Intangible assets	-3,938	-3,094
Tangible assets	-6,572	-3,880
Total depreciation on intangible and tangible assets	-10,510	-6,974
7 Tax		
Taxation on profit for the year	-21,786	-8,630
Deferred tax	1,048	1,097
Adjustment of prior year's taxation	-83	-254
Total taxation for the year	-20,821	-7,787
Tax paid during the year	20,796	6,650
Effective tax rate	31.58%	32.56%
Existing tax rate	30%	30%
Tax payable on profit for the year	-19,777	-7,176
Non tax-deductible expenses	-777	-132
Loss of participating interest in subsidiary companies	-50	-16
Other taxation, incl. adjustment to previous years	-217	-463
Total tax payable for the year	-20,821	-7,787

Supplementary Notes

NOTE (DKr. '000)	2003	2002
8 Audit Fees Total fee to the auditors elected by the general meeting, that perform the statutory audit, which include other services than audit	1,203 302	1,404 400
9 Number of employees Average number of employees during the financial year converted into full-time employees	174,4	121,7

Notes to the Balance Sheet

NOTE (DKr. '000)	2003	2002
10 Receivables from credit institutions and central banks		
Claims on credit institutions at call	342,325	76,763
Total claims on credit institutions	342,325	76,763
11 Loans and Advances		
Loans and advances at call	62,493	40,290
Including:		
Investment Brokers	52,865	37,043
Clients	1,510	141
Affiliated enterprises	8,118	3,106
Total loans and advances	62,493	40,290
12 Bonds		
Quoted on the Copenhagen Stock Exchange	19,418	19,485
Quoted on other exchanges	1,035,831	546,806
Total bonds	1,055,249	566,291
13 Equities, etc.		
Equities	16	0
Total equities	16	0
14 Participating interest in subsidiary companies		
Total purchase price, beginning	630	0
Additions	0	630
Total purchase price, end	630	630
Revaluation, beginning	-54	0
Loss	-167	-54
Revaluation, end	-221	-54
Booked holdings, end	409	576
Booked holdings, beginning	576	0

Participating interest in associated companies comprise:

I.I. Real Estate A/S, Gentofte, ownership and voting rights 100%.

Acquired from I.I. Holding A/S on 1/4 2002.

Notes to the Balance Sheet

NOTE (DKr. '000)	2003	2002
15 Intangible assets		
Total purchase price, beginning	13,418	11,413
- Additions	3,914	2,005
- Disposal	49	0
Total purchase price, end	17,283	13,418
Depreciation and write down, beginning	6,057	2,963
Depreciation for the year	3,938	3,094
Revision of depreciation and write down	3	0
Depreciation and write down, end	9,992	6,057
Booked value, end	7,291	7,361
Booked value, beginning	7,361	8,450
16 Tangible assets		
Total purchase price, beginning	18,683	10,644
- Additions	10,474	9,975
- Disposals	544	1,936
Total purchase price, end	28,613	18,683
Depreciation and write-down, beginning	5,437	2,744
Depreciation for the year	6,572	3,880
Revision of depreciation and write-down	114	1,187
Depreciation and write-down, end	11,895	5,437
Book value, end	16,718	13,246
Book value, beginning	13,246	7,900
17 Debt to credit institutions and central banks		
Debt to credit institutions at call	0	9,713
Total debt to credit institutions and central banks	0	9,713
18 Deposits		
Deposits at call	1,363,146	677,681
Total Deposits	1,363,146	677,681

Notes to the Balance Sheet

NOTE (DKr. '000)	2003	2002
19 Other liabilities		
Provision for share dividend, etc.	14,923	3,844
20 Provision for liabilities		
Provision for deferred tax	610	1,658
Provisions for losses on legal proceedings	1,453	559
Total provisions for liabilities	2,063	2,217
21 Subordinated loan		
7-year loan from Deutsche Bank of 10 m EUR Is a part of the total core capital Interest rate is EURIBOR plus 2,5 % per annum Repayable 18. June 2010	74,463	0
Notes without reference		
22 Information about Saxo Bank Group		
Interest income	76,501	58,219
Share dividend of participating interest	0	0
Fees and commissions receivable	44,246	9,407
Price and exchange rate adjustments	350,323	165,284
Other ordinary income	2,961	3,259

With reference to section 115 of the Danish Executive Order on Presentation of Accounts of Banks, consolidated accounts have not been prepared at the Saxo Bank group level, since the annual accounts of the bank and the subsidiary company, I.I. Real Estate A/S, are included in the consolidated accounts of the parent company, Internet Invest Holding A/S, Smakkedalen 2, Gentofte.

Annual Report 2003

The original Saxo Bank A/S annual report is written in Danish. This is an English version thereof. A Danish version may be obtained upon request.

