



Half-year Report 2007

Saxo Bank A/S

DRAFT 13-08-2007

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Company Information

Company

Saxo Bank A/S
Smakkedalen 2
DK-2820 Gentofte
Denmark
Phone: +45 3977 4000
Fax: +45 3977 4200
Reg. No. 1149
CVR No. 15 73 12 49
Registered Office: Gentofte

Board of Directors

Henrik Thufason	Chairman of the Board
Florian Wendelstadt	Vice Chairman of the Board
John Korsø Jensen	
Julian Simmonds	
Dennis Malamatinas	

Executive Management

Lars Seier Christensen	Joint Chief Executive Officer
Kim Fournais	Joint Chief Executive Officer

Foreign offices

Saxo Capital Markets Pte.Ltd.
3 Church Street
#30-00, Samsung Hub
Singapore 049483
Singapore

Saxo Bank A/S London
Branch office
40 Bank Street – level 26
Canary Wharf
London E14 5DA
England

Saxo Bank A/S Marbella
Branch office
Avenida José Banús
Urbanización Piyas del Duque
Edificio Málaga -II-Local 2 A
29660 Puerto Banús, Marbella (Málaga)
Spain

Saxo Soft A/S St. Petersburg
Rep. Office
Vyborgskaya embankment, 61 A, bild
197342, Saint- Petersburg,
Russia

SAXO BANK A/S

FINANCIAL HIGHLIGHTS, SAXO BANK GROUP

KEY FIGURES

(DKr. ' 000)	1. half-year 2007	1. half-year 2006	1. half-year 2005	1. half-year 2004	1. half-year 2003
Net interest, fees and commissions receivable	-45.909	-66.418	-38.090	-44.852	-28.923
Price and exchange rate adjustments	669.393	534.836	288.577	257.314	147.848
Staff costs and administrative expenses	500.405	331.189	169.309	136.151	91.129
Loss and provisions for bad debts	1.570	1.832	79	300	274
Net profit for the half-year	76.447	87.056	51.123	47.182	14.972
Loans and advances	118.356	131.407	145.075	85.155	33.274
Shareholders' equity	458.383	370.766	228.906	148.592	86.165
Total assets	7.614.729	5.258.179	3.279.155	2.014.266	1.394.472
No. of employees (average)	882	499	284	225	185

RATIOS

Solvency Ratio	13,4%	19,8%			
Solvency Ratio exclusive profit for the half-year	11,6%	16,2%	14,6%	19,3%	24,8%
Core Capital Ratio	7,2%	13,7%			
Core Capital Ratio exclusive profit for the half-year	5,8%	10,0%	10,0%	10,9%	12,7%
Return before tax on shareholders' equity	24,5%	37,9%	33,0%	55,5%	28,0%
Return after tax on shareholders' equity	18,1%	26,6%	23,1%	37,7%	19,0%
Cost/core income ratio	1,2	1,4	1,4	1,5	1,2
Interest rate risk	1,2%	0,6%	1,6%	1,9%	1,1%
Foreign exchange positions	823,8%	351,5%	556,7%	1044,3%	506,1%
Exchange rate risk	15,2%	7,5%	10,9%	19,5%	4,1%
Loans, advances and provisions proportional to deposits	2,1%	3,4%	5,5%	5,4%	3,3%
Loans and advances proportional to share capital	0,3	0,4	0,6	0,6	0,4
Growth of loans and advances (half-year)	-2,8%	41,4%	40,6%	36,3%	-17,4%
Additional liquidity proportional to the demand of liquidity	773,5%	760,2%	789,0%	806,5%	808,0%
The total of large engagements/base capital	46,1%	80,5%	55,2%	71,6%	41,5%
Loss and provisions ratio (half-year)	1,2%	1,3%	0,1%	0,3%	0,8%

SAXO BANK A/S

FINANCIAL HIGHLIGHTS, SAXO BANK A/S

KEY FIGURES

(DKr. ' 000)	1. half-year 2007	1. half-year 2006	1. half-year 2005	1. half-year 2004	1. half-year 2003
Net interest, fees and commissions receivable	-46.358	-64.952	-38.090	-44.852	-28.923
Price and exchange rate adjustments	629.121	533.032	288.577	257.314	147.848
Staff costs and administrative expenses	473.189	331.258	169.309	136.151	91.129
Loss and provisions for bad debts	1.570	1.832	79	300	274
Result of participating interests in affiliated undertakings	14.973	1.336	12	198	-225
Net profit for the half-year	76.447	87.056	51.123	47.182	14.972
Loans and advances	125.249	163.109	145.075	85.155	33.274
Shareholders' equity	458.383	432.110	228.906	148.592	86.165
Total assets	7.494.941	5.238.939	3.279.155	2.014.266	1.394.472
No. of employees (average)	743	474	284	225	171

RATIOS

Solvency Ratio	13,4%	19,8%			
Solvency Ratio exclusive profit for the half-year	11,7%	16,2%	14,6%	19,3%	24,8%
Core Capital Ratio	7,2%	13,7%			
Core Capital Ratio exclusive profit for the half-year	5,8%	10,1%	10,0%	10,9%	12,7%
Return before tax on shareholders' equity	24,5%	37,6%	33,0%	55,5%	28,0%
Return after tax on shareholders' equity	18,1%	26,6%	23,1%	37,7%	19,0%
Cost/core income ratio	1,2	1,4	1,4	1,5	1,2
Interest rate risk	1,2%	0,6%	1,6%	1,9%	1,1%
Foreign exchange positions	825,8%	351,5%	556,7%	1044,3%	506,1%
Exchange rate risk	15,0%	7,5%	10,9%	19,5%	4,1%
Loans, advances and provisions proportional to deposits	2,2%	4,2%	5,5%	5,4%	3,3%
Loans and advances proportional to share capital	0,3	0,4	0,6	0,6	0,4
Growth of loans and advances (half-year)	-28,3%	34,4%	40,6%	36,3%	-17,4%
Additional liquidity proportional to the demand of liquidity	768,9%	763,4%	789,0%	806,5%	808,0%
The total of large engagements/base capital	45,9%	80,5%	55,2%	71,6%	41,5%
Loss and provisions ratio (half-year)	1,1%	1,1%	0,1%	0,3%	0,8%

Management Review

Saxo Bank continued to post solid growth in earnings and overall business during first half-year 2007. Operating Income increased by 33% and client deposits grew by 31% compared to previous year. Saxo Bank A/S and Saxo Bank Group reported profits before tax of DKK 103 million compared with DKK 123 million during the corresponding period in 2006 – a decrease of 16%. However compared to second half of 2006, profit before tax showed an increase of 34%.

Result

Saxo Bank's management reported satisfactory results for first half of 2007 with profit before tax of DKK 103 million. Operating income in Saxo Bank Group increased by 33% on a year-on-year basis from DKK 468 million to DKK 625 million. Operating costs increased by 51% on a year-on-year basis from DKK 346 million to DKK 522 million. The investment in the future in 2006 with a doubling in personnel and opening new offices in London and Singapore was not yet fully reflected in operating income in the first half of 2007.

The bank's return on equity for the first half of 2007 was 25% before tax and 18% after tax respectively.

During the first half of 2007, Saxo Bank Group's personnel grew by nearly 200 and now numbers more than 1.000 employees of which more than 20% are working at the foreign offices. As a result of the continued growth the bank expects to have more than 1.100 employees at the end of the year.

Saxo Bank is determined to stay focused on global expansion during the rest of 2007.

Balance sheet, Shareholders equity and Solvency ratio

The value of clients' assets increased by DKK 1.8 billion during the reporting period. By the end of first half 2007, total clients' assets represented DKK 7.5 billion, compared with DKK 5.7 billion at the beginning of the year. This increase in clients' deposits was driven from the bank's private client business as well as its increasingly effective partner and institutional business.

Due to the increase in clients' deposits, the bank's total assets increased in the first half year to DKK 7.6 billion from DKK 6.2 billion as at the end of 2006. Shareholders' equity increased by 19% to DKK 458 million in 2007 compared with DKK 385 million as at the end of 2006 after dividend payment of DKK 47 million for 2006. Subordinated loans amounted to DKK 335 million, an increase of EUR 25 million or DKK 186 million compared to end of 2006.

The profit for the first half-year is included in the solvency ratio according to the rules laid down this regarding. Provision for dividend has not been deducted in the calculation.

SAXO BANK A/S

The solvency ratio for Saxo Bank and Saxo Bank Group was 13.4% and 13.4% respectively at the end of the first half-year 2007 against 13.8% and 13.7% respectively at the end of 2006. Without including the half-year result the solvency ratio was 12.0%.

The solvency ratio is hence well above the legal minimum solvency level of 8% and is sufficient to support the expansion in the banks activity.

Expectations for 2007

Saxo Bank expects to continue the growth in second half 2007 with emphasis on increasing market share, enhancing product and services offered, and increasing revenue through a balanced program of product innovation, expert facilitation and improved distribution capacities. The global expansion will contribute further to this.

Management remains confident with the budget of an improvement of the result in 2007 compared to the 2006.

Post balance sheet events

In July 2007 the bank raised additional subordinated capital of EUR 10 million.

---- Further information to be decided if any -----

No other events occurring after the balance sheet date have any significant influence on the financial position of the bank and the group as of 30th June 2007.

Board of directors

At the bank's annual general meeting in March 2007 Dennis Malamatinas was elected to the Board, while Henning Skovlund Pedersen and Teddy Kær Jacobsen left the Board.

Shareholders

The following shareholders have registered shareholdings of more than 5 per cent of the bank's share capital:

Internet Invest Holding A/S, Smakkedalen 2, DK-2820 Gentofte
GA Global Investments Limited, Papyros Building, 6 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus.

Copenhagen, XX of August 2007.

Accounting policies applied

The Saxo Bank A/S half-year report for the period 1st of January – 30th of June 2007 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 guidelines issued by The Danish Financial Supervisory Authority.

The accounting policies applied are unchanged compared to the Annual Report 2006.

SAXO BANK A/S

PROFIT AND LOSS ACCOUNT

(DKr. ' 000)	Note	Saxo Bank Group		Saxo Bank A/S	
		1. half- year 2007	1. half- year 2006	1. half- year 2007	1. half- year 2006
Interest receivable	1	398.661	216.173	398.030	217.063
Interest payable	2	-255.061	-134.181	-252.140	-133.647
Net interest receivable		143.600	81.992	145.890	83.416
Fees and commissions receivable		170.472	147.742	166.524	147.742
Fees and commissions payable		-359.981	-296.152	-358.772	-296.110
Net interest, fees and commissions receivable		-45.909	-66.418	-46.358	-64.952
Price and exchange rate adjustments	3	669.393	534.836	629.121	533.032
Operating income		623.484	468.418	582.763	468.080
Other ordinary income		5.948	1.806	2.753	635
Staff costs and administrative expenses	4	-500.405	-331.189	-473.189	-331.258
Depreciation and amortization of intangible and tangible assets		-24.085	-14.012	-22.358	-13.770
Other charges		-54	0	-54	0
Loss and provisions for bad debts	5	-1.570	-1.832	-1.570	-1.832
Result of participating interests in affiliated undertaking	6	0	0	14.973	1.336
Profit on ordinary operations before tax		103.318	123.191	103.318	123.191
Tax		-26.871	-36.135	-26.871	-36.135
Net profit for the half-year		76.447	87.056	76.447	87.056

SAXO BANK A/S

BALANCE SHEET

(DKr. ' 000)	Note	Saxo Bank Group		Saxo Bank A/S	
		30. June 2007	31.Dec. 2006	30. June 2007	31.Dec. 2006
ASSETS					
Cash in hand and demand deposits with central banks		139	199	136	199
Receivables from credit institutions and central banks		2.605.703	2.055.777	2.470.365	2.023.392
Loans and advances at amortized costs		118.356	121.780	125.249	174.691
Bonds at fair value		3.356.119	2.651.823	3.356.119	2.651.823
Participating interest in affiliated undertakings	6	-	-	93.062	21.963
Intangible assets		63.271	47.744	63.271	47.744
Domicile premises		54.386	30.369	0	0
Tangible assets		89.068	103.244	77.257	66.858
Deferred tax assets		0	4.574	0	0
Tax receivables		4.031	0	0	0
Other assets		1.309.819	1.132.378	1.297.501	1.131.567
Prepayments		13.837	7.673	11.981	6.410
Total assets		7.614.729	6.155.561	7.494.941	6.124.647
SHAREHOLDERS' EQUITY AND LIABILITIES					
Debt to credit institutions and central banks		29.482	18.330	1.266	2.587
Deposits		5.767.901	4.524.783	5.767.901	4.524.783
Company tax		39.496	26.773	39.324	26.288
Other liabilities		966.361	992.162	875.076	977.591
Total debts		6.803.240	5.562.048	6.683.567	5.531.249
Provisions for deferred tax		17.722	12.035	17.607	11.920
Other provisions		225	225	225	225
Total provisions		17.947	12.260	17.832	12.145
Subordinated loan	7	335.159	149.143	335.159	149.143
Share capital		54.934	54.934	54.934	54.934
Other reserves		300	2.911	300	2.911
Proposed dividend		0	47.563	0	47.563
Retained earnings		403.149	326.702	403.149	326.702
Total shareholders' equity		458.383	432.110	458.383	432.110
Total shareholders' equity and liabilities		7.614.729	6.155.561	7.494.941	6.124.647
Contingent and contractual liabilities	8				

SAXO BANK A/S

CHANGE IN CAPITAL, Saxo Bank Group

(DKr. ' 000)	Share Capital	Other Reserves	Proposed Dividend	Retained Earnings	Total
Shareholders' equity 1. January 2006	54.286	442	52.171	228.982	335.881
Net profit for the year				96.567	96.567
Exchange rate adjustment, affiliated undertakings		2.269			2.269
Dividend paid for 2005			-52.171		-52.171
Proposed dividend for 2006			47.563		47.563
Issue of warrants		200			200
Issue of warrants	648			1.153	1.801
Shareholders' equity 31. December 2006	54.934	2.911	47.563	326.702	432.110
Net profit for the half-year				76.447	76.447
Exchange rate adjustment, affiliated undertakings		-2.611			-2.611
Dividend paid for 2006			-47.563		-47.563
Shareholders' equity 31. June 2007	54.934	300	0	403.149	458.383

CHANGE IN CAPITAL, Saxo Bank A/S

(DKr. ' 000)	Share Capital	Other Reserves	Proposed Dividend	Retained Earnings	Total
Shareholders' equity 1. January 2006	54.286	442	52.171	228.982	335.881
Net profit for the year				96.567	96.567
Exchange rate adjustment, affiliated undertakings		2.269			2.269
Dividend paid for 2005			-52.171		-52.171
Proposed dividend for 2006			47.563		47.563
Issue of warrants		200			200
Issue of warrants	648			1.153	1.801
Shareholders' equity 31. December 2006	54.934	2.911	47.563	326.702	432.110
Net profit for the half-year				76.447	76.447
Exchange rate adjustment, affiliated undertakings		-2.611			-2.611
Dividend paid for 2006			-47.563		-47.563
Shareholders' equity 31. June 2007	54.934	300	0	403.149	458.383

Saxo Bank A/S has issued warrants to the bank's employees as follows:

Year of issue	Amount issued	Exercised /Expired in the period	Outstan- ding	Strike Price	Expiry
2003	102.000	0	102.000	5,28	2007
2006	72.382	0	72.382	87,73	2009
2007	51.364	0	51.364	110,00	2010
2007	520.000	0	520.000	110,00	2010
Total	745.746	0	745.746		

SAXO BANK A/S

NOTES

(DKr. ' 000)	Saxo Bank Group		Saxo Bank A/S	
	1. half- year 2007	1. half- year 2006	1. half- year 2007	1. half- year 2006
1. Interest receivable				
Receivables from credit institutions and central banks	93.029	47.244	90.534	47.243
Loans and advances	46.686	47.494	48.550	48.385
Bonds	57.150	35.277	57.150	35.277
Derivative financial instruments	203.880	86.157	203.880	86.157
Other interest income	-2.084	1	-2.084	1
Total interest receivable	398.661	216.173	398.030	217.063
2. Interest payable				
Credit institutions and central banks	-74.936	-62.546	-73.289	-62.012
Deposits	-109.719	-44.102	-108.445	-44.102
Subordinated loan	-7.819	-3.264	-7.819	-3.264
Derivative financial instruments	-62.354	-22.068	-62.354	-22.068
Other interest payable	-233	-2.201	-233	-2.201
Total interest payable	-255.061	-134.181	-252.140	-133.647
3. Price and exchange rate adjustments				
Bonds	-816	-722	-816	-722
Foreign Exchange	528.019	433.318	497.531	431.514
Derivative financial instruments	142.190	102.240	132.406	102.240
Total price and exchange rate adjustments	669.393	534.836	629.121	533.032
4. Staff costs and administrative expenses				
Salaries and remuneration of Board of Directors and Chief Executive Officers				
Chief Executive Officers	-13.012	-13.729	-13.012	-13.729
Board of Directors	-400	-400	-400	-400
Total	-13.412	-14.129	-13.412	-14.129
Staff costs				
Salaries	-239.829	-151.698	-223.951	-148.822
Pensions	-17.963	-11.486	-16.864	-11.486
Social security expenses	-23.315	-13.867	-21.132	-13.377
Total	-281.107	-177.051	-261.947	-173.685
Other administrative expenses	-205.886	-140.009	-197.830	-143.444
Total staff costs and administrative expenses	-500.405	-331.189	-473.189	-331.258
Number of employees				
Average number of employees during the half-year converted into full-time employees	882	499	743	474

SAXO BANK A/S

NOTES

(DKr. ' 000)	Saxo Bank Group		Saxo Bank A/S	
	1. half- year 2007	1. half- year 2006	1. half- year 2007	1. half- year 2006
5. Loss and provisions for bad debt				
Loss and provision for the period	-1.570	-1832	-1.570	-1.832
Total loss and provision for bad debt	-1570	-1.832	-1.570	-1.832

(DKr. ' 000)	Saxo Bank A/S	
	30. June 2007	31. Dec. 2006
6. Participating interest in affiliated undertakings		
Total purchase price, beginning	37.879	1.130
Additions, capital increase, foundations, etc	61.843	36.749
Total purchase price, end	99.722	37.879
Revaluation, beginning	-15.916	-256
Adjustment to beginning, exchange rate adjustment of affiliated undertakings	-1.946	0
Profit/loss for the year after tax	11.867	-17.929
Exchange rate adjustments	-665	2.269
Revaluation, end	-6.660	-15.916
Booked holdings, end	93.062	21.963

Participating interest in affiliated undertakings comprise:

Saxo Capital Markets Pte. Ltd., ownership and voting rights 100%. Activity: Capital markets services.
Profit after tax for the half-year 2007, 13.913 tDKr. (2006, 0 tDKr.). Shareholders' equity 69.241 tDKr.

Saxo Soft A/S, Gentofte, ownership and voting rights 100%. Activity: Development and sale of software.
Profit after tax for the half-year 2007, -2.199 tDKr. (2006, 591 tDKr.). Shareholders' equity 22.163 tDKr.

I.I. Real Estate A/S, Gentofte, ownership and voting rights 100%. Activity: Letting of business property.
Profit after tax for the half-year 2007, 150 tDKr. (2006, 172 tDKr.). Shareholders' equity 1.658 tDKr.

SAXO BANK A/S

NOTES

(DKr. ' 000)	Saxo Bank Group		Saxo Bank A/S	
	1. half-year 2007	31. Dec. 2006	1. half-year 2007	31. Dec. 2006
7. Subordinated loan	335.159	149.143	335.159	149.143

Loan of 10 m EUR taken in 2006 and expiring in 2014.

Interest rate is EURIBOR plus 2,25% p.a. for the first 5 years and plus 4,00% p.a. for the following years.

Loan of 13 m EUR. A 10-plus-3-years loan taken in 2007 with expiry in 2019.

Interest rate is EUROBOR plus 2,95% p.a. for the first 10 years and plus 3,95% p.a. for the following years.

Loan of 7 m EUR. A 10-plus-3-years loan taken in 2007 with expiry in 2019.

Interest rate is EUROBOR plus 2,95% p.a. for the first 10 years and plus 3,95% p.a. for the following years.

Loan of 15 m EUR. A 10-plus-3-years loan taken in 2007 with expiry in 2020.

Interest rate is EUROBOR plus 2,95% p.a. for the first 10 years and plus 3,95% p.a. for the following years.

In July 2007 Saxo Bank A/S has received loan of 10 m EUR.

8. Contingent and contractual liabilities

Guarantees

Danish Guarantee Fund	4.212	3.245	4.212	3.245
Total guarantees	4.212	3.245	4.212	3.245

Other liabilities

Rent commitments, affiliated undertakings	-	-	12.913	12.913
Other rental and lease commitments	986.340	919.950	973.309	907.037
Total other liabilities	986.340	919.950	986.222	919.950

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