

2008





Villard-Reculas

LE BRAS

FORET DOMANIALE

la Rivoire GRANDES

ROUSSES

LE CHATEAU

Sce Sulfureuse

les Essoulieux

la Salle

le Ribaut

Bassey

l'Illette

le Fouley

Chap. St-Antoine

Rvoir

Chardourey

le Crozet

le Pirey

les Clos

CÔTES

la Grande

Sces des Gouteaux

Eglise St-Ferréol



le Fouley

Chap. St-Antoine

Rvoir

Chardourey

le Crozet

le Pirey

les Clos

CÔTES

la Grande

Sces des Gouteaux

Eglise St-Ferréol





l'Alpe d'Huez

Huez

l'Écluse

Rocher des Outaris

Rocher du Grand Ta

le Rosay

LA ROCHETTE

ROCHE DE JEAN BARRAL

Téléski des Louvets

is-Express

Pré

e Côte

e Côte

16

Gne d'acier

D 211

Bois Charretier
CHAPEAU
DES BALMES

Anc. Mine
de Talc

égardet

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Grande Sure

Telecen

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Téléski du Rif

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Téléski

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Mie rannexe

Pisc

Patin

Palais

des Sports et des Congrès

Cas

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Villages

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Chap. St-Antoine

Casc. de la Pêche

Cim.

Belv.

1642

1806

1823

1350

Chap.

1554

1485

1706

1803

1783

1037

Chabotte

1485

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1803

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ANNUAL REPORT **2008**



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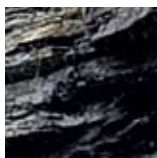
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JENS VOIGT, TEAM CSC SAXO BANK,
STAGE 10, TOUR DE FRANCE 2008



MANAGEMENT REPORT



KEY FIGURES AND RATIOS

SAXO BANK GROUP

(DKK 1,000)	2008	2007	2006	2005	2004
KEY FIGURES					
Net interest, fees and commissions receivable	(417,739)	(208,713)	(82,923)	(101,652)	(90,283)
Price and exchange rate adjustments	2,935,930	1,773,162	1,084,886	735,565	549,387
Staff costs and administrative expenses	(1,855,438)	(1,138,226)	(761,235)	(392,695)	(284,064)
Loss and provisions for bad debts	(53,912)	(3,062)	(2,317)	(122)	(383)
Profit before tax	468,623	364,859	205,109	222,919	160,829
Net profit	339,217	275,249	144,130	158,093	109,401
Loans and advances	85,286	118,160	121,780	92,965	102,581
Subordinated loans	409,362	410,031	149,143	74,614	74,375
Shareholders' equity	1,416,721	1,093,051	432,110	335,881	213,885
Total assets	10,456,072	9,996,237	6,155,561	4,306,155	2,816,690
No. of employees (average)	1,297	1,011	622	329	239
RATIOS					
Base capital proportional to minimum requirement	31.2	22.5	12.9	8.9	6.6
Solvency Ratio	17.5%	18.2%	13.7%	14.6%	28.8%
Core Capital Ratio	11.6%	9.3%	9.5%	11.4%	20.1%
Return before tax on shareholders' equity	37.3%	47.8%	53.4%	81.1%	97.4%
Return after tax on shareholders' equity	27.0%	36.1%	37.5%	57.5%	66.3%
Cost/core income ratio	1.23	1.30	1.26	1.54	1.54
Interest rate risk	1.6%	2.9%	1.2%	1.9%	2.2%
Foreign exchange rate risk/core capital	423.4%	507.4%	547.8%	495.1%	529.4%
Value at risk of foreign exchange rate risk/core capital	4.8%	5.7%	10.2%	15.6%	6.4%
Loans, advances and provisions proportional to deposits	1.3%	1.7%	2.8%	2.8%	4.8%
Loans and advances proportional to share capital	0.1	0.1	0.3	0.3	0.5
Growth of loans and advances	(27.8)%	(3.0)%	31.0%	(9.4)%	64.1%
Additional liquidity proportional to the liquidity requirement	741.9%	789.0%	744.1%	782.5%	780.2%
The total of large engagements/base capital	31.5%	32.2%	75.2%	118.5%	50.8%
Loss and provisions ratio (loans and advances)	3.4%	2.3%	1.9%	0.1%	0.4%

See page 73 for definitions.

SAXO BANK'S CO-CEOS AND CO-FOUNDERS,
LARS SEIER CHRISTENSEN AND KIM FOURNAIS





KEY FIGURES AND RATIOS

SAXO BANK A/S

(DKK 1,000)

	2008	2007	2006	2005	2004
KEY FIGURES					
Net interest, fees and commissions receivable	(494,037)	(215,816)	(79,353)	(99,702)	(90,283)
Price and exchange rate adjustments	2,491,362	1,634,605	1,084,169	735,763	549,387
Staff costs and administrative expenses	(1,622,597)	(1,071,557)	(744,273)	(395,218)	(284,064)
Loss and provisions for bad debts	(52,677)	(3,062)	(2,317)	(122)	(383)
Result of participating interests in affiliates	192,267	59,631	(17,929)	(202)	161
Profit before tax	409,552	350,426	208,828	222,838	160,695
Net profit	339,217	275,249	144,130	158,093	109,401
Loans and advances	109,503	168,965	174,691	121,317	102,581
Subordinated loans	409,362	410,031	149,143	74,614	74,375
Shareholders' equity, end of year	1,416,721	1,093,051	432,110	335,881	213,885
Total assets	9,961,457	9,028,629	6,124,647	4,288,600	2,816,690
No. of employees (average)	939	868	566	318	239
RATIOS					
Base capital proportional to minimum requirement	32.3	24.2	13.1	8.9	6.6
Solvency Ratio	18.0%	20.0%	13.8%	14.6%	28.8%
Core Capital Ratio	12.1%	10.9%	9.6%	11.4%	20.1%
Return before tax on shareholders' equity	32.6%	46.0%	54.4%	81.1%	97.3%
Return after tax on shareholders' equity	27.0%	36.1%	37.5%	57.5%	66.3%
Cost/core income ratio	1.23	1.32	1.26	1.54	1.54
Interest rate risk	1.5%	2.4%	1.2%	1.9%	2.2%
Foreign exchange rate risk/core capital	385.1%	436.9%	539.8%	495.1%	529.4%
Value at risk of foreign exchange rate risk/core capital	4.5%	5.0%	10.0%	15.6%	6.4%
Loans, advances and provisions proportional to deposits	1.8%	2.7%	3.9%	3.6%	4.8%
Loans and advances proportional to share capital	0.1	0.2	0.4	0.4	0.5
Growth of loans and advances	(35.2)%	(3.4)%	44.0%	18.3%	64.1%
Additional liquidity proportional to the demand of liquidity	687.4%	774.6%	742.9%	786.3%	780.2%
The total of large engagements/base capital	15.3%	16.1%	74.4%	118.5%	50.8%
Loss and provisions ratio (loans and advances)	2.4%	1.7%	1.3%	0.1%	0.4%

See page 73 for definitions.



REVIEW OF THE YEAR

2008 is likely to be remembered as a year of tremendous turbulence in the capital markets with falling equity prices and decelerating economic growth. Bankruptcies and meltdowns in the financial sector worldwide became part of the business landscape and governments introduced various rescue programmes in order to provide liquidity and restore confidence.

Despite the unusual market situation, Saxo Bank reached another record year in terms of income and profit. Operating income ended at DKK 2,518 million, an increase of 61% year-on-year, while net profit of DKK 339 million represented an increase over 2007 of 23%, thus proving the viability of Saxo Bank's business model.

Being an online trading and investment bank that is not engaged in traditional lending activities and is not dependant on the loan financing business, Saxo Bank was not exposed to loan impairment charges and liquidity challenges generally seen in the financial sector.

The results fluctuated over the quarters, reflecting the volatility in the financial markets, which - particularly in the fourth quarter - provided income to the Bank. At the same time, the results were achieved on the back of an unusual development in clients' collateral deposits with an almost flat development year-on-year. A positive trend was resumed at the beginning of 2009.

RESTRUCTURING OF THE BANK

Internally, 2008 was a year of significant changes for Saxo Bank. After a number of years of high growth rates and a fast growing organisation, the Board of Management and the Board of Directors decided to embark on consolidation and streamlining of the Bank.

Thus, in August 2008, the Bank announced an organisational restructuring of its top management with the appointment of Eric Rylberg and Karsten Poulsen to two new positions as Chief Executive Director and Deputy Chief Executive Director. The co-CEOs and co-founders, Kim Fournais and Lars Seier Christensen, handed over

many of the daily tasks associated with running the Bank focusing instead on the strategic direction of Saxo Bank.

Based on an analysis of the structure and efficiency of the Bank carried out in September, the Board of Directors decided on a new plan for the future organisation and operational structure of the Bank. The plan included a number of simplification and efficiency measures encompassing outsourcing, better use of technology, a de-layering of the organisation, and a new management structure. The overall aim of the plan was to steer the Bank into a new phase based on a more flexible structure, maintaining growth but ensuring profitability and efficiency along the way. In connection with the plan, more than 300 employees left the Bank, some through outsourcing.

The plan also pointed to the fact that rationalisation of the business operations would require strong leadership in order to fully realise the potential of the organisation. Accordingly, a new executive management team was introduced.

The Executive Management Group (EMG) consists of the Chief Executive Director, Eric Rylberg, and the Deputy Chief Executive Director, Karsten Poulsen, as well as Chief Commercial Officer Torben Kaaber, Head of Markets Claus Nielsen, Head of Group IT and Operations Tore Friberg and CFO Karina Deacon. In addition to the EMG, a Senior Management Group was established, comprising the EMG and heads of key departments within the Bank.

NEW HEADQUARTERS

In August, Saxo Bank moved to its new headquarters in Hellerup, Copenhagen. Designed by 3XN Arkitekt, the building is a modern design aimed at mirroring Saxo Bank's own profile.

An important part of the restructuring of Saxo Bank was to consolidate all its Danish activities at one location. The old offices in Gentofte and Tuborg Harbour were vacated and all staff is now combined under one roof. In addition to the ensuing cost savings, it benefited the entire organisation to be able to work closely together.



Another part of the plan was to limit the use of satellite offices for Group support functions and create central, united teams. Accordingly, the Bank's trading activities became anchored in Copenhagen, by moving the Swiss-based dealers to Denmark in autumn 2008. Following similar logic, it was decided to close down the St. Petersburg activities and move the IT development to Copenhagen. The move is expected to take place in 2009.

PARTICIPATION IN DANISH STATE GUARANTEE SCHEME

In response to the instability and lack of confidence in the financial market, the Danish state set up a Guarantee Scheme (the Private Contingency Association) to protect all customer deposits and claims against banks in full. Saxo Bank chose to participate in the scheme.

The scheme took effect in October 2008, and expires in September 2010. It includes an unconditional state guarantee for the obligations of Danish banks, except for subordinated debt and covered bonds. During the two-year guarantee period, the participating banks may not pay out dividends or implement new buy back programs.

The Danish state charges an annual guarantee commission of DKK 7.5 billion. Through the Private Contingency Association, the participating banks are jointly and severally liable for payment of the commission and for a guarantee commitment of DKK 20 billion, half of which falls due only if the losses incurred by the sector as a whole exceed DKK 25 billion. Saxo Bank's share of the scheme is estimated at slightly below 0.5%. Accordingly, in 2008 a guarantee commission of DKK 8.3 million and DKK 4.5 million related to the loss guarantee were expensed in the profit and loss statement.

CYCLING SPONSORSHIP

Entry into the world of sport sponsorship was confirmed when Saxo Bank, in June 2008, signed an agreement with Riis Cycling. The agreement meant that Saxo Bank became co-sponsor of Team CSC, in time for Team CSC Saxo Bank to participate in the 2008 Tour de France.

In July 2008, rider Carlos Sastre of Team CSC Saxo Bank won the Tour de France with Andy Schleck finishing as the Tour's best young rider. Other wins in 2008 contributed to building Saxo Bank's brand in key markets, such as France, Switzerland, Italy and Spain. On 1 January 2009, Saxo Bank became the sole main sponsor of Team Saxo Bank.

ACQUISITIONS AND NEW OFFICES

Expansion of the Bank's geographical reach, with the aim of getting in closer proximity of its clients, is done both through acquisitions and establishment of local sales offices.

In 2008, Saxo Bank continued its international expansion, which began in 2006. The Bank's acquisition of Synthesis Bank in Switzerland (the largest to date) was completed at the end of 2007. This was followed by the acquisition of the French White Label Partner, Cambiste (Tradingpad SAS and Investpad SAS), which in September 2008 was launched as Saxo Banque France.

2008 also marked the beginning of plans to open more local sales offices in key markets to improve client sales and service activities and further strengthen organic growth.

Representative offices were opened in Australia and Japan to focus on developing the partner business in the two countries. In the beginning of 2009, Saxo Bank established its presence in Milan. Five locations have been identified as specific targets for office openings in 2009 and other new offices may be added to the list in the future.

Another strategic aim for the Bank is the broadening of its product offering. The 2009 acquisitions of the private wealth management company, Fondsmæglerselskabet Sirius Kapitalforvaltning A/S, and the minority stake in EuroInvestor, an online investment information provider, are examples of adding ancillary products through acquisitions.



FINANCIAL REVIEW 2008

Saxo Bank Group continued to show growth in income and earnings during 2008 and reported another record year with net profit of DKK 339 million, which represents an increase of 23% from the DKK 275 million reported in 2007. The overall result for 2008 met management's expectations of continued growth as expressed in the Half-year Report 2008.

Operating income during 2008 reached DKK 2,518 million for the Group, compared to DKK 1,564 million during 2007. This 61% year-on-year increase in operating income was helped by the volatility in the market in the second half of the year when the global financial crisis started to escalate.

The increase in operating income reflected growth in the Bank's foreign exchange trading business, as well as further development of the Bank's online investment trading capabilities across the other capital markets products; CFDs, Futures and traditional Stocks. Another contributing factor to the increase in income was the full-year effect of the acquisition of Saxo Bank Switzerland acquired in December 2007.

Trading volumes across all products reflected the underlying growth of the Bank's core business with investment trading activities and related earnings within the CFD and Futures markets contributing with 84% and 73% year-on-year growth respectively. The income from foreign exchange trading activities continued to grow across all client segments with combined trading volumes in excess of DKK 15,000 billion for the year.

The total number of client accounts engaged by Saxo Bank increased by 7% during the year. The Bank increased the client engagements secured through the Bank's white label partnerships by 1%, through partnerships with Introducing Brokers by 14% and through direct sales efforts by 16%.

Operating costs for the year were DKK 2,050 million for the Group, an increase of 71% from the previous year. This reflected the growing business and organisation. A main component of the Group's cost are salaries and

other personnel related cost. During the first half of 2008, the Group's personnel grew by over 200 to reach more than 1,400 employees. As a consequence of the restructuring carried out in September, the number of employees was reduced, thereby lowering the run-rate cost level of the Bank.

In connection with the restructuring, the Group incurred a number of non-recurring costs related to redundancy payments. Furthermore, approximately DKK 100 million was expensed to cover the cost of vacated premises and other associated restructuring costs. Of these DKK 100 million, DKK 21 million is included under depreciation, amortisation and write-down of assets together with other write-downs of DKK 5 million.

Other charges contain loss on sale of fixed assets of DKK 5.3 million and a provision of DKK 8.3 million for the Bank's part of the guarantee commission for the Danish state guarantee. DKK 4.5 million related to the loss guarantee was included in Loss and Provisions for bad debts. Other losses on bad debt of DKK 49.4 million are estimated based on a individual assessment of the underlying receivables, which is in turn based on an assessment of the present weighted value of the most likely future cash flow from the receivable. Of this amount DKK 43.3 million relates to a provision for a loss on receivables from credit institutions.

BALANCE SHEET, SOLVENCY AND EQUITY

Client cash deposits in the Group decreased from DKK 7.1 billion to DKK 6.8 billion and the Total Assets increased from DKK 10.0 billion to DKK 10.5 billion, an increase of 5% during the year.

The Bank's subordinated loans are unchanged from last year amounting in total to DKK 409 million, end of year 2008.

Shareholder's equity increased by 30% to DKK 1,417 million in 2008 compared to DKK 1,093 million at the end of 2007.



The acquisition of French White Label Partner, Cambiste (Tradingpad SAS and Investpad SAS), was completed in September 2008. The share capital in Saxo Bank A/S was, as a part of the remuneration to the shareholders of the acquired companies, increased by 185,700 new shares at a price of DKK 159.15 each adding in total DKK 30 million to equity.

Since Saxo Bank A/S choose to participate in the Danish state guarantee scheme, Saxo Bank A/S cannot pay dividend to the shareholders for 2008 and 2009. The Board therefore proposes to the annual general meeting that the total profit for the year, DKK 339 million, be allocated to the shareholders' equity. This brings the total shareholders' equity to DKK 1,417 million at the end of 2008.

The capital requirement for Saxo Bank A/S and the Group is calculated in accordance with EU directives laid out in the Danish Financial Business Act, including the provisions on individual solvency need, cf. section 124.4 of the Act and the Danish Executive Order No. 10302 of 21 December 2007 on Capital Adequacy.

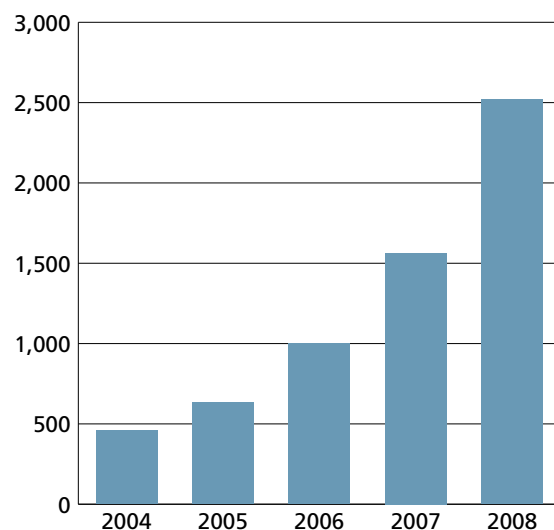
The Bank has in accordance with these rules implemented an Internal Capital Adequacy Assessment Process (ICAAP) in accordance with the requirements in the Danish Financial Business Act. The ICAAP process is continuously being updated as the capital requirement is subject to change as the business, as well as the risks and control changes both internally and externally.

At the end of the financial year the solvency rate was 18% for the Bank and 17.5% for the Group – ie. above the minimum obligatory requirement, as well as the individual solvency need.

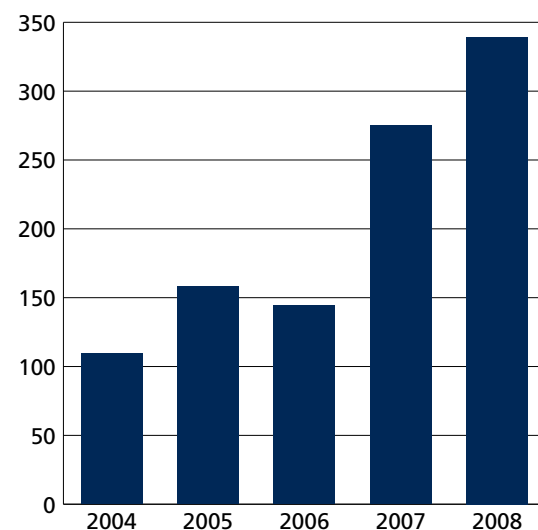
OUTLOOK 2009

The world is expected to move into a period of below average disposable income and growth. The overall market situation is uncertain and visibility is expected to be low for the foreseeable future. This also impacts the visibility for the growth of Saxo Bank.

*Operating income 2004-08
DKK million*



*Net profit 2004-08
DKK million*





To support continuous growth in revenue and earnings, Saxo Bank has initiated a number of initiatives aimed at strengthening and optimising the entire value chain, product offering and geographical footprint.

Saxo Bank continuously seeks to automate the handling of customers from lead to trading and lead generation and lead handling is expected to be improved by initiatives such as further enhancement of Search Engine Optimisation.

The client on-boarding procedures will be further streamlined and simplified during 2009. With several initiatives initiated during 2008, Saxo Bank expects to provide a broader product offering in 2009 by strengthening the trading platform efficiency. The acquisition of Sirius Kapitalforvaltning in January 2009 was the first step into Wealth Management. Saxo Bank expects to further broaden the product offering within this business area.

Saxo Bank expects to widen its geographical presence by establishing new local sales offices in a number of countries.

With the above-mentioned activities based on well defined plans and goals, the Bank has set the direction for 2009. As a consequence of the current business climate dominated by low visibility and declining world economic activity, the risk of unforeseen challenges is expected to be higher than usual. Saxo Bank's business model has proven viable, however, the risk of some of the goals set for 2009 not being fully or partially reached or internal deadlines being postponed, is higher than in previous years.

POST BALANCE SHEET EVENTS

In January 2009, the Bank acquired Fondsmæglerselskabet Sirius Kapitalforvaltning A/S, a Danish broker. The share capital in Saxo Bank A/S was as part of the remuneration to the shareholders of the acquired company increased by 314,170 new shares at a price of DKK 159.15 each.

In February 2009, Saxo Bank A/S acquired a minority stake of the Danish, listed company EuroInvestor.

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. The words "may", "will", "should", "expect", "anticipate", "believe", "estimate", "plan", "predict," "intend" or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements. Saxo Bank has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the

forward-looking statements and from the past performance of Saxo Bank. Although Saxo Bank believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ. As a result, you should not rely on these forward-looking statements. Saxo Bank undertakes no obligation to update or revise any forward-looking statements.

GOVERNING TEXT

The Annual Report has been translated from Danish into English. The Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish version shall prevail.



No other events occurring after the balance sheet date have had any significant influence on the financial position of the Bank or the Group.

BOARD OF DIRECTORS

At the Bank's annual general meeting in March 2008, the members of the Board of Directors were all re-elected.

ANNUAL GENERAL MEETING

The Bank's annual general meeting will be held at 3 p.m. on Tuesday, 31 March 2009 at Philip Heymans Allé 15, DK-2900 Hellerup.

SHAREHOLDER INFORMATION

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

Internet Invest Holding A/S, Philip Heymans Allé 15, DK-2900 Hellerup.

GA Global Investments Limited, Papyrus Building, 6 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus.

RISK MANAGEMENT

As is the case for all financial institutions, Saxo Bank is exposed to risks. These various risks are continuously monitored using different methodologies and with focus on maintaining an effective balance between the size and nature of its current and future risk exposures and the overall capacity of the Bank to actively monitor, control and mitigate those risks.

The Bank operates its trading business with support from the Bank's online investment trading platform, which entails a trade execution flow, allowing for efficient market-making functions in foreign exchange and CFD investment trading operations. All other traded instruments supported by the Bank are offered on a hedged basis, in compliance with the prevailing operating mandate issued to the Board of Management by the Board of Directors.

Throughout the year, the Board of Directors adjusted the Bank's overall risk profile. The risk limits related to foreign exchange, CFD business, and related investment trading were changed as market conditions and overall trading volumes varied. The Bank continuously strives to develop advanced real-time monitoring of the risk landscape, and this has been a contributing factor to the Bank's performance in increasingly volatile markets during 2008.

CREDIT RISK

Credit risk is defined as the risk that counterparties of the Bank may fail to fulfil their agreed obligations. The Bank operates in accordance with specific credit policies approved by the Board of Directors. The policy sets guidelines on accepted counterparties and consequently diversification of the Bank's engagements. The policy also sets



guidelines on counterparty credit limits, considering creditworthiness, geography, demography and other measures aiming to minimise the credit risk undertaken. Furthermore, the policy addresses accepted forms of collateral for pledge purposes, as well as leverage factors on individual instrument classes for margin trading. The policy is revised as needed, and at least once annually. Moreover, the Bank has set limits of authority and has segregated duties so as to maintain impartiality during limit setting, the approval process and the following control hereof, in light of new and existing credit facilities.

The credit risk due to counterparties' loss on margin trading risk is monitored on a real-time basis, automatically and manually, with execution of risk mitigative intervention in due time to avoid any credit situation. The Bank does not engage in traditional lending activities. These two factors have been fundamental in the Bank's ability to circumvent major credit shortfalls during the 2008 credit crisis. Further details on the Bank's credit risk are shown on page 52 of the annual report.

MARKET RISK

Market risk is defined as the risk of loss due to movements in market values as a result of general or specific movements in financial market variables, such as foreign exchange rates, equity prices, commodity prices and interest rates. The market risk of the Bank is continuously monitored and measured against loss and exposure limits set out by the Board of Directors. The limits are set across the different product types and specific instruments. In parallel, internal limits, distributed within the trading organisation, are also monitored.

The loss limits have been defined using a Value-at-Risk methodology approach. Exposure limits on foreign exchange also exist on more granular levels, segmented in internal risk buckets, based on instrument characteristics such as market availability, liquidity and volatility. On foreign exchange options, limits exist based on sensitivity to different risk factors, such that limits exist on sensitivities to changes in the price of the underlying instrument (delta and gamma), volatility (vega) and time-decay (theta).

Loss and exposure limits are measured and consistently monitored on an intra-day as well as an end-of-day basis, and distributed to the appropriate level of management. The Bank's exposure is mainly in foreign exchange (spot, forwards and options) and in equities (CFDs). Other exposures are hedged. The Bank's exposure to interest rate risk is limited. Further details on the Bank's market risk are shown on page 53-55 of the annual report.

LIQUIDITY RISK

Liquidity risk is defined as the risk of being only able to meet liquidity commitments at increased cost or, ultimately, being unable to meet obligations at all. The Bank monitors the liquidity risk on a regular basis and aims to always maintain a positive stable funding. The risk management focuses on both short-term and long-term structural liquidity risk, and employs a policy of excess cash placement in short term prime grade bonds, securing the Bank's ability to meet all its obligations. The Bank's non-lending policy also reduces the liquidity risk exposure.

OTHER RISKS

Saxo Bank faces the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, people and systems or from external events. These risks are identified proactively through a top-down risk-driven impact analysis of the business processes of the Bank on a yearly basis. The purpose of the business impact analysis is to prioritise business processes and to identify possible unmanaged risks and their occurrence. The outcome of the analysis is fed into a risk register for mitigation. In addition, ad-hoc risk assessments are carried out when necessary, e.g. due to changed business conditions, ensuring that the Bank is continuously updated on the most severe and relevant risks within the scope of operations.

To maintain an accurate overview of risks, key business areas within the Bank are required to report incidents to a common incident register, which complements the risk assessments mentioned above, as well as constituting a key element in the ongoing improvement of the processes



and controls across the Bank. Risks discovered through incident reporting as well as risk assessment are clarified and validated using plausible scenarios. In light of this, a contingency plan is elaborated for each scenario to ensure that critical processes, services and personnel within Saxo Bank remain operational in the event of an emergency.

Throughout the year, the Bank is subject to audit activities conducted both by Internal Audit and by independent experts. The outcome of these audits is analysed to capture risks.

Corporations, including Saxo Bank, often face environmental changes that seem to come out of nowhere,

changes that often begin as weak signals appearing at the corporate periphery where the actual transactions take place. Therefore, the Bank monitors and identifies key trends in the external environment as well as important uncertainties that circumscribe the Bank's activities all with the purpose of recognising important environmental changes sooner, and thereby allowing the Bank to react to them in a timely manner. An important element in this process is to draw up plausible scenarios, which line up new opportunities as well as severe threats. To strengthen the Bank's responsiveness to these events, a contingency plan is elaborated for each scenario.

PLATFORMS AND PRODUCTS

NEW LAUNCHES

The launch of the browser-based SaxoWebTrader platform in 2008 marked an important step for Saxo Bank in providing flexible and convenient access to the global markets for its retail and institutional clients. Web trading is becoming an investment tool of the general public and the proliferation and proficiency of today's online consumers as well as increasing demands for flexible, reliable and 24/7 connectivity are attracting a growing number of savvy online investors.

The SaxoWebTrader launch marked a new era in online trading at Saxo Bank. The platform enables investors to trade multiple asset classes, to personalise their interface and choose from an array of charts, prices, market research, data sources and news feeds – from any online PC or laptop.

The SaxoWebTrader was backed by the simultaneous launch of the SaxoMobileTrader, for mobile phones and PDAs and later in a special tailored version for BlackBerry® and the Apple iPhone®. The “no-download-or-installation-required” platforms allowed Saxo Bank to target a new market segment.

All of Saxo Bank's platforms now have a product coverage, which enables clients to trade FX, Stocks, CFDs and Futures on the same account, but on a choice of different platforms, depending on their needs and preferences. The new platforms have had a strong uptake in the client base since launch in May.

Advanced re-branding features allow institutional partners to build their own branded version of the SaxoWebTrader. More than 100 Saxo Bank partners have already made use of these features and launched the new platforms to their own retail clients.



In 2008, Product Development was reorganised and located physically and structurally alongside Sales, Marketing and Service & Support in the new Commercial Group. This was done in order to improve execution and client focus. The integration of the Product Development area has meant closer proximity to the client base, and as a result, a faster reaction to the needs of clients. This is seen in the improvements on the SaxoWebTrader platform, including simplified workspaces and the choice between one-click and two-click trading.

A new Price Alert feature has also made an impact on the client business with 30,000 alerts during first month of operation. Improved ability to respond to the market saw 7,000 CFDs migrated to lower margin brackets following implementation of new improved risk modelling, while reduced margin on CFD indices and major stocks increased competitiveness.

Meanwhile in FX, FX price bands allow clients to view FX spot live prices on larger volumes without the need to request a dealer quote.

WETO

One of the outcomes of the restructuring plan announced in September was the decision to discontinue a number of projects and developments. Instead it was decided to direct attention to four areas – internally known as the WETO-projects. The WETO-projects aim at:

- Upgrading the Group **Web** presence by development of a new global website. The website should be constructed on a platform which would allow each business unit to construct their own tailored web presence based on the look, feel and design of the global dotcom. The new Group website was launched in November 2008 while the work of translating into regional websites continues into 2009.
- Another part of the program was to focus on exchange traded derivatives, e.g. **Exchange Traded Options (ETOs)** on equities and futures, as well as development of further Over-the-Counter products (OTCs) such as FX

Options. A project team was established to look into the opportunities of offering ETOs while another team focused on option pricing and margin improvements.

- Thirdly, focus was directed towards the launch of **TradeMaker**. TradeMaker is a module that publishes real-time trading ideas and automatically populates the order tickets. Initially, TradeMaker publishes daily trading ideas on 10 major FX crosses from a third party, Sostratos, a retail subsidiary of BBSP. TradeMaker went live in February 2009 and during 2009, Saxo Bank will continue to develop Trademaker with the aim of broadening the product coverage.
- The final focus area was to ease the **Onboarding** of new clients. Important parts of the project included automatic onboarding of clients as well as payment with debit and credit cards. A breakthrough came in February 2009 when the UK – which was used as a test country – was able to receive payments by debit cards and on-boarded the first client 100% automatically.

AWARDS AND RECOGNITIONS

Over the last several years, Saxo Bank has gained industry recognition for its online trading platforms, technology and service. 2008 was no different, with Saxo Bank picking up five awards from key financial publications, such as FX Week and Euromoney.

For the fourth consecutive year, Saxo Bank was recognised as providing the Best retail platform at the 5th annual e-FX awards, sponsored by FX Week Magazine. This honour was echoed by the British finance magazine, Profit & Loss, who awarded Saxo Bank their Best retail platform prize for the second consecutive year. The award praised the commitment to customer service and the wide array of markets and instruments available on the Saxo Bank platforms.

Saxo Bank was later on named as the fastest growing FX Bank for the \$100-250 billion a year client segment by Euromoney. Meanwhile, there was a local award for Saxo Bank's Wealth Management services in January 2008,



when Euromoney awarded Saxo Bank Best Provider of FX Services for high-net-worth individuals in Denmark. That distinction was conferred on Saxo Bank based on responses from more than 1200 private banking professionals

and nearly 400 institutions. Saxo Bank was also named Institutional FX provider of the year 2008 by London-based World Finance magazine, underlining the commitment of the Bank to both the retail and institutional segments.

PRIVATE WEALTH MANAGEMENT

The key development in Private Wealth Management (PWM) came towards the end of 2008 when preparations were made for the acquisition of Fondsmæglerselskabet Sirius Kapitalforvaltning A/S. The deal, completed in January 2009, signalled a strengthening and consolidation within the PWM and Asset Management (AM) segments, where PWM is defined as portfolio management for high-net-worth private clients and AM as portfolio management for the institutional segment.

The strengthening of Saxo Bank PWM and AM is the first step towards establishing a strong Nordic presence in wealth management, which will focus on first-class competence within the Nordic region, perceived as the home market. Saxo Bank aims to build expertise within

targeted areas, including a broad-based wealth management capability, FX and liability management. The strategy is to become a long-term business partner in PWM and AM and the provider of tailored solutions for high-net-worth clients. Saxo Bank's approach is to offer innovative solutions which are transparent and competitive, with all activities underpinning the Saxo Bank brand.

Another move in order to expand Saxo Bank's reach to the market was taken in February 2009 when Saxo Bank announced the acquisition of a minority stake of the Danish, listed company EuroInvestor which specialises in providing online investment information through their website, EuroInvestor.com.



THE FINANCIAL MARKETS 2008–09

The year 2008 brought unprecedented challenges for many businesses, especially those in the financial sector.

Saxo Bank's Strategy Team has been sceptical about the economic recovery that has taken place since the early 2000s. The team's perception was in particular the aggressive easing of monetary policy led to speculative excesses and a false perception of certainty (as exemplified by the overall low volatility until 2007-08). The team suspected the boom was created on artificially low interest rates and would end in tears, since the increased investment and consumption activities were not backed by a similar increase in savings.

As a result, Saxo Bank's analysts were among the most pessimistic in the entire industry and early on, the team expected a stock market meltdown – although they were surprised to see how disorderly it was when it happened and also taken aback by the extreme tensions in the financial system that arrived as a result.

In its yearly Financial Outlook published in late December 2008, the Strategy Team expects that 2009 will prove to be just as challenging as 2008. Risk aversion is centre stage, refinancing will be the challenge of the year and consumption and employment will be severely down. Although this development will pose grave problems for households in terms of unemployment and excessive debt burdens, it will actually signal, to some extent, a normalisation of financial markets.

SAXO BANK'S OUTRAGEOUS PREDICTIONS FOR 2009

Prior to the Bank's yearly Financial Outlook, Saxo Bank published its so-called 10 Outrageous Predictions. These ten predictions are an annual attempt to, not necessarily predict but merely illustrate, rare but high-impact, 'black swan' events that are beyond the realm of normal market expectations. The following predictions are a thought exercise more than a set of outright claims. This year, the thought exercise present a dismal view of the global financial landscape with the following 10 Outrageous Predictions:

1. There will be severe social unrest in Iran as lower oil prices mean that the government will not be able to uphold the supply of basic necessities.
2. Crude oil will trade at \$25 as demand slows due to the worst global economic contraction since the Great Depression.
3. S&P will hit 500 in 2009 because of falling earnings, vaporising housing equity and increased cost of funds in the corporate sector.
4. The EU is likely to crack down on excessive government budget deficits in several member states, and Italy could live up to previous threats and leave the ERM completely.
5. The AUDJPY will drop to 40 as the decline in the commodities markets impacts the Australian economy.
6. EURUSD will fall to 0.95 and then go to 1.30 as European bank balances are under tremendous pressure because of exposure to the faltering Eastern European markets and intra-European economic tensions.
7. Chinese GDP growth drops to zero. The export driven sectors in the Chinese economy will be hurt significantly by the free-fall economic activity in the Global Trade and especially of the US.
8. Pre-In's First Out. Several of the Eastern European currencies currently pegged or semi-pegged to the EUR will be under increasing pressure due to capital outflows in 2009.
9. Reuters/Jefferies CRB Index to drop 30% to 150. The commodity bubble is bursting, with speculative excesses so large they have skewed the demand and supply statistics.
10. 2009 will see the first Asian currencies to be pegged to CNY. Asian economies will increasingly look towards China to find new trade partners and scale down their hitherto US-centric agenda.

The main reason for doing this exercise every year is that human psychology tends to be skewed towards optimism. However, it remains important for investors always to take into account the less likely scenarios as perceived by the market. Saxo Bank's Strategy Team does not assign any probability for these ten claims to come true but use them as an illustration of what could happen. However,



the team does believe that odds of these events are significantly higher than what is currently priced into the market. In the past, the Bank has had three or four out of 10 right. Hopefully, it will be less in 2009.

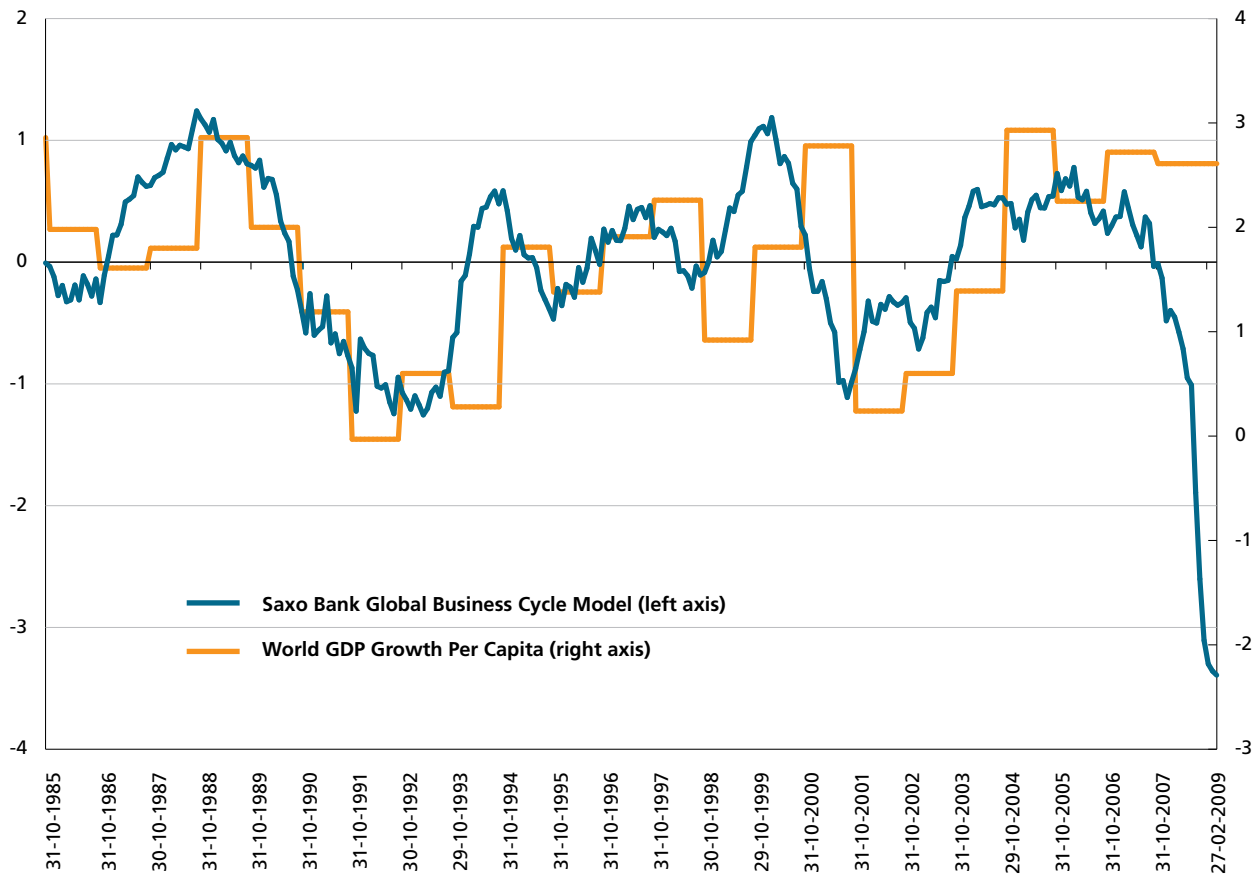
SAXO BANK'S BUSINESS CYCLE INDICATOR

The Business Cycle Indicator (BCI) captures the World GDP Growth Per Capita. The BCI shows that the economic

slowdown currently taking place seems to be without precedent in recent decades and the Bank believes the BCI will continue to edge lower during 2009.

The primary factors in the slowdown are the virtual collapse in global trade, dramatically lower price pressures and rising unemployment. The BCI shows growth per capita to average at minus 2.5% globally for the year 2009.

Business Cycle Indicator





2008 MILESTONES

JANUARY: Espirito Santo Financial Group (ESFG) and Banco Espirito Santo Group, (BES Group) Portugal's third biggest financial group, takes five percent ownership of Saxo Bank.

MARCH: Saxo Bank announces that profits are up 78% in 2007, which makes 2007 another record-breaking year.

MAY: Saxo Bank is awarded fastest growing FX Bank of the year at the annual Euromoney FX Awards.

MAY: Saxo Bank announces the acquisition of French online broker Cambiste.



APRIL: Saxo Bank is awarded best retail FX platform for the second consecutive year by Profit & Loss magazine.

JUNE: Saxo Bank announces a sponsorship agreement with Riis Cycling A/S. For the remaining six months of 2008, the team is co-sponsored by CSC and Saxo Bank making it Team CSC Saxo Bank. As of 1 January 2009 the name of the team is Team Saxo Bank.

JUNE: Saxo Bank launches its Tokyo office.



JULY: For the fourth consecutive year, Saxo Bank is awarded Best Retail Platform at the fifth annual e-FX awards, sponsored by FX Week Magazine.

JULY: Team CSC Saxo Bank rider Carlos Sastre wins the 2008 Tour de France and Andy Schleck wins the young rider classification. The Team also wins the overall team classification.

SEPTEMBER: Saxo Bank launches Saxo Banque France in Paris.

NOVEMBER: Saxo Bank is voted Best Bank for FX Investors by FX Week for a third year running.



AUGUST: Saxo Bank announces the appointment of Eric Rylberg and Karsten Poulsen to two new positions as Chief Executive Director and Deputy Chief Executive Director of Saxo Bank.

OCTOBER: Following a review of the Bank's structure and operations, Saxo Bank announces a new Management Team.

OCTOBER: Saxo Bank joins the Danish Sector Fund (the Private Contingency Association – "Det Private Beredskab"). As such Saxo Bank is encompassed in the two-year guarantee for all deposits with and unsecured claims against Danish financial institutions, provided by the Danish government.



PELTON, STAGE 11,
GIRO D' ITALIA



OPERATIONAL REVIEW



BUSINESS MODEL

As a specialist in trading and investment, Saxo Bank enables private investors and institutional clients to trade FX, CFDs, Stocks, Fixed income, Futures, ETFs, Options and other derivatives via award-winning, multi-asset online trading platforms. In addition the Bank offers professional portfolio management for wealthy individuals and institutions.

PLATFORMS AND SERVICES

Saxo Bank was amongst the first financial institutions in the world to develop an internet-based information and investment trading platform. The SaxoTrader and the SaxoWebTrader enable Saxo Bank to offer advisory, dealing and market-making services to its clients by providing them with direct access to tradable prices and rates across the global capital markets.

Trade and order execution is reported to Saxo Bank's clients via the platforms on a real-time basis with full transparency of trade and/or order execution details, audit log events and mark-to-market based revaluation of all traded positions, portfolios and client accounts. This is combined with instant trade and/or order execution notifications, detailed and historical client account statements, and comprehensive trade and portfolio-based risk management analysis.

Although the majority of the Bank's business is conducted electronically, Saxo Bank maintains dedicated 24-hour support desks and assigns a team of account executives to serve its clients.

FACILITATION FOR SELF-DIRECTED TRADERS AND INVESTORS

Saxo Bank's primary function is to act as a professional and fully regulated facilitator of investment and trading. The online trading platforms enable clients to trade OTC products as well as exchange-traded securities and/or derivative contracts by routing the order directly to the markets and relevant exchanges via one of Saxo Bank's principal liquidity and infrastructure partners. Saxo Bank

may also via internalisation of customer flows act as client counterpart for products that are traded over-the-counter.

The liquidity and infrastructure partners of Saxo Bank are some of the largest financial institutions in the world such as Deutsche Bank, Goldman Sachs International and UBS. By entering into an active co-operation with these institutions, Saxo Bank has effectively ensured its clients access to a one-stop trade execution, settlement and custody offering.

PRODUCTS

The financial products available on the platforms represent the core of Saxo Bank's offering.

In addition, Private Wealth Management (PWM) and Asset Management (AM) are areas of increasing significance to the Bank. The acquisition of Fondsmæglerselskabet Sirius Kapitalforvaltning A/S in January 2009 is seen as the first step towards strengthening the offering of portfolio management for high-net-worth private clients and the institutional segment. The enhanced offering in PWM and AM products and services will have a particular focus on Nordic markets, and it is expected to diversify the Bank's revenue streams over time.

RETAIL CLIENTS

Saxo Bank has taken professional trading to the retail space, providing the segment with direct access to the global capital markets. Realising the markets are global, but most retail investors still have a preference for service in their own language, Saxo Bank offers its services in more than 30 languages.

Retail investors have access to market news and analysis within the Equity, Futures and FX markets, delivered from top providers within the industry. For CFDs, Stocks, CFD DMAs, Futures and other financial asset classes, Saxo Bank delivers fast and reliable price feeds, including an online subscription tool which enables clients to access live prices from more than 25 exchanges and news providers.



To empower retail clients in an often complex online trading market, Saxo Bank provides an education site at www.saxoeducation.com. Moreover, Saxo Bank regularly holds local investment seminars to help clients and other investors understand topics such as online FX trading, how to trade a CFD or using Saxo Bank's trading platforms, so they get the most out of trading the financial markets. The seminars are advertised online. Finally, Saxo Bank offers free educational webinars, which are seminars presented online. The Bank's webinars are aimed at improving online trading methods and increasing the level of knowledge for the novice through to the more experienced trader. The webinars include key topics such as charting and technical analysis methods.

INTRODUCING BROKERS

Saxo Bank's partnership solutions for Introducing Brokers differentiate between two segments: Money Managers trading on behalf of their clients, and Brokers with self trading clients. Recognising their different needs, Saxo Bank has developed tailor-made solutions to serve these two segments in the best possible way. The platforms, flexible account structure, easy-to-manage trading set up, dedicated front- and back-office service and marketing support are just a few elements of the overall offering.

INSTITUTIONAL CLIENTS

Saxo Bank offers a range of professional trading and settlement services and API/B2B (application program interface/business-to-business) solutions for hedge funds, banks, corporations and proprietary trading houses. Saxo Bank provides access to multi-asset trading, Tier-1 liquidity, competitive pricing and execution, real-time cross-product risk management, automated settlement and post-trade service.

WHITE LABEL PARTNERS

One of the main advantages offered by Saxo Bank to regulated wholesale clients is a White Label solution built around a customised version of Saxo Bank's award-winning platforms branded under the White Label Partner's name. Saxo Bank offers the technology, the knowledge and the complete infrastructure to enable the Bank's Partners to enter or expand in the online trading market.

Saxo Bank's Partner offering entails a partner-branded multi-asset platform with integrated front- and back-office infrastructure, real-time risk management, client base development tools, dedicated partner services and go-to-market strategies to help partners effectively develop their business.



BUSINESS REVIEW

While all Business Units hold the same business objectives of growing a profitable business, the units vary in size, coverage (single country to multi country, for instance) and in complexity. Some are run from local country-based offices while others are run more remotely, primarily out of Copenhagen, London, Singapore and Switzerland.

SOUTHERN EUROPE

Southern Europe is one of the largest regions in the Bank. During 2008, the region's private client business improved its profitability as net client numbers and trading volumes rose, while the cost of client acquisition declined. Some of the drivers behind the uptake in the private business were localisation of websites and introduction of self-service tools, such as video-tutorials and webinars to sign on and help clients to start trading, manage their risks, etc.

EASTERN EUROPE

2008 saw the revenue from both the private business as well as the institutional and partner business grow compared to 2007. The growth was assisted by a deliberate focus on face-to-face meetings and personalised service for high-net-worth clients and active traders. Other factors contributing to the growth was the roll-out of local language and content specific websites in key markets, as well as an improved use of marketing attuned to key events in the market place and better search word optimisation.

Saxo Bank's geographical footprint was extended with partner agreements being signed in the markets of Kazakhstan and Latvia.

UK AND US

The year saw improvements in performance from the first half of the year to the second – in particular in the competitive UK market. Organisational efficiencies were introduced in the third quarter resulting in a lower cost base. Operational enhancements such as new international stock 'give up' procedures and full scale reviews of

CFD margins also helped deliver improvements in bottom line contribution.

Revenues grew in the second half of the year as compared to first half. New client acquisition and retention increased helped by a multi-media marketing campaign launched in September for the Saxo Brand in the UK, the launch of premium concierge service for high-net-worth clients and enhancements in the on-boarding procedures. Ongoing improvements in client funding efficiencies are expected as new debit card funding facilities were launched at the end of the year.

GERMAN REGION

Performance in the German region remained on target. After a slow start to the year, the private business managed to grow net new client numbers and funds in the second half of 2008, in spite of market turbulence. The institutional and partner side of the business were able to add new business in terms of banks and smaller brokerages. During the year, effort went into strengthening Saxo Bank's brand and visibility in the German-speaking markets. Targeted local events, exhibitions, webinars and broadened collaboration with relevant media platforms helped establish Saxo Bank. In December, it was decided to move Saxo Bank's German speaking activities to Zurich. The move will take place in the first half of 2009 and is expected to yield commercial and operational synergies.

SWITZERLAND

In 2008, the acquired bank Synthesis was integrated into the Saxo Bank Group and branded Saxo Bank (Switzerland) SA, with offices in Geneva and Zurich. As part of this exercise the organisation was streamlined and the office in Zurich revamped and focused as a sales branch. In 2008, more focus was directed towards the Swiss domestic market place. During the year revenue was mainly driven by high FX and Futures volumes and a net growth in the private client base.



FRANCE

Saxo Bank acquired the French FX broker Cambiste in May 2008 to gain a stronger foothold in the French market. Following the acquisition, the company was granted a French banking license and officially became Saxo Banque France in September 2008. Since then, all asset classes have been made available to French clients. During the year, the business grew due to a first mover advantage (only FX broker regulated in France), a strong emphasis on localised education, and the offering of multi-asset trading products.

MIDDLE EAST

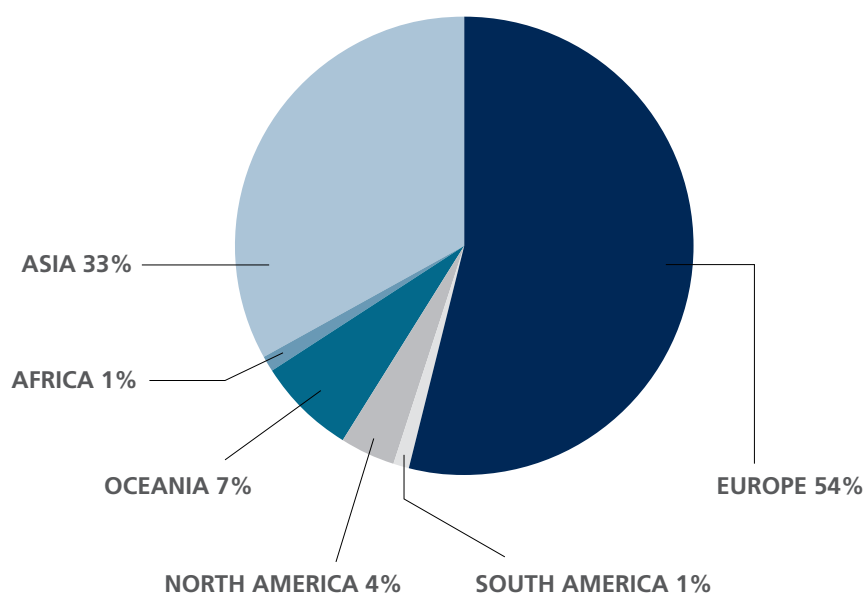
Following years of growth, both in terms of earnings and volume, 2008 proved to be another strong year for the Middle East region. The year saw revenues increase driven largely by greater engagement with both individual clients and partners.

2008 was a year of consolidation. The region merged its private business and institutional business into one regional department and under one management in order to increase overall client services in the region but also to forge a comprehensive strategy for the region.

APAC

In the Asia Pacific, Saxo continued to make progress in 2008. Both the private and institutional client business achieved growth with revenue diversified across markets and client types. In Singapore, targeted marketing campaigns helped raise the profile of the private client business and improve average client deposits. A small office focusing on sales and account management of Saxo Bank's White Label partnerships and institutional clients was established in Japan in June 2008. The Tokyo office has been instrumental in growing the partner business and enabled the Bank to participate in the evolution of the Japanese CFD market.

CLIENTS DISTRIBUTED PER CONTINENT





The partner business in Australia was under some pressure during the year, which coupled with the 'shorting ban' in the fourth quarter impacted Australian revenues in 2008. However, the ground has been laid for a pick-up in 2009 with improved relationships and a strengthened CFD offering. Volumes for Futures and Equities at the Singapore Exchange grew considerably, and it is believed that the addition of the Hong Kong exchange in 2008 has enabled Saxo Bank to continue providing multi-asset and multi-country offering with an Asian focus.

LATIN

2008 resulted in strong growth within the Latin Region, driven by partner business development and increased sophistication of the approach to the retail market.

While Saxo Bank was already a well-established provider for solutions for partners and brokers in both Spain and Portugal, the Bank strengthened its position further by on-boarding two major organisations from the Spanish online financial market in 2008.

In the private segment, the year was one of perfecting the Bank's approach to the retail market in Latin America, adapting the Bank's message to several different environ-

ments and investor profiles in the region, as well as the different means to reach them. The mix of local approach through seminars, advertising using selected media, on-line education and presence in the press through the work of the Bank's strategy and sales trading team, strengthened the Saxo brand with visible results throughout the year.

NORDIC REGION

The Nordic region grew both its private and institutional business in 2008. The main focus areas have been to strengthen the position with existing clients and improve the efficiency of the sales and marketing efforts. Part of this exercise has been to focus more on larger and more actively trading clients. A streamlining of the organisation resulted in an overall cost reduction.

The so-called 'zero commission' campaign on Danish stocks was abandoned and the pricing re-calibrated to ensure Saxo Bank's position as one of the most competitive banks for private Danish investors trading a diverse portfolio of securities. On top of this, the Nordic region has benefited from strong media exposure, particularly in Denmark, but also in Norway.

MARKETS

The Bank's Markets department saw significant changes in its organisation during 2008. Following the promotion of Claus Nielsen as new head of the department, a number of functions were organisationally strengthened. All trading activities became centralised and are now run out of Copenhagen – with a small team in Singapore to cater for the different time zones as well as back up in case of downtime in the centralised trading function in Copenhagen. Also the front office risk management team

was centralised and strengthened and now provides 24/7 surveillance of the risk positions.

The centralisation and restructuring improved interaction within the team. Furthermore, the business took advantage from a closer cooperation between markets and the sales side when the teams were brought physically closer together in connection with moving into the new head quarter.



Markets was strengthened with the recruitment of some key managers. Both the FX desk and the Option desk benefited from having new chief dealers heading the department which added competencies and leadership to the team. Furthermore, the department took advantage of the fact that the Bank's quant team became fully devoted to Markets.

With the extra resources added to the department, Saxo Bank was able to improve its offering of FX crosses covering the entire span of currencies from the main currencies and side crosses as well as emerging markets currencies. Within options, Saxo Bank increased its profile by moving from being a market taker to participating in the market making and providing liquidity to the market. This enabled the bank to provide better option prices to its clients as a more aggressive pricing within the bid and offer spreads, e.g. volatility and spot, was implemented.

For CFDs the Bank moved from a fully hedged market maker position into internalising some of the flow by implementing the Bank's own CFD risk book. This approach was taken after having gained experience and expertise running a FX risk book over a number of years.

The Bank has been pursuing research and development of more advanced technology to assist in the handling of its transaction flow and thereby to maximise the profitability. In November 2008, an Automated Market Making Agent (AMMA) went live. Implemented and integrated into the Bank's IT systems, AMMA is a computer based system for transaction flow analysis, price discovery, and automatic position management. The system relies upon high-speed and high-dimensional computations, thereby automatically handling part of the market maker activity without human intervention.

BUSINESS SUPPORT

COMMERCIAL GROUP

The Commercial Group was formed in 2008 through the organisation and consolidation of all Business Units, Marketing, Product Development and Service & Support into one broad-based category headed by CCO Torben Kaaber.

While all Business Units hold the same business objectives of growing a profitable business, the units vary in size, coverage (single country to multi country, for instance) and in complexity. All the same, the main objective, moving all commercial activities closer to the clients and

improving execution on client-related activities, has been achieved.

The formation of a Service & Support organisation, merged from four different organisational units followed from the restructuring of the Bank effectuated in September 2008. The new department streamlined the client service function in the Bank by offering a one-point-of-contact for the customers, which ultimately created a "first-time fix" solution. Furthermore, the set up ensures the service provision is uniform all around the clock, since



a similar concept is followed in Singapore which is the European night-hour hub for client service.

Development of a new global website was a key achievement during 2008. The website was constructed on a platform which will allow each business unit to construct their own tailored web presence based on the look, feel and design of the global dotcom. The improved online presence allows for optimised tracking, multi-variant testing and includes the facility for increased interactivity between clients and Saxo Bank.

Partner marketing, which focuses on the B2B market, prioritised the areas of attracting and on-boarding clients and developing the business of Saxo Bank partners in 2008.

The Partner area is a group function with direct contact to partners, introducing brokers and institutional clients. The Partner marketing area is now in a position to strategically deliver tailored processes for partners to accelerate growth, as well as to implement segmentation and introduce simple service level agreements. The partner portal, partner training, and marketing campaigns for partners were key deliverables in 2008.

IT

2008 saw the creation of a new management team in IT with the promotion of Tore Friberg as new head of Group IT and Operations. In line with the overall strategic change of the Bank, IT increased focus on value-adding core competencies – defined as developing and supporting the trading systems – while fading out the development of software and services that can be delivered by third party providers. A sourcing strategy and policy has been defined and governance established. The strategy proposes a multi-sourcing set up where external partners are chosen in a “best of breed” model.

In addition to the activities supporting the trading platform, a Future State Architecture for Front-Office and Back-Office, as well as Sales and Client handling, were defined in 2008 and will be executed upon in 2009.

OTHER SUPPORT FUNCTIONS

For Operations, 2008 was defined by increased numbers of contracts processed, record numbers of payments and processed transactions, and a steady stream of rising demand from partners and institutional clients. Extraordinary market activity during the autumn presented challenges, but revealed the Bank is positioned to cope with periods of high activity and volatility. A key area in 2008 was to optimise the client on-boarding process and ease the booking of client funds. Initially focused on the UK market, the on-boarding work and the ability to accept debit/credit card usage group-wide will continue in 2009.

In late 2008, Karina Deacon was appointed new CFO. A focus area for Group Finance – a broad function within Saxo Bank covering a number of support functions, namely: Legal, Compliance, Finance, Back-office Risk Management, Procurement and Facility Management – was to initiate an upgrade of systems and the strengthening of key middle-management functions. Focus was directed towards enhancement of the Bank’s risk management and compliance functions. A Risk Director with overall responsibility for the Group’s back-office risk management functions was recruited and the responsibility of the risk function was broadened to include actions for “black-swan” scenarios. In order to further increase the role of the Compliance function throughout the Bank, the function was separated from Legal and now reports directly to the Executive Management Board via the CFO.

A Group Treasury function was established late 2008 with the objective of optimising financial assets and liabilities management. In addition, Group Treasury has the task to operationally manage counterparts and financial risks in the investment portfolio. In light of the turmoil in the financial markets with several financial institutions in both the US and Europe being in financial difficulties, Saxo Bank further increased counter party risk management and cash sweeping procedures.

PELTON, STAGE 15,
TOUR DE FRANCE





FINANCIAL STATEMENTS



MANAGEMENT STATEMENT

STATEMENT OF THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

The Board of Directors and Board of Management have considered and approved the annual report for 2008 for Saxo Bank A/S.

The annual report has been prepared in accordance with the Danish Financial Business Act. In our opinion, the annual report gives a true and fair view of the Group's and the Parent Company's assets, liabilities, equity and financial position at 31 December 2008, and the results of the Group's and the Parent Company's operations for the financial year 2008. Moreover, in our opinion, the

Management's Report gives a true and fair view of the developments in the activities and financial position of the Group and the Parent Company and describes significant risk and uncertainty factors that may affect the Group and the Parent Company.

The annual report 2008 is submitted for the approval of the Annual General Meeting.

Copenhagen, 18 March 2009

BOARD OF MANAGEMENT

Lars Seier Christensen
Co-CEO and co-founder

Kim Fournais
Co-CEO and co-founder

BOARD OF DIRECTORS

Henrik Thufason
Chairman of the Board

Florian Wendelstadt
Vice Chairman of the Board

John Korsø Jensen

Dionysios Nicolaos Malamatinas

Julian Michael Simmonds



THE INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SAXO BANK A/S

We have audited the annual report of Saxo Bank A/S for the financial year 1 January – 31 December 2008, which comprises Management Statement, Management Report, Accounting policies, Profit and loss statement, Balance sheet, Capital statement, Solvency, Credit and market risk and Notes for the Group as well as for the Bank. Our audit did not include the section The Financial Markets 2008-09 on page 22-23. The annual report has been prepared in accordance with the Danish Financial Business Act.

THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT'S RESPONSIBILITY FOR THE ANNUAL REPORT

The Board of Directors and Board of Management are responsible for the preparation and fair presentation of this annual report in accordance with the Danish Financial Business Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is 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.

AUDITORS' RESPONSIBILITY AND BASIS OF OPINION

Our responsibility is to express an opinion on this annual report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the annual report 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 Bank'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 and Board of Management, as well as evaluating the overall presentation of the annual report.

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

Our audit did not result in any qualification.

OPINION

In our opinion, the annual report gives a true and fair view of the Group's and the Bank's assets, liabilities, shareholders equity and financial position at 31 December 2008 and of the results of the Group's and the Bank's operations for the financial year 1 January – 31 December 2008 in accordance with the Danish Financial Business Act.

Copenhagen, 18 March 2009

KPMG

Statsautoriseret Revisionspartnerselskab

Henrik O. Larsen
State Authorised
Public Accountant

Lars Rhod Søndergaard
State Authorised
Public Accountant



ACCOUNTING POLICIES

GENERAL

The Annual Report for 2008 has been prepared in accordance with the Danish Financial Business Act, the Danish executive order on financial reports for credit institutions and investment companies, etc., and guidance issued by The Danish Financial Supervisory Authority.

Result of participating interest in affiliates is now presented in one line instead of two in the profit and loss statement. Except from this the accounting policies are unchanged compared to last year.

Consolidation

The consolidated financial statement comprises the parent company Saxo Bank A/S and the affiliates, in which the parent company exercise a controlling interest.

The consolidated financial statement is prepared by adding accounting items of similar content. Inter-company transactions, balances and gains and losses from inter-company transactions are eliminated.

For each of the companies in the Group, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the individual company operates. Transactions denominated in other currencies than the functional currency are considered transactions denominated in foreign currencies.

On recognition in the consolidated financial statements of companies with another functional currency than DKK, the income statements are translated at the exchange rates at the transaction date and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening balance of equity of such companies at the exchange rates at the balance sheet date and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the balance sheet date are recognised directly on equity.

Foreign exchange adjustments of balances, which are considered part of the investment in companies with another functional currency than DKK are recognised in the consolidated financial statements directly in equity.

Foreign currency exchange

The functional currency of the Bank is Danish kroner (DKK).

Any transaction, which has been made in another currency than the functional currency of the Bank, is translated at the exchange rates at the transaction date. Monetary items in any different currency are translated at the closing price of the currency at the balance sheet date.

Realised and unrealised gains and losses are recognised in the profit and loss statement as exchange rate adjustments.

Danish State Guarantee

The Bank has joined the Danish State Guarantee arrangement running to 30 September 2010. Guarantee commission is recognised in the profit and loss statement on a straight-line basis over the guarantee period and included in Other charges. The liability to cover possible losses under the arrangement is recognised as a provision when a loss is probable and can be measured reliably. Such amounts are recognised in the profit and loss statement as Loss and provisions for bad debts. The remaining liability not provided for is included in the Contingent and contractual liabilities.

PROFIT AND LOSS STATEMENT

Interest and commission

Interest revenues and interest expenses, commission and premiums on forward transactions are accrued over the lifetime of the transactions. Dividends, fees and other commission revenue are recognised as income when received.

Received and paid fees and commissions result from trading with equities and derivative financial instruments.



Net interest, fee and exchange rate revenues are not separated on markets geographically, as markets do not vary.

Result of participating interests in affiliates

The parent company's profit and loss statement includes a proportional share of the net profit or loss reported by the individual affiliates.

BALANCE SHEET

Receivables from credit institutions and central banks

Receivables from credit institutions and central banks are measured at amortised cost less provisions for impairment as described under Loan and advances.

Loans and advances

Loans and advances are measured at amortised cost less provisions for impairment.

If objective evidence exists of impairment of a loan or an advance, then the relevant loan or advance is tested for impairment.

Impairment exists if the carrying amount exceeds the present value of the expected future payment on the loan or advance. The impairment is calculated based on an individual assessment of the present weighted value of the most likely future cash flows from the underlying receivable. The impairment charge is adjusted if the present value of the expected future cash flows is changed.

Participating interest in affiliates

Participating interest in affiliates are recognised and measured in accordance with the equity method, calculated in accordance with the Bank's accounting policies.

The book value of participating interest in affiliates is revalued with the parent company's proportional share of its result for the year, with adjustment recognised as a change in capital in the affiliates and with impairment, if any. The net revaluation is recognised as Equity method reserve at equity.

Acquired affiliates are included in the financial statement at the date of acquisition.

The purchase method is applied when acquiring new affiliates, according to which the identifiable assets and liabilities acquired, are stated at their fair value on the acquisition date. If the cost of acquisition, including direct transaction costs, exceeds the fair value of the net assets acquired, the excess amount is recognised as goodwill.

Intangible and tangible fixed assets

Intangible and tangible fixed assets are recognised at cost less any accumulated depreciation, amortisation and write-down.

Goodwill arises on the acquisition of affiliates and is calculated as the difference between the cost of an acquired company and the fair value of its net assets, including contingent liabilities, at the date of acquisition.

The costs of in-house software development, which are clearly defined and identifiable, are recognised as intangible assets provided they provide a proven and anticipated financial benefit in future.

Domicile premises are measured at revalued amount representing the fair value at the time of revaluation less any subsequent, accumulated depreciation and loss owing to impairment.

The intangible and tangible fixed assets are generally amortised and depreciated on a straight-line basis over the estimated useful life. Amortisation and depreciation periods are as follows:

Software	3 years
Client relations	4 years
Domicile premises	50 years
Leasehold improvements	5 years
Fixtures, equipment and vehicles	5 years
IT equipment	3 years
Aeroplane	Based on number of hours in air



Intangible and tangible fixed assets are measured annually to determine any indication of impairment. Impairment is recognised if the asset's recoverable amount is less than the book value following any depreciation or amortisation.

Depreciation, amortisation and impairment write-down are recognised in the profit and loss statement.

Securities and derivative financial instruments

Purchases and sales of financial assets are accounted for on the trade date.

Securities are measured at the fair value at the balance sheet date. Listed securities are recognised at officially quoted prices. Value adjustments of securities are recognised in the profit and loss statement.

Derivative financial instruments (open spot transactions, forward exchange transactions, futures and options, etc.) are measured at fair value, which is determined on the basis of the closing prices at the balance sheet date.

For matching positions mid prices are applied as the basis for determining the fair value of the matching position and bid/ask prices on the open net position, respectively.

Derivative financial instruments with a positive fair value are recognised as "Other assets" while instruments with a negative fair value are recognised as "Other liabilities".

Net premiums on forward transactions related to foreign exchange and securities are presented in the profit and loss statement as interest receivable. Other changes in fair value of the derivative financial instruments are presented in the profit and loss statement as "Price and exchange rate adjustments".

Proposed dividends

If the Board of Director's proposes a dividend for the year it is included as a separate reserve in shareholders' equity. When the general meeting has adopted the proposal the dividend is recognised as a liability.

Warrants

The Board of Directors, the Board of Management and other employees has been granted warrants under different programs.

The warrants are measured at fair value at the time of allocation and are recognised in the profit and loss statement under Staff costs and administrative expenses over the vesting period with a corresponding entry in equity.

In connection with initial recognition of the warrants, the expected number of exercisable warrants is estimated. Subsequent adjustments is made for changes in the estimate.

The fair value of the warrants is estimated using the Black Scholes valuation method. The calculation takes into account the terms and conditions under which the warrants are allocated.

Tax

Saxo Bank is taxed jointly with the parent company and Danish subsidiaries. The joint taxation involves allocation between the jointly taxed Danish companies in proportion to their taxable income. The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprise current tax for the year, changes in deferred tax and adjustments regarding previous years, and is recognised in the profit and loss statement except tax related to changes in equity.

Changes in deferred tax owing to a change in tax rates are recognised in the profit and loss statement.

Deferred tax is calculated on timing difference between the profit for accounting and tax purposes.



PROFIT AND LOSS STATEMENT

1 JANUARY – 31 DECEMBER

(DKK 1,000)	Note	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
Interest receivable	1	647,344	785,133	638,516	796,264
Interest payable	2	(452,141)	(554,240)	(443,085)	(562,021)
Net interest receivable		195,203	230,893	195,431	234,243
Fees and commissions receivable	3	674,668	435,751	575,097	420,001
Fees and commissions payable	4	(1,287,610)	(875,357)	(1,264,565)	(870,060)
Net interest, fees and commissions receivable		(417,739)	(208,713)	(494,037)	(215,816)
Price and exchange rate adjustments	5	2,935,930	1,773,162	2,491,362	1,634,605
Operating income		2,518,191	1,564,449	1,997,325	1,418,789
Other income	6	3,696	686	5,419	1,616
Staff costs and administrative expenses	7	(1,855,438)	(1,138,226)	(1,622,597)	(1,071,557)
Depreciation, amortisation and write-down of intangible and tangible assets	8	(130,233)	(54,746)	(96,504)	(50,749)
Other charges		(13,681)	(4,242)	(13,681)	(4,242)
Loss and provisions for bad debts	9	(53,912)	(3,062)	(52,677)	(3,062)
Result of participating interests in affiliates	10	-	-	192,267	59,631
Profit before tax		468,623	364,859	409,552	350,426
Tax	11	(129,406)	(89,610)	(70,335)	(75,177)
Net profit		339,217	275,249	339,217	275,249
Proposed allocation of net profit:					
Dividend for the year		-	90,832	-	90,832
Equity method reserve		-	-	192,267	38,208
Allocated to retained earnings		339,217	184,417	146,950	146,209
Total allocation		339,217	275,249	339,217	275,249

BALANCE SHEET AT 31 DECEMBER

(DKK 1,000)	Note	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
ASSETS					
Cash in hand and demand deposits with central banks		14,977	8,751	208	151
Receivables from credit institutions and central banks	12	2,539,306	2,942,157	1,688,798	2,441,917
Loans and advances	13	85,286	118,160	109,503	168,965
Bonds at fair value	14	4,787,021	4,604,484	4,786,989	4,143,251
Equities		314	597	-	-
Participating interests in affiliates	15	-	-	536,256	278,254
Goodwill	16	451,448	413,000	451,448	413,000
Other intangible assets	17	158,524	111,930	139,385	91,481
Domicile premises	18	44,563	50,762	-	-
Other tangible assets	19	193,186	123,608	113,132	88,813
Deferred tax assets	22	36,735	50,169	13,638	7,743
Tax receivables	22	10,378	40,537	10,268	40,245
Other assets		2,075,891	1,511,919	2,059,695	1,345,536
Prepayments		58,443	20,163	52,137	9,273
Total assets		10,456,072	9,996,237	9,961,457	9,028,629



BALANCE SHEET AT 31 DECEMBER

(DKK 1,000)	Note	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
SHAREHOLDERS' EQUITY AND LIABILITIES					
Debt to credit institutions and central banks	20	15,100	154,824	1,286	154,244
Deposits	21	6,815,587	7,143,690	6,463,254	6,320,095
Company tax	22	40,318	13,661	816	-
Other liabilities		1,650,869	1,151,029	1,591,087	1,027,934
Total debt		8,521,874	8,463,204	8,056,443	7,502,273
Provisions for pensions and similar liabilities		3,927	2,695	-	-
Provisions for deferred tax liabilities	22	6,208	24,881	-	20,899
Other provisions	23	97,980	2,375	78,931	2,375
Total provisions		108,115	29,951	78,931	23,274
Subordinated loans	24	409,362	410,031	409,362	410,031
Share capital		59,168	58,982	59,168	58,982
Equity method reserve		-	-	255,834	38,208
Proposed dividend		-	90,832	-	90,832
Retained earnings		1,357,553	943,237	1,101,719	905,029
Total shareholders' equity		1,416,721	1,093,051	1,416,721	1,093,051
Total shareholders' equity and liabilities		10,456,072	9,996,237	9,961,457	9,028,629
Contingent and contractual liabilities	25				
Related parties	26				

CAPITAL STATEMENT

Saxo Bank Group	Share capital	Other reserves	Proposed dividend	Retained earnings	Total
(DKK 1,000)					
Shareholders' equity 1 January 2007	54,934	2,911	47,563	326,702	432,110
Net profit for the year	-	-	-	184,417	184,417
Exchange rate adjustments, foreign entities	-	(5,508)	-	-	(5,508)
Dividend paid for 2006	-	-	(47,563)	-	(47,563)
Proposed dividend for 2007	-	-	90,832	-	90,832
Issue of warrants	-	4,000	-	-	4,000
Increase in share capital by use of warrants	100	-	-	404	504
Increase in share capital	3,948	-	-	430,311	434,259
Transfer of other reserves	-	(1,403)	-	1,403	-
Shareholders' equity 31 December 2007 and 1 January 2008	58,982	-	90,832	943,237	1,093,051
Net profit for the year	-	-	-	339,217	339,217
Exchange rate adjustments, foreign entities	-	-	-	24,231	24,231
Dividend paid for 2007	-	-	(90,832)	-	(90,832)
Issue of warrants	-	-	-	21,500	21,500
Increase in share capital	186	-	-	29,368	29,554
Shareholders' equity 31 December 2008	59,168	-	-	1,357,553	1,416,721



CAPITAL STATEMENT

Saxo Bank A/S (DKK 1,000)	Share capital	Equity method reserve	Other reserves	Proposed dividend	Retained earnings	Total
Shareholders' equity 1 January 2007	54,934	-	2,911	47,563	326,702	432,110
Net profit for the year	-	38,208	-	-	146,209	184,417
Exchange rate adjustments, foreign entities	-	-	(5,508)	-	-	(5,508)
Dividend paid for 2006	-	-	-	(47,563)	-	(47,563)
Proposed dividend for 2007	-	-	-	90,832	-	90,832
Issue of warrants	-	-	4,000	-	-	4,000
Increase in share capital by use of warrants	100	-	-	-	404	504
Increase in share capital	3,948	-	-	-	430,311	434,259
Transfer of other reserves	-	-	(1,403)	-	1,403	-
Shareholders' equity 31 December 2007 and 1 January 2008	58,982	38,208	-	90,832	905,029	1,093,051
Net profit for the year	-	192,267	-	-	146,950	339,217
Exchange rate adjustments, foreign entities	-	25,359	-	-	(1,128)	24,231
Dividend paid for 2007	-	-	-	(90,832)	-	(90,832)
Issue of warrants	-	-	-	-	21,500	21,500
Increase in share capital	186	-	-	-	29,368	29,554
Shareholders' equity 31 December 2008	59,168	255,834	-	-	1,101,719	1,416,721

The share capital has increased by 185,700 shares with a nominal value of DKK 1 in 2008.

As at 31 December 2008, the share capital consists of 59,168,134 shares with a nominal value of DKK 1. All shares carry the same rights.

Saxo Bank A/S has outstanding warrants as follows:

Year of issue		Amount issued	Exercised/ Expired	Out- standing	Strike Price	Expiry
2006	Board of Directors	72,382	-	72,382	87.73	2009
2007	Board of Directors	51,364	-	51,364	110	2010
2007	Employees	510,280	-	510,280	110	2010
2007	Employees	1,595,000	(571,000)	1,024,000	110	2011-14
2008	Employees	2,077,000	(37,000)	2,040,000	159	2011
2008	Employees	543,596	-	543,596	159	2011-14
2008	Employees	229,244	-	299,244	159.15	2011-14
Total		5,078,866	(608,000)	4,470,866		

Exercising of warrants issued to the employees in 2007 and 2008 is conditional on the presence and performance of the employee.

SOLVENCY

(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
	2008	2007	2008	2007
Shareholders' equity	1,416,721	1,093,051	1,416,721	1,093,051
Deduction in core capital:				
Intangible assets	(609,972)	(524,930)	(590,833)	(504,481)
Proposed dividend	-	(90,832)	-	(90,832)
Deferred tax assets	(36,735)	(50,169)	(13,638)	(7,743)
Core capital after deduction	770,014	427,120	812,250	489,995
Subordinated loan	390,755	410,031	390,755	410,031
Base capital	1,160,769	837,151	1,203,005	900,026
Capital requirement 8% of total weighted items	531,219	368,787	535,154	360,822
Weighted items with credit risk:				
Counterparty risk etc.	129,725	608,052	129,725	608,052
Credit risk outside the trading portfolio	943,573	1,089,658	1,212,358	1,074,620
Weighted items with market risk:				
Interest risk	150,997	228,764	150,997	218,391
Share price risk	153,329	515,989	153,329	468,288
Foreign exchange rate risk	3,260,563	2,167,369	3,128,031	2,140,926
Operational risk *)	2,002,054	-	1,914,983	-
Total weighted items	6,640,241	4,609,832	6,689,423	4,510,277
Core capital ratio	11.6%	9.3%	12.1%	10.9%
Solvency ratio	17.5%	18.2%	18.0%	20.0%

For 2008 the following methods have been used:

- Credit risk, standard method
- Market risk, standard method
- Operational risk, base indicator method
- Counterparty risk, market value method

*) For 2007 the transitional rules have been applied and the option of not calculating the operational risk has been used.



SOLVENCY

Solvency requirements for items with market risk (DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
	2008 Weighted items	8%	2008 Weighted items	8%
Debt instruments	150,997	12,080	150,997	12,080
Shares	153,329	12,266	153,329	12,266
Counterparty risk	-	-	-	-
Delivery risk	-	-	-	-
Options	-	-	-	-
Foreign exchange rate risk	3,260,563	260,845	3,128,031	250,242
Total	3,564,889	285,191	3,432,357	274,589

The weighted items with market risk have on average amounted to approximately DKK 3.4 billion for Saxo Bank A/S and DKK 3.9 billion for the Group in 2008. Counterparty risk has been reported under Solvency requirements for items with credit risk.

Solvency requirements for items with credit risk (DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
	2008 Weighted items	8%	2008 Weighted items	8%
Exposure against central banks	-	-	-	-
Receivables from central banks	-	-	-	-
Exposure against institutions	409,615	32,769	239,513	19,161
Receivables from credit institutions	366,778	29,342	196,676	15,734
Counterparty risk with credit institutions	42,837	3,427	42,837	3,427
Credit risk, mitigation	-	-	-	-
Exposure against clients	367,492	29,399	937,301	74,984
Balance sheet items	234,329	18,746	804,138	64,331
Off balance items	46,275	3,702	46,275	3,702
Counterparty risk with clients	1,310,231	104,818	1,310,231	104,818
Credit risk, mitigation	(1,223,343)	(97,867)	(1,223,343)	(97,867)
Exposures in other items	296,191	23,695	165,269	13,222
Balance sheet items	296,191	23,695	165,269	13,222
Total	1,073,298	85,863	1,342,083	107,367

The weighted items with credit risk have on average amounted to approximately DKK 1.7 billion in 2008 for Saxo Bank A/S and for the Group. The counterparty risk has been calculated using netting and credit risk reduction by the expanded method for financial collateral. Credit risk reduction relate to margin deposits.

Solvency requirements for items with operational risk (DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
	2008 Weighted items	8%	2008 Weighted items	8%
Operational risk	2,002,054	160,164	1,914,983	153,199
Total	2,002,054	160,164	1,914,983	153,199

CREDIT RISK

(DKK 1,000)

	Saxo Bank Group		Saxo Bank A/S	
	2008	2007	2008	2007
Credit risk, derivative financial instruments				
Positive market value, counterparty with risk weighted of 20%	747,174	224,678	747,174	224,678
Positive market value, counterparty with risk weighted of 100%	1,226,403	987,887	1,226,403	987,887
Total credit risk, derivative financial instruments	1,973,577	1,212,565	1,973,577	1,212,565
Provisions against loans, advances and guarantees	4,587	5,950	4,587	5,950



MARKET RISK

(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
	2008	2007	2008	2007
Assets in foreign currency, total	7,819,864	9,207,435	7,309,569	8,311,181
Liabilities in foreign currency, total	8,736,757	8,524,474	8,227,653	7,627,975
Foreign exchange rate risk	3,260,563	2,167,369	3,128,031	2,140,926
Foreign exchange rate risk as a percentage of core capital	423.4%	507.4%	385.1%	436.9%
Value at risk of foreign exchange rate risk	36,981	24,257	36,296	24,257
Value at risk of foreign exchange rate risk as a percentage of core capital	4.8%	5.7%	4.5%	5.0%
Interest rate risk				
Interest risk on financial instruments included in the trading portfolio	1,294	13,398	1,294	12,924
Interest risk on bonds not included in the trading portfolio	11,859	-	11,859	-
Interest risk on subordinated loans not included in the trading portfolio	(1,023)	(1,025)	(1,023)	(1,025)
Total interest risk on loans etc.	12,130	12,373	12,130	11,899
Total interest risk by currency:				
DKK	(4,139)	260	(4,139)	260
EUR	13,967	12,163	13,967	11,961
USD	120	(471)	120	(474)
JPY	1,742	899	1,742	899
GBP	(277)	65	(277)	65
CHF	110	163	110	(107)
Other	607	(706)	607	(706)

Interest rate risk is calculated by a transformation of the interest rate curve. An interest rate increase/decrease of one percentage point will result in a profit/loss of DKK 12.1 million. The interest rate risk is assessed monthly.

MARKET RISK

Saxo Bank Group and Saxo Bank A/S

DERIVATIVE FINANCIAL INSTRUMENTS / Specified by remaining life as at 31 December 2008

(DKK 1,000)	3 months and below		3 months to 1 year		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	5,305,656	32,144	2,342,220	20,999	-	-	-	-
Forwards/futures sold	6,129,918	110,132	853,320	12,028	-	-	-	-
Options bought	11,378,677	409,816	5,259,485	295,072	-	-	-	-
Options written	10,903,556	(295,432)	5,750,916	(377,687)	-	-	-	-
Interest rate contracts								
Forwards/futures bought	1,387,012	3,410	530,264	2,191	187,570	1,108	-	-
Forwards/futures sold	1,384,885	6,227	535,301	(3,205)	187,100	(1,357)	-	-
Options bought	-	-	-	-	-	-	-	-
Options written	-	-	-	-	-	-	-	-
Equity contracts								
Forwards/futures bought	2,390,474	(18,490)	17,666	337	-	-	-	-
Forwards/futures sold	2,706,986	373,767	17,828	(157)	-	-	-	-
Options bought	-	2,870	-	-	-	-	-	-
Options written	-	(1,329)	-	-	-	-	-	-
Commodity contracts								
Forwards/futures bought	458,198	7,358	165,692	5,901	2,045	(138)	-	-
Forwards/futures sold	461,820	(11,156)	169,613	(38)	1,872	6	-	-
Options bought	53,595	8	-	-	-	-	-	-
Options written	53,595	(8)	-	-	-	-	-	-



MARKET RISK

Saxo Bank Group and Saxo Bank A/S

DERIVATIVE FINANCIAL INSTRUMENTS

(DKK 1,000)	2008		2007		2008		2007	
	Notional amount	Net market value	Notional amount	Net market value	Market value Positive	Market value Negative	Market value Positive	Market value Negative
Currency contracts								
Forwards/futures bought	7,647,876	53,143	31,889,743	111,593	155,050	(101,907)	319,880	(208,287)
Forwards/futures sold	6,983,238	122,160	30,801,755	213,897	216,585	(94,425)	368,750	(154,853)
Options bought	16,638,162	704,887	12,744,025	134,640	704,887	-	134,640	-
Options written	16,654,472	(673,119)	12,370,808	(131,748)	-	(673,119)	-	(131,748)
Interest rate contracts								
Forwards/futures bought	2,104,846	6,709	1,781,622	(130)	17,964	(11,255)	2,644	(2,774)
Forwards/futures sold	2,107,286	1,665	1,777,662	(1,540)	14,816	(13,151)	1,372	(2,912)
Options bought	-	-	151,454	799	-	-	799	-
Options written	-	-	151,454	(799)	-	-	-	(799)
Equity contracts								
Forwards/futures bought	2,408,140	(18,153)	5,020,753	121	60,813	(78,966)	94,140	(94,019)
Forwards/futures sold	2,724,814	373,610	4,957,768	111,431	437,909	(64,299)	250,950	(139,519)
Options bought	-	2,870	-	-	2,870	-	-	-
Options written	-	(1,329)	-	-	-	(1,329)	-	-
Commodity contracts								
Forwards/futures bought	625,935	13,121	834,852	11,400	28,773	(15,652)	20,787	(9,387)
Forwards/futures sold	633,305	(11,188)	844,140	(1,914)	17,880	(29,068)	11,271	(13,185)
Options bought	53,595	8	-	-	8	-	-	-
Options written	53,595	(8)	-	-	-	(8)	-	-
Total		574,376		447,750	1,657,555	(1,083,179)	1,205,233	(757,483)

UNSETTLED SPOT TRANSACTIONS (DKK 1,000)

	2008		2007		2008		2007	
	Notional amount	Net market value	Notional amount	Net market value	Market value Positive	Market value Negative	Market value Positive	Market value Negative
Currency contracts								
Foreign exchange, transactions bought	7,948,098	117,699	4,295,611	(172)	171,487	(53,788)	7,214	(7,386)
Foreign exchange, transactions sold	6,350,558	71,370	5,878,688	25,650	150,222	(78,852)	28,529	(2,879)
Total	14,298,656	189,069	10,174,299	25,478	321,709	(132,640)	35,743	(10,265)

NOTES

Note	(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
1	Interest receivable				
	Receivables from credit institutions and central banks	86,791	171,957	75,749	162,306
	Loans and advances	74,300	98,669	78,930	119,451
	Bonds	196,425	129,146	196,425	129,146
	Derivative financial instruments	289,817	385,361	287,412	385,361
	Other interest income	11	-	-	-
	Total interest receivable	647,344	785,133	638,516	796,264
2	Interest payable				
	Credit institutions and central banks	(142,089)	(242,074)	(141,151)	(251,788)
	Deposits	(119,950)	(101,110)	(111,801)	(99,177)
	Subordinated loans	(32,162)	(22,365)	(32,162)	(22,365)
	Derivative financial instruments	(157,940)	(188,454)	(157,940)	(188,454)
	Other interest payable	-	(237)	(31)	(237)
	Total interest payable	(452,141)	(554,240)	(443,085)	(562,021)
3	Fees and commissions receivable				
	Trading with equities and derivative financial instruments	674,668	435,751	575,097	420,001
	Total fees and commission receivable	674,668	435,751	575,097	420,001
4	Fees and commissions payable				
	Trading with equities and derivative financial instruments	(1,287,610)	(875,357)	(1,264,565)	(870,060)
	Total fees and commission payable	(1,287,610)	(875,357)	(1,264,565)	(870,060)
5	Price and exchange rate adjustments				
	Bonds	32,423	(1,053)	32,425	(1,053)
	Foreign exchange	2,420,254	1,444,472	2,070,639	1,345,604
	Derivative financial instruments	483,253	329,743	388,298	290,054
	Total price and exchange rate adjustments	2,935,930	1,773,162	2,491,362	1,634,605



NOTES

Note	(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
6	Other income				
	Gain on disposal of tangible assets	260	103	260	103
	Rent income	-	24	-	24
	Administrative services	16	16	2,398	1,290
	Other	3,420	543	2,761	199
	Total other income	3,696	686	5,419	1,616
7	Staff costs and administrative expenses				
	Salaries and remuneration to Board of Directors and Board of Management:				
	Board of Directors	(3,773)	(1,200)	(3,773)	(1,200)
	Board of Management	(25,876)	(37,822)	(25,876)	(37,822)
	Total *)	(29,649)	(39,022)	(29,649)	(39,022)
	Staff costs:				
	Salaries	(887,127)	(542,463)	(760,837)	(506,301)
	Pensions	(59,854)	(40,793)	(55,379)	(37,982)
	Social security expenses	(71,559)	(52,012)	(70,784)	(50,320)
	Total	(1,018,540)	(635,268)	(887,000)	(594,603)
	Other administrative expenses	(807,249)	(463,936)	(705,948)	(437,932)
	Total staff costs and administrative expenses	(1,855,438)	(1,138,226)	(1,622,597)	(1,071,557)
	*) Including the warrants issued as part of the remuneration to members of Board of Directors and Board of Management.				
	Number of employees				
	Average number of employees during the financial year converted into full-time equivalent	1,297	1,011	939	868
	Audit fees				
	Fees for statutory audit	(2,161)	(1,877)	(2,016)	(1,630)
	Fees for services other than audit	(3,089)	(2,706)	(3,039)	(2,428)
	Total fee to the auditors elected by the general meeting to perform the statutory audit	(5,250)	(4,583)	(5,055)	(4,058)
8	Depreciation, amortisation and write-down of intangible and tangible assets				
	Intangible assets	(52,066)	(20,849)	(46,371)	(20,849)
	Tangible assets	(78,167)	(33,897)	(50,133)	(29,900)
	Total depreciation, amortisation and write-down of intangible and tangible assets	(130,233)	(54,746)	(96,504)	(50,749)

NOTES

Note	(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
9	Loss and provisions for bad debts				
	Receivables from credit institutions and central banks	(43,300)	-	(43,300)	-
	Loans and advances	(6,966)	(3,520)	(5,731)	(3,520)
	The Private Contingency Association, loss guarantee	(4,551)	-	(4,551)	-
	Adjustment of prior years' provisions	905	458	905	458
	Total loss and provisions for bad debts	(53,912)	(3,062)	(52,677)	(3,062)
	The provisions for impairment of loans and advances are based on an individual assessment. No impairment loss has been recognised on portfolio basis.				
10	Result of participating interests in affiliates				
	Result of participating interests in affiliates	-	-	192,267	59,631
	Total result of participating interests in affiliates	-	-	192,267	59,631
11	Tax				
	Taxation on profit for the year	(135,941)	(79,307)	(99,724)	(64,880)
	Changes in deferred tax	7,133	(8,985)	29,987	(8,979)
	Adjustments of prior years' taxation	(598)	(1,318)	(598)	(1,318)
	Total taxation for the year	(129,406)	(89,610)	(70,335)	(75,177)
	Tax paid during the year	79,788	140,860	69,659	140,860
	Current tax rate	25.0%	25.0%	25.0%	25.0%
	Effective tax rate	27.6%	24.6%	32.4%	25.9%
	25% tax on profit for the year before tax	(117,166)	(91,215)	(102,388)	(87,607)
	25% tax on result of participating interests in affiliates, reversed	-	-	48,067	14,908
	Non tax-deductible expenses	(7,642)	(2,287)	(15,416)	(2,287)
	Changes in deferred tax, changes in tax rate	-	1,127	-	1,127
	Difference in tax rate for foreign affiliates' compared to Danish tax rate	(4,000)	4,083	-	-
	Other taxation, incl. adjustments to previous years	(598)	(1,318)	(598)	(1,318)
	Total tax for the year	(129,406)	(89,610)	(70,335)	(75,177)



NOTES

Note	(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
12	Receivables from credit institutions and central banks				
	Receivables from credit institutions and central banks on demand	2,539,306	2,942,157	1,688,798	2,441,917
	Total receivables from credit institutions and central banks	2,539,306	2,942,157	1,688,798	2,441,917
	Receivables of DKK 128 million from credit institutions has been adjusted for an impairment loss of DKK 43.3 million (2007: DKK 0)				
	Receivables from credit institutions and central banks by geography:				
	Denmark	705,618	94,065	705,418	88,488
	Europe excluding Denmark	620,904	1,314,598	577,053	1,071,793
	USA	188,302	855,967	188,302	853,680
	Australia	116,743	281,828	116,743	281,828
	Asia	907,739	395,699	101,282	146,128
	Total receivables from credit institutions and central banks	2,539,306	2,942,157	1,688,798	2,441,917
13	Loans and advances				
	Loans and advances on demand	85,286	118,160	109,503	168,965
	Including:				
	Investment brokers	829	18,568	829	18,568
	Clients	84,457	99,592	48,021	75,503
	Affiliates	-	-	60,653	74,894
	Total loans and advances	85,286	118,160	109,503	168,965
	Loans and advances, not covered by negative market values of open financial contracts, deposits or other securities, amounts to DKK 2.2 million after impairment provisions (2007: DKK 0.1 million).				
	Loans, advances and guarantees by sector and industry				
	Credit, finance and insurance	31%	26%	10%	12%
	Other businesses	-	-	55%	44%
	Total corporate sector	31%	26%	65%	56%
	Private customers	69%	74%	35%	44%
	Total	100%	100%	100%	100%

NOTES

Note	(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
14	Bonds				
	Quoted on NASDAQ OMX Nordic	1,713,607	15,467	1,713,607	15,467
	Quoted on other stock exchanges	3,073,414	4,589,017	3,073,382	4,127,784
	Total bonds	4,787,021	4,604,484	4,786,989	4,143,251
	Average weighted duration of bonds is less than six months.				
15	Participating interest in affiliates				
	Cost, beginning	-	-	240,046	37,879
	Additions	-	-	78,824	615,167
	Goodwill related to acquisitions	-	-	(38,448)	(413,000)
	Total cost, end	-	-	280,422	240,046
	Revaluation, beginning	-	-	38,208	(15,916)
	Net profit for the year after tax	-	-	192,267	59,631
	Exchange rate adjustments	-	-	25,359	(5,507)
	Revaluation, end	-	-	255,834	38,208
	Participating interest in affiliates, end	-	-	536,256	278,254

Affiliates *)	Statutory result in local currency (1,000)	Consolidated result (DKK 1,000)	Equity (DKK 1,000)	Ownership
Financial institutions				
Saxo Bank SA, Switzerland, CHF	15,952	48,101	205,852	100%
Saxo Capital Markets Pte. Ltd, Singapore, SGD	47,667	176,253	300,188	100%
Saxo Bank Japan K.K. (established 1 May 2008) JPY	(146,247)	(7,936)	(8,002)	100%
Saxo Banque France SAS (acquired 10 September 2008)	-	606	45,906	100%
- Statutory result for 1 September 2006 -31 August 2007, EUR	3	-	-	
Investpad SAS, France (acquired 10 September 2008)	-	266	14,833	100%
- Statutory result for 1 September 2007 - 31 August 2008, EUR	(65)	-	-	
Elimination of holdings within the French companies	-	(266)	(20,121)	
Other				
Saxo Soft A/S, Gentofte, DKK	(19,010)	(19,010)	2,156	100%
I.I.Real Estate A/S, Gentofte, DKK	254	254	2,005	100%
Saxo Jet A/S, Gentofte, Statutory result for 15 months, DKK	(7,061)	(6,001)	(6,501)	100%
Total		192,267	536,256	

*) Unless otherwise stated the statutory result covers the period 1 January - 31 December 2008.



NOTES

Note	(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
16	Goodwill				
	Cost, beginning	413,000	-	413,000	-
	Additions	38,448	413,000	38,448	413,000
	Total cost, end	451,448	413,000	451,448	413,000
	Carrying amount, end	451,448	413,000	451,448	413,000
	Part of the additions related to the acquisition of Tradingpad SAS and Investpad SAS in 2008 is dependent on the companies' performance in the period until end of March 2011. The amount may be reduced if the stipulated performance is not realised.				
17	Other intangible assets				
	Cost, beginning	160,776	75,762	140,327	75,762
	Exchange rate adjustments	(3)	-	(55)	-
	Reclassification	352	-	18	-
	Additions	98,431	85,969	94,204	65,520
	Disposals	(15,726)	(955)	(15,560)	(955)
	Total cost, end	243,830	160,776	218,934	140,327
	Amortisation and write-down, beginning	(48,846)	(28,018)	(48,846)	(28,018)
	Exchange rate adjustments	140	-	108	-
	Reclassification	(94)	-	-	-
	Amortisation for the year	(48,383)	(20,849)	(42,688)	(20,849)
	Write-down in the year	(3,683)	-	(3,683)	-
	Reversal of amortisation and write-down, disposals	15,560	21	15,560	21
	Amortisation and write-down, end	(85,306)	(48,846)	(79,549)	(48,846)
	Carrying amount, end	158,524	111,930	139,385	91,481
	Value of client relations included in Other intangible assets	18,750	20,000	-	-

NOTES

Note	(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
18	Domicile premises				
	Cost, beginning	52,080	31,224	-	-
	Exchange rate adjustments	(225)	(4,417)	-	-
	Reclassification	1,809	24,500	-	-
	Additions	133	773	-	-
	Total cost, end	53,797	52,080	-	-
	Depreciation and write-down, beginning	(1,318)	(855)	-	-
	Exchange rate adjustments	5	-	-	-
	Reclassification	4	-	-	-
	Depreciation for the year	(705)	(463)	-	-
	Write-down in the year	(7,220)	-	-	-
	Depreciation and write-down, end	(9,234)	(1,318)	-	-
	Carrying amount	44,563	50,762	-	-
19	Other tangible assets				
	Cost, beginning	211,649	160,905	172,068	123,008
	Exchange rate adjustments	706	(843)	(2,420)	-
	Reclassification	(2,161)	(24,500)	(18)	-
	Additions	150,757	80,739	85,600	53,696
	Disposals	(59,965)	(4,652)	(59,965)	(4,636)
	Total cost, end	300,986	211,649	195,265	172,068
	Depreciation and write-down, beginning	(88,041)	(57,661)	(83,255)	(56,150)
	Exchange rate adjustments	211	187	1,073	-
	Reclassification	90	-	-	-
	Depreciation for the year	(54,666)	(33,367)	(40,057)	(29,901)
	Write-down in the year	(15,576)	-	(10,076)	-
	Reversal of depreciation and write-down, disposals	50,182	2,800	50,182	2,796
	Depreciation and write-down, end	(107,800)	(88,041)	(82,133)	(83,255)
	Carrying amount, end	193,186	123,608	113,132	88,813
20	Debt to credit institutions and central banks				
	Debt on demand	1,500	140,059	1,286	154,244
	Within 3 months	309	291	-	-
	3–12 months	929	1,165	-	-
	1–5 years	2,907	3,641	-	-
	More than 5 years	9,455	9,668	-	-
	Total debt to credit institutions and central banks	15,100	154,824	1,286	154,244



NOTES

Note	(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
21	Deposits				
	Deposits on demand	6,815,587	7,143,690	6,463,254	6,320,095
	Total deposits	6,815,587	7,143,690	6,463,254	6,320,095
22	Provisions for deferred tax liabilities				
	Provisions for deferred tax liabilities, beginning	24,881	12,035	20,899	11,920
	Exchange rate adjustments	76	-	-	-
	Transferred	101	-	101	-
	Deferred tax, acquisitions	4,049	3,861	1,380	-
	Changes in the year	(22,899)	8,985	(22,380)	8,979
	Total provisions for deferred tax liabilities, end	6,208	24,881	-	20,899
	Provisions for deferred tax liabilities are related to:				
	Intangible and tangible assets	37,705	27,017	31,497	22,171
	Provisions for bad debts	(13,110)	(2,081)	(13,110)	(2,081)
	Other provisions	(18,387)	(55)	(18,387)	809
	Total provisions for deferred tax liabilities	6,208	24,881	-	20,899
	Deferred tax assets				
	Deferred tax assets, beginning	50,169	4,574	7,743	-
	Exchange rate adjustments	2,629	(614)	(1,813)	-
	Transferred	(662)	7,743	101	7,743
	Changes in the year	(15,766)	-	7,607	-
	Deferred tax assets, acquisitions	365	38,466	-	-
	Total deferred tax assets, end	36,735	50,169	13,638	7,743
	Tax receivables / liabilities				
	Tax receivables, beginning	40,537	-	40,245	-
	Company tax liabilities, beginning	(13,661)	(26,773)	-	(26,288)
	Exchange rate adjustments	(828)	1,157	(130)	(386)
	Taxation on profit for the year	(135,941)	(79,307)	(99,724)	(64,880)
	Transferred	763	-	-	-
	Tax receivables, foreign branches	-	(7,743)	-	(7,743)
	Adjustments to prior years	(598)	(1,318)	(598)	(1,318)
	Tax paid during the year	79,788	140,860	69,659	140,860
	Total tax receivables, end	10,378	40,537	10,268	40,245
	Total company tax liabilities, end	(40,318)	(13,661)	(816)	-

NOTES

Note	(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
23	Other provisions				
	Legal cases	16,929	2,375	13,582	2,375
	Restructuring costs	60,760	-	60,760	-
	The Private Contingency Association	4,551	-	4,551	-
	Other	15,740	-	38	-
	Total other provisions	97,980	2,375	78,931	2,375
24	Subordinated loans				
	Subordinated loans	409,362	410,031	409,362	410,031
	Total subordinated loans	409,362	410,031	409,362	410,031

Hereof included in Base capital DKK 390.8 million (2007: DKK 410.0 million).

	Loan amount EUR million	Obtained	Due	Interest rate	Margin first period		Margin second period	
					Rate	Years	Rate	Years
FIH Erhvervsbank	10	2006	2014	EURIBOR	2.25%	5	4.00%	3
Xenon Capital Plc.	1	2007	2019	EURIBOR	2.95%	10	3.95%	3
Dekania CDO II	7	2007	2019	EURIBOR	2.95%	10	3.95%	3
Dekania CDO III	12	2007	2019	EURIBOR	2.95%	10	3.95%	3
Xenon Capital Plc.	15	2007	2020	EURIBOR	2.95%	10	3.95%	3
The Bank of New York Mellon	10	2007	2020	EURIBOR	2.95%	10	3.95%	3

There are no unusual terms related to the subordinated loans.
There have been no significant costs related to obtaining the subordinated loans.



NOTES

Note	(DKK 1,000)	Saxo Bank Group		Saxo Bank A/S	
		2008	2007	2008	2007
25	Contingent and contractual liabilities				
	Guarantees				
	Guarantees	89,612	4,212	89,612	4,212
	Finance guarantees	-	981	-	-
	Total guarantees	89,612	5,193	89,612	4,212
	Other liabilities				
	Rent commitments, affiliates	-	-	2,064	11,457
	Other rental and lease commitments	960,206	1,000,234	922,996	970,233
	Total other liabilities	960,206	1,000,234	925,060	981,690

Of the Bank's bond holdings nominal EUR 415 million (2007: EUR 510 million), with a fair value of DKK 3.1 billion (2007: DKK 3.8 billion), are held in custody with institutions with full right of disposal for the Bank and serve as security for the Bank's ongoing financial business with the individual institution. The actual demand for collateral varies from day to day with the development in the open positions and were in total 24% (2007: 1%) of the fair value of the bond holdings provided as security at the end of 2008.

Of the Bank's deposits with investment brokers, banks and other credit institutions, DKK 660 million (2007: DKK 1.9 billion) have likewise been provided as security for the Bank's ongoing financial business.

Debt to credit institutions is secured by mortgage deed of DKK 21 million on the Bank's property.

Related to the acquisitions of Synthesis Bank, Switzerland and Cambiste (Tradingpad SAS and Investpad SAS), France, Saxo Bank A/S has issued warrants with a strike price of DKK 1 to cover potential claims from the sellers of the acquired companies. The maximum numbers of shares is 532,110 and 141,427 respectively. As at 31 December 2008 there has been no actual claim.

Saxo Bank A/S has issued a letter of undertaking to the Monetary Authorities in Singapore concerning Saxo Capital Market Pte. Ltd.

Saxo Bank A/S has agreed to support Saxo Jet A/S and Saxo Soft A/S with the necessary liquidity for the operation up until the ordinary general meeting in the companies beginning of 2010.

26 Related parties

The financial statements of Saxo Bank A/S is included in the consolidated financial statements prepared by Saxo Bank A/S' parent company Internet Invest Holding A/S.

Saxo Bank A/S has not provided any loans, pledges or guarantees to any member of Saxo Bank A/S' or Saxo Bank A/S' parent company's Board of Directors or Board of Management or to people related to these.

Saxo Bank A/S provides administrative services and IT services to affiliates and the parent company Internet Invest Holding A/S.

Saxo Bank A/S is renting the office premises, Smakkedalen 2, Gentofte, from I.I.Real Estate A/S, buys services related to software development and maintenance from Saxo Soft A/S and is leasing an aeroplane from Saxo Jet A/S.

Saxo Bank A/S is renting the office premises, Philip Heymans Allé 15, Hellerup, from Ejendomsselskabet Bygning 119 A/S, owned primarily by Kim Fournais Holding A/S and Lars Seier Christensen Holding A/S.

Saxo Bank A/S has White Label Partner agreements with Saxo Bank SA, Switzerland, Saxo Capital Markets Pte. Ltd., Singapore and Saxo Banque France, SAS. Saxo Bank A/S has also agreement with Saxo Capital Markets Pte. Ltd. regarding Saxo Capital Markets servicing Saxo Bank A/S' clients in the Asian Pacific area.

All transactions and agreements are based on market terms.

The following shareholders are registered as holders of more than 5% of the share capital of the Bank:

Internet Invest Holding A/S, Philip Heymans Allé 15, DK-2900 Hellerup.

GA Global Investments Limited, Papyros Building, 6 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus.

MANAGEMENT AND DIRECTORSHIPS

Management and Directorships held by the Danish members of Board of Directors and Board of Management in Danish companies (Chairman (CM), Board member (BM)).

BOARD OF DIRECTORS:

Henrik Thufason :

E-Staters A/S (BM); Mermaid Asset Management Fondsmæglerselskab A/S (BM); Peacock Holding A/S (BM); The Art Exhibit Group ApS (CM); UEG ApS (CM); Webadvances A/S (BM).

John Korsø Jensen:

Bioadvice A/S (CM); Ejendomsselskabet Bygning 119 A/S (CM); EMI Group Denmark A/S (CM); EMI Music Denmark A/S (CM); EMI-Casadida Music Publishing ApS (CM); Emi Music Publishing (Denmark) A/S (CM); Fournais Holding A/S (CM); Karrierekonsult A/S (CM); Lars Seier Christensen Holding A/S (CM); Monofiber Holding A/S (CM); Monofiber A/S (CM); Ravnsnæs Invest A/S (CM); Riemann Holding A/S (CM); Riemann Trading ApS (CM); Riemann & Co. A/S (CM); Scani Holding ApS (CM); Scani A/S (CM); Schoeller-Plast-Enterprise A/S (CM); A/S Ventureinstituttet (CM); Bluecom Holding A/S (BM); Bluecom Danmark A/S (BM); ClubSuperCar A/S (BM); Deltaq A/S (BM); Deltaq Portefølje Holding I ApS (BM); Deltaq Portefølje Holding II ApS (BM); Deltaq Portefølje Holding III ApS (BM); Deltaq Portefølje Holding IV ApS (BM); Ferd. Andersens Legat (BM); Global Identity A/S (BM); Hauen Holding A/S (BM); Internet Invest Holding A/S (BM); D.A.R.T. Ltd (BM); D.A.R.T. Sicav SIF (BM); Multi-Wing Holding ApS (BM); Multi-Wing International A/S (BM); Thorn Lighting A/S (BM).

BOARD OF MANAGEMENT:

Lars Seier Christensen:

Ejendomsselskabet Bygning 119 A/S (BM); Internet Invest Holding A/S (CEO); Lars Seier Christensen Holding A/S (CEO & BM); ClubSupercar A/S (BM).

Kim Fournais:

Ejendomsselskabet Bygning 119 A/S (CEO & BM); Fournais Holding A/S (CEO & BM); Internet Invest Holding A/S (CEO & BM); Vejnrø ApS (FM).



COMPANY INFORMATION

BOARD OF DIRECTORS

Henrik Thufason, Chairman of the Board *)

Florian Wendelstadt, Vice Chairman of the Board

John Korsø Jensen, Member of the Board

Julian Michael Simmonds, Member of the Board

Dionysios Nicolaos Malamatinas, Member of the Board

*) Member of the Audit Committee

BOARD OF MANAGEMENT

Lars Seier Christensen, Co-CEO and co-founder

Kim Fournais, Co-CEO and co-founder





COMPANY INFORMATION



SAXO IN BRIEF

Established in 1992, Saxo Bank is an investment bank specialising in online trading and investment. The Bank provides a wide range of products and platforms to give private clients, partners, institutions, banks and brokers instant and reliable access to the financial markets.

A fully licensed and regulated European investment bank, Saxo Bank has its headquarters in Copenhagen, Denmark. In 2007, Saxo Bank announced the friendly acquisition of Swiss Synthesis Bank, which has now become Saxo Bank (Switzerland) SA. This was followed by a purchase agreement in 2008 with Cambiste, a French online brokerage firm, aimed at expanding Saxo Bank's presence in Europe. Today, the central office is backed up by operating offices in Geneva, London, Marbella, Milan, Paris, Singapore, Sydney, Tokyo, Zurich and a representative office in Beijing. More offices are planned for 2009.

Saxo Bank's co-CEOs and co-founders remain the biggest shareholders of the privately-held Saxo Bank with 61.7% of the shares. General Atlantic, the American private equity fund, owns 22.0% of the Bank and 4.9% is owned by Espirito Santo Financial Group and Banco Espirito Santo Group with 50% each. 4.7% is owned by Synthesis Group who has been a shareholder since the purchase of Synthesis Bank in December 2007. The remaining 6.7% is owned by 250 shareholders with holdings from 1% to 10

shares of the 59.4 million shares in the company. Many of the shareholders are present or former employees.

Saxo Bank has developed three specialised trading platforms; the browser-based SaxoWebTrader, the downloadable SaxoTrader and the SaxoMobileTrader, a mobile phone trading platform. All are fully integrated under one account. Saxo Bank has consistently won key accolades from the industry's leading publications, such as FX Week, Euromoney, Profit & Loss and World Finance.

Saxo Bank gives its base of individual retail clients access to over 145 FX crosses (incl. Gold and Silver), more than 6,500 CFDs, Futures and other asset classes, as well as portfolio and fund management solutions. Saxo Bank also has a dedicated institutional business, where creating partnerships is of central importance. Saxo Bank's platforms are offered to Introducing Brokers and financial institutions, as well as being rebranded and customised for its White Labelling business. Saxo Bank's financial expertise is derived from a specialised, multinational staff of more than 900 employees serving a client base spread across almost 180 countries.

Saxo Bank is the main sponsor of the Tour de France winning team, Team Saxo Bank.



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DEFINITIONS

Key figures and Ratios are prepared in accordance with the Danish Financial Business Act.

Additional liquidity proportional to the liquidity requirement

Cash in hand and demand deposits with central banks plus Receivables from credit institutions and central banks plus Bonds, less the liquidity requirement (see below) as a percentage of the liquidity requirement.

Base Capital proportional to minimum requirement

Core Capital plus subordinated loans, however with certain restrictions proportional to minimum capital requirement (EUR 5 million).

Core Capital Ratio

Shareholders' equity including Profit before tax less Intangible assets, Proposed dividend and Deferred tax assets as a percentage of weighted items.

Cost/core income ratio

Operating income plus Other income and Result of participating interests in affiliates as a ratio of Staff costs and administrative expenses plus Depreciation, amortisation and write-down of intangible and tangible assets plus Other charges and Loss and provisions for bad debts.

Foreign exchange rate risk/Core capital

Foreign exchange rate risk as a percentage of Core Capital.

Growth of loans and advances

Increase in Loans and advances as a percentage of the previous financial year.

Interest rate risk

Interest risk under market risk as a percentage of Core Capital.

Liquidity requirement

10 % of Total assets plus Guarantees, less Shareholders' equity and Subordinated loans.

Loans and advances proportional to share capital

Loans and advances as a ratio of Shareholders' equity.

Loans, advances and provisions proportional to deposits

Loans and advances gross (before provisions) as a percentage of deposits.

Loss and provisions ratio

Loss and provisions for bad debts on loans and advances as a percentage of Loans and advances plus Guarantees.

Return before tax on shareholders' equity

Profit on ordinary operations before tax as a percentage of average Shareholders' equity.

Return after tax on shareholders' equity

Net profit for the financial year as a percentage of average Shareholders' equity.

Solvency Ratio

The solvency ratio measures Base Capital as a percentage of weighted items.

The total of large engagements/Base Capital

Large engagements as a percentage of Base Capital

Value at risk of foreign exchange rate risk/Core capital

Value at risk of foreign exchange rate risk as a percentage of Core Capital.

BY THE WAY – 2008 WAS ALSO THE YEAR TEAM SAXO BANK WON THE TOUR DE FRANCE

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Villard-Reculas

Rvoir
Sce capturee

LE BRAS la Grande

FORET DOMANIALE

le Fouley
la Ruine du Colombier
la Rivoire

GRANDES

ROUSSES

LE CHATEAU

le Ribaut

Sce Sulfureuse
les Essoulieux

la Salle



l'Alpe d'Huez

Huez

l'Écluse

Rocher des Outaris

Rocher du Grand Ta

le Rosay

LA ROCHETTE

e Côte

e Côte

Bois Charretier

CHAPEAU DES BALMES

Anc^{ne} Mine de Talc

Légardet

ROCHE DE JEAN BARRAL

is-Express
Télésiège des Louvets

