

INTERIM REPORT  
**FIRST HALF 2013**



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## FINANCIAL REVIEW

Based on increased number of clients and AuM the trading volume grew and Saxo Bank achieved a satisfactory half-year net profit of DKK 267 million. This constitutes an increase of DKK 229 million over the second half of 2012 and an increase of DKK 223 million compared with the first half of 2012.

Overall trading activity increased in the first half of 2013, continuing the pick-up in FX volumes seen in late 2012. FX volumes and FX volatilities for most currencies and particular volatilities for yen and Swiss franc were higher than in the second half 2012.

The average monthly trading volumes in other products on the trading platform, such as FX options and CFDs, also increased compared to 2012.

Although the European debt situation was negatively influenced by the bail-out of Cyprus in March and April then markets improved which had a positive effect on trading activities.

As a result of the increase in trading activity operating income for the first half of 2013 reached DKK 1,749 million for the Group. This is higher than the first half of 2012.

Clients' collateral deposits in Saxo Bank's trading business increased from DKK 33.3 billion as of 31 December 2012 to DKK 36.9 billion as of 30 June 2013. The increase was achieved on the back of a high number of new clients.

Following the change in management in the fourth quarter of 2012, Saxo Bank has enhanced its focus on the Bank's core competencies within trading and maintains a high level of investment in relation to products, platforms and the overall client experience.

Staff costs and administrative expenses of DKK 1,122 million were lower than in both the first and second half of 2012, resulting in a decreased cost run rate. Impairment charges for receivables, loans, advances etc. of DKK 7 million were at the same level as the second half of 2012. Impairment charges stems from retail lending in the subsidiary, Saxo Privatbank A/S.

During the first six months of 2013, a number of non-core activities such as the asset management companies Capi-

### KEY FIGURES AND RATIOS, SAXO BANK GROUP

(DKK million)	First half 2013	First half 2012	First half 2011	First half 2010	First half 2009
Operating income	1,748.7	1,416.8	1,769.4	1,992.3	969.4
Adjusted EBITDA <sup>1)</sup>	676.1	267.4	608.0	824.3	127.1
Profit before tax	406.7	75.6	473.5	728.5	55.2
Net profit	266.7	43.5	345.7	551.2	41.0
Total shareholders' equity	3,633.8	3,357.6	3,197.6	3,018.8	1,569.0
Total assets	27,915.4	29,896.8	26,801.5	21,233.7	12,200.7
Clients' collateral deposits (trading business)	36,930.9	30,223.4	23,284.7	17,354.9	11,984.3
Clients' collateral deposits (total)	44,022.5	38,730.4	32,855.0	26,589.5	11,984.3
Assets under management (AuM) - continuing businesses	13,587.7	13,025.3	10,116.0	11,343.3	5,954.0
Assets under management (AuM) - discontinuing	7,897.0	22,668.7	22,241.0	13,263.0	-
Solvency ratio (Pillar I)	16.2%	12.0%	12.3%	19.2%	18.9%
Return before tax on Total equity	11.6%	2.3%	15.6%	27.2%	3.7%
Average number of employees	1,354	1,527	1,365	871	993

<sup>1)</sup> Net profit before tax, depreciation, amortisation, income from associates and joint ventures, gains and losses from divestments and interest expenses related to issued bonds, subordinated debt and HQ domicile property.

See other definitions in Saxo Bank's annual report 2012 page 103.

The consolidated figures for 2013-2010 are prepared in accordance with International Financial Reporting Standards (IFRS). Consolidated figures for 2009 are prepared in accordance with the Danish Financial Business Act. Comparative figures for 2009 are not restated. The impact on these figures is assessed not to be material.

tal Four and CPH Capital were sold resulting in a gain of DKK 24.8 million. In June, Euroinvestor.com was sold resulting in a loss of DKK 51.9 million at Group level however resulting in an overall positive solvency effect.

Furthermore on 2 July 2013 the Group divested its investment in Global Evolution Fondsmæglerselskab A/S resulting in a gain of DKK 14.0 million to be recognised in July 2013. Assets and liabilities in Global Evolution Fondsmæglerselskab A/S are classified as Asset held for sale and Liabilities held for sale at 30 June 2013.

The cash inflow from client cash deposits is placed with counterparty banks as well as in bonds and other interest-bearing assets. The return on such assets is correlated with the current low interest environment.

Total assets grew from DKK 26.1 billion as of 31 December 2012 to DKK 27.9 billion as of 30 June 2013, an increase of 7% primarily due to an increase in deposits of DKK 0.8 billion.

The capital base of the Group was DKK 2.13 billion as of 30 June 2013 and the solvency ratio of the Group was 16.2% as of 30 June 2013 after the inclusion of net profit for the first six months of 2013. The Internal Capital Adequacy Assessment Process (ICAAP) Requirement of the Group is 10.9% of the risk-weighted items, equivalent to DKK 1.43 billion as of 30 June 2013. Thus the capital base of DKK 2.13 billion exceeds the ICAAP by DKK 702 million. The ICAAP result is determined in accordance with the Danish FSA's new Pillar I+ guideline, which became effective as of end 2012.

In June 2011, the European Union adopted a legislative package to strengthen the regulation of the banking sector and to implement the Basel III agreement in the EU legal framework.

The EU Capital Requirements Regulation (CRR) and Directive (CRD IV) aim to stabilise and strengthen the banking system by making banks set aside more and higher quality capital as a cushion against crises. The new rules should also foster a convergence of supervisory practices across the EU. In addition the CRR will require Banks to constitute "liquidity buffers" to enable them to remain stable in times of stress.

The package is due to enter into force on 1 January 2014. Some of the new provisions will be phased in between

2014 to 2019. The Danish authorities have the ability to affect the speed of some of the transition rules. The Danish transitional rules are expected to be published later in 2013.

Saxo Bank is monitoring the implementation of the financial regulation and interpretations closely. Saxo Bank expects that, over time, the new regulation will require the Bank to hold a higher quality of capital and a higher liquidity buffer than the current regulation.

The Danish FSA has a number of specific risk indicators and threshold values. The Bank's compliance with the specific risk indicators is available at:  
[www.saxoworld.com/investorrelations](http://www.saxoworld.com/investorrelations).

#### **FSA INSPECTION AT SAXO BANK A/S**

The Danish FSA conducted an inspection at Saxo Bank A/S late April to early May 2013. The FSA concludes that in 2012 the Bank made a strategic shift towards its core business and adapted the organisation to match the lower level of earnings. This adaptation has not affected the Bank's internal control functions. The FSA has estimated the Group's solvency need at 9.9% as of 31 March 2013 compared to an actual solvency of 13.6% which gives the Bank a comfortable margin of 3.7%. The inspection has not resulted in any change in the FSA's assessment of the Group's capital needs. The FSA's review has not given rise to any significant conclusions.

## **OPERATIONAL DEVELOPMENTS**

### **PRODUCT DEVELOPMENT**

Expanding our product offering continues to be a focus for Saxo Bank, and we began 2013 with the launch of four new Chinese Renminbi FX spot crosses. Clients can now trade the Chinese currency against the Euro, Australian dollar, Japanese yen and Hong Kong dollar, in addition to the US dollar.

In March, our range of FX spot precious metals was expanded with the introduction of a new spot Gold cross against the Russian ruble, while in May four additional currency pairs were made available as FX Forward Outrights on live streaming prices. In June, we enhanced liquidity on our Forex Options, significantly increasing the automatic execution amounts that clients can trade on.

Following last year's commercial launch of Contract Options on futures and stock indices, Saxo Bank added Norwegian Index Contract Options in June 2013. Our offering now includes over 70 Contract Options across 19 exchanges.

In May, we introduced a new online securities transfer module to make it easier for clients to transfer existing stocks, bonds and ETFs to Saxo Bank.

To meet the needs of the growing mobile audience, Saxo Bank launched a mobile version of its main commercial website in January. The mobile site provides an overview of Saxo Bank's products and services optimised for mobile screens, and enables visitors to open live and demo accounts and directly download our mobile trading apps.

#### **PLATFORM ENHANCEMENTS**

Developing our trading platforms remains a key focus area for Saxo Bank, and in the first half of 2013 we introduced several platform enhancements to improve our clients' trading experience.

In February, we updated our SaxoTrader app for iPhone and iPad, introducing a custom trading keypad to make it easier to place trades and manage positions, as well as full screen charts with "pinch and zoom" period selector.

An Android tablet-optimised interface was introduced in July, replacing the mobile trading layout previously used. The custom keypad and "pinch and zoom" charts, originally launched for iOS, were also rolled out for Android tablets and phones in July.

Enhancements to our SaxoTrader and SaxoWebTrader platforms included new full-screen charts and comparative studies which make it possible to compare different instruments on a single chart, a feature particularly useful for clients who "pair trade". In May, the SaxoWebTrader was upgraded to enable clients to tab multiple modules in the workspace together.

Following a strategic decision in 2012 to phase out the separate Modern Wealth Management platform and focus resources on our main trading platforms, Saxo Bank closed the MWM platform at the end of April 2013 and transferred clients to the SaxoTrader.

#### **MT4 DEVELOPMENT**

To meet the demand for the MetaTrader 4 trading application, Saxo Bank re-launched our MT4 platform in February 2013 with a new name: SaxoMT4. The new name clearly reflects that the platform delivers Saxo Bank's superior liquidity and execution services to MetaTrader.

Aimed at traders who prefer the trading environment of MT4 as well as the growing algorithmic trader segment, SaxoMT4 is offered through the Cyprus-based Saxo Capital Markets CY Ltd. SaxoMT4 is also offered for institutional clients through Saxo Banque in France.

#### **GEOGRAPHICAL EXPANSION**

In recent years Saxo Bank has expanded its geographical footprint with new sales offices across six continents. We continued to grow in the first half of 2013, launching a Saxo presence in two new locations.

January 2013 marked the official opening of Saxo Capital Markets Değer Menkul in Turkey, which is now a 100% owned subsidiary. The new office continues our expansion and positions the Bank to serve the growing investor base in this young and buoyant market.

In February, Saxo Capital Markets, Agente de Valores in Uruguay was made fully operational, consolidating Saxo Bank's presence in Latin America. Located in Montevideo, the new office is aimed at servicing all of our retail clients in the region.

Also in February, Saxo Bank's Indian subsidiary was re-named from Initto to Saxo IT India, a move signaling that India will take an increasing role in the future development of Saxo Bank.

Saxo Bank is now present in 23 countries, and we expect to continue our geographical expansion in the second half of 2013 with the official opening of a new office in Brazil.

#### **TRADINGFLOOR.COM**

TradingFloor.com is a social community and financial market information, education and analysis portal. The site now has more than 16,000 members, and attracts more than 60,000 unique users per month, a figure that is expected to rise to 100,000 by the end of the year.

During the first half of 2013, Saxo Bank has initiated a number of projects aimed at further developing TradingFloor.com into a recognised online community for traders and more closely integrating the site with our commercial activities.

In April, Saxo Bank's Quarterly Outlook was rebranded as TradingFloor.com Insights and published as an interactive e-magazine.

TradingFloor.com expanded its range of free trading tools in May with Trade Navigator, which provides daily technical insight into nearly 200 different instruments. Published in English, Turkish and Spanish, Trade Navigator can be used to spot daily trade ideas within FX, equities, commodities and bonds.

In June, Saxo Bank introduced Balanced Portfolio, an asset allocation strategy published on TradingFloor.com to allow traders to follow its progress and implement the strategy themselves. The portfolio is based on US denominated ETFs, and to satisfy demand from our European clients, a Balanced Portfolio based on EUR denominated ETFs is planned.

Trade Ideas, a regular feature on TradingFloor.com has also been expanded during 2013. Up to ten Trade Ideas per day from Saxo Bank's analysts and hand-picked external traders are now published in five different languages.

TradingFloor.com is now being re-designed to integrate its social features with Saxo Bank's trading platform.

### **SAXO TV**

Launched in May 2013, Saxo TV is a web-based business television service integrated with TradingFloor.com, our social financial investment community.

Saxo TV reflects Saxo Bank's commitment to providing unique content for clients who live in an increasingly digital world. The initiative is designed to engage, entertain and educate traders, while letting them choose which information is most relevant to them. Saxo TV produce several new video clips every day from the Bank's headquarters in Copenhagen, offering analysis of developing business stories by our professional analysts and traders.

### **EUROINVESTOR**

In June, Saxo Bank sold its majority stake in the Danish listed company Euroinvestor.com. The majority shareholding, originally acquired in 2011, was sold to a group of in-

vestors which included the previous owners of Euroinvestor, among others.

### **SPONSORSHIP ACTIVITIES**

Saxo Bank's sponsorship of Riis Cycling is now in its sixth year, and in 2013 we launched Saxo Cycling, an integrated marketing campaign built around a series of short films featuring riders from Team Saxo-Tinkoff. Released on the dedicated SaxoCycling.com website from March to July, the films emphasised similarities between cyclists and traders as a way to introduce Saxo Bank's products and services to the cycling audience.

As part of the campaign, a cycling-themed trading competition, the Tour de Trading, was launched in June to coincide with the 100th edition of the Tour de France. The competition drew new potential clients to Saxo Bank with exclusive Team Saxo-Tinkoff prizes.

In June, Saxo Bank won two bronze awards at the 2013 Telly Awards for the SaxoCycling.com integrated marketing campaign. The Telly Awards honour the best in film and video production and online video content.

### **INSTITUTIONAL BUSINESS**

In early 2013 Saxo Prime expanded Saxo Bank's product offering for asset managers, retail brokers and proprietary trading firms by offering FX DMA. Providing investment bank grade prime services to Emerging Managers is a key priority for 2013 and the Bank has invested significantly in resources and tools to facilitate and accelerate the growth of emerging hedge fund managers.

The White Label business line has seen further growth with interest from European markets and increasingly from growth markets throughout Asia, Latin America and South Africa.

### **AWARDS**

Since receiving our first industry award in 2003, Saxo Bank has been recognised with over 50 awards for our technology, products and services.

In May, Saxo Bank added a significant honour to its list of awards when it won the "Outstanding Contribution to the FX Industry" prize at the World Finance Awards 2013 for unparalleled service to clients. The annual World Finance Awards recognise excellence and best practice

across the FX market, and are voted by the readers of World Finance magazine.

Reflecting Saxo Bank's focus on providing engaging new content, we have received a number of media awards this year. Our French subsidiary, Saxo Banque, won the silver award at Le Grand Prix du Brand Content 2013 in the Banking/Insurance category for "Les Talents du Trading", the trading game broadcast on BFM Business. The annual awards are designed to recognise the best branded content.

As stated in the Sponsorship section, Saxo Bank also won two awards at the 34th Annual Telly Awards in June for the SaxoCycling.com integrated marketing campaign.

### **RISK MANAGEMENT**

For a detailed description of the Group's significant risks and external conditions that may affect the Group, see the Annual Report 2012, Risk Report 2012 and quarterly ICAAP reports published on the Group's website [www.saxoworld.com](http://www.saxoworld.com).

### **STRATEGIC DIRECTIONS**

The strategic foundation of Saxo Bank consists of our Mission ("Providing the best and most reliable tools to trade global markets – anytime, anywhere") and our Corporate Statement which outlines our values, stakeholders, rules of engagement and our overall goal "to be the world's most profitable and professional facilitator in the global capital markets".

While the Mission and Corporate Statement continue to provide a strategic foundation for Saxo Bank, developments in competition, market trends, demographics, technology and regulation have, in recent years, made it relevant to update our strategies and related execution plans.

In the first half of 2013, Saxo Bank's main shareholders, executive management and many key managers and employees participated in a comprehensive strategy project in order to establish an updated plan for executing the Bank's strategies.

The strategy execution plan outlines how all parts of the organisation will contribute to Saxo Bank's progress and value creation by putting in place relevant key perfor-

mance indicators and targets, as well as specific plans for department projects and priorities.

A key component of the updated strategy is enhanced focus on the Bank's core business and our proprietary trading technology and multi-asset trading platform. Going forward, emphasis will be on developing the core business on the basis of one optimised, efficient, common platform. The focus on core business operated on a single common platform is expected to result in efficiency gains and more resources being available for maintaining and developing the core trading infrastructure, as well as other development projects and business initiatives. The focus will be on securing and strengthening Saxo Bank's position as provider of the most competitive overall client experience in the online trading industry.

Another key component of the strategy is focus on growth. On the basis of Saxo Bank's core trading competences, we will continue to pursue growth opportunities by adding more products on the trading platform, targeting new markets and attracting new client segments with expansion potential. Hence, the Bank will focus on building more valuable relationships with financial institutions, professional traders and high-end clients while continuing to benefit from our strong brand in the mass-market segments.

### **OUTLOOK 2013**

Saxo Bank expects the slow recovery of the global economy to continue and prevail, although with drawbacks, during 2013. Investor confidence is expected to grow, with less risk aversion than has been seen in recent years. However, looking at the entire year, the Bank still finds the overall market situation uncertain and visibility remains low.

Saxo Bank expects to continue the ongoing development of our traditional trading business. The focus remains on clients, efficiency, profitability and optimisation of the entire value chain. Improvements of the global on-boarding procedures and controls are planned.

Cost control and capital management are ongoing themes for Saxo Bank in 2013. With a close eye on the overall cost development, the Group will continue its investments in products and platforms. At the same time, system enhancements and knowledge upgrades are expected.

#### **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 interim 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.



## INCOME STATEMENT – SAXO BANK GROUP

Note	(DKK 1,000)	First half 2013	First half 2012
2	Interest income	496,491	480,484
3	Interest expense	(88,566)	(117,009)
	<b>Net interest income</b>	<b>407,925</b>	<b>363,475</b>
4	Fee and commission income	599,171	496,964
5	Fee and commission expense	(539,383)	(404,470)
	<b>Net interest, fees and commissions</b>	<b>467,713</b>	<b>455,969</b>
6	Price and exchange rate adjustments	1,281,000	960,852
	<b>Operating income</b>	<b>1,748,713</b>	<b>1,416,821</b>
	Other income	62,388	68,380
	Staff costs and administrative expenses	(1,121,944)	(1,222,679)
	Depreciation, amortisation and impairment of intangible and tangible assets	(221,120)	(156,541)
	Other expenses	(63,396)	(7,090)
7	Impairment charges for receivables, loans, advances etc.	(6,874)	(33,267)
	Income from associates and joint ventures	8,981	10,016
	<b>Profit before tax</b>	<b>406,748</b>	<b>75,640</b>
9	Tax	(140,062)	(32,109)
	<b>Net profit</b>	<b>266,686</b>	<b>43,531</b>
	<b>Proposed allocation of net profit</b>		
	Shareholders of Saxo Bank A/S	261,919	43,237
	Non-controlling interests	4,767	294
	<b>Net profit</b>	<b>266,686</b>	<b>43,531</b>

## STATEMENT OF COMPREHENSIVE INCOME – SAXO BANK GROUP

(DKK 1,000)	First half 2013	First half 2012
<b>Net profit</b>	<b>266,686</b>	<b>43,531</b>
<b>Other comprehensive income</b>		
Items that can not be reclassified to income statement:		
Revaluation domicile properties	-	72,828
Other capital movements	-	(3,899)
Tax on other comprehensive income	2,012	(17,907)
Items that can not be reclassified to income statement	2,012	51,022
Items that can be reclassified to income statement:		
Exchange rate adjustments	(48,030)	34,900
Fair value adjustment of cash flow hedges:		
Effective portion of changes in fair value	11,721	(13,440)
Net amount transferred to profit or loss	7,634	6,501
Hedge of net investments in foreign entities	32,127	(24,903)
Other comprehensive income from associates and joint ventures, net of tax	212	3,809
Tax on other comprehensive income	(13,066)	7,961
Items that can be reclassified to income statement	(9,402)	14,828
<b>Total other comprehensive income</b>	<b>(7,390)</b>	<b>65,850</b>
<b>Total comprehensive income</b>	<b>259,296</b>	<b>109,381</b>
<b>Proposed allocation of total comprehensive income</b>		
Shareholders of Saxo Bank A/S	254,529	109,087
Non-controlling interests	4,767	294
<b>Total comprehensive income</b>	<b>259,296</b>	<b>109,381</b>

## STATEMENT OF FINANCIAL POSITION – SAXO BANK GROUP

Note	(DKK 1,000)	30 June 2013	31 Dec. 2012
<b>ASSETS</b>			
	Cash in hand and demand deposits with central banks	1,755,938	2,748,647
7	Receivables from credit institutions and central banks	1,299,736	2,461,628
8	Trading assets	18,968,826	14,905,496
7	Loans and advances at amortised cost	1,889,481	1,760,842
	Investment securities	90,606	89,226
	Current tax assets	25,046	21,198
	Assets held for sale	64,036	25,019
	Investments in associates and joint ventures	354,896	319,401
11	Intangible assets	2,040,239	2,266,523
	Investment properties	5,432	5,432
	Tangible assets	1,086,052	1,140,680
	Deferred tax assets	92,497	115,535
	Other assets	242,575	260,508
<b>Total assets</b>		<b>27,915,360</b>	<b>26,120,135</b>

## STATEMENT OF FINANCIAL POSITION – SAXO BANK GROUP

Note	(DKK 1,000)	30 June 2013	31 Dec. 2012
<b>LIABILITIES</b>			
	Debt to credit institutions and central banks	2,255,071	2,001,985
8	Trading liabilities	2,981,075	2,596,771
	Deposits	17,259,805	16,451,131
	Current tax liabilities	97,206	36,623
	Deferred tax liabilities	239,182	218,198
	Other liabilities	496,876	521,000
	Liabilities held for sale	20,039	-
	Provisions	57,914	58,288
12	Subordinated debt	874,366	871,633
	<b>Total liabilities</b>	<b>24,281,534</b>	<b>22,755,629</b>
<b>EQUITY</b>			
	Share capital	66,599	66,598
	Translation reserve	144,716	168,651
	Hedging reserve	(43,213)	(57,534)
	Revaluation reserve	56,933	54,921
	Retained earnings	3,348,472	3,089,150
	<b>Shareholders of Saxo Bank A/S</b>	<b>3,573,507</b>	<b>3,321,786</b>
	Non-controlling interests	60,319	42,720
	<b>Total shareholders' equity</b>	<b>3,633,826</b>	<b>3,364,506</b>
	<b>Total liabilities and equity</b>	<b>27,915,360</b>	<b>26,120,135</b>

## STATEMENT OF CHANGES IN EQUITY – SAXO BANK GROUP

(DKK 1,000)	Shareholders of Saxo Bank A/S					Total	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging reserve	Revaluation reserve	Retained earnings			
<b>Shareholders' equity at 1 January 2013</b>	<b>66,598</b>	<b>168,651</b>	<b>(57,534)</b>	<b>54,921</b>	<b>3,089,150</b>	<b>3,321,786</b>	<b>42,720</b>	<b>3,364,506</b>
Net profit	-	-	-	-	261,919	261,919	4,767	266,686
<b>Other comprehensive income</b>								
Exchange rate adjustments	-	(48,030)	-	-	-	(48,030)	-	(48,030)
Fair value adjustment of cash flow hedges	-	-	19,355	-	-	19,355	-	19,355
Hedge of net investments in foreign entities	-	32,127	-	-	-	32,127	-	32,127
Other comprehensive income from associates and joint ventures, net of tax	-	-	-	-	212	212	-	212
Tax on other comprehensive income	-	(8,032)	(5,034)	2,012	-	(11,054)	-	(11,054)
Total other comprehensive income	-	(23,935)	14,321	2,012	212	(7,390)	-	(7,390)
<b>Total comprehensive income</b>	<b>-</b>	<b>(23,935)</b>	<b>14,321</b>	<b>2,012</b>	<b>262,131</b>	<b>254,529</b>	<b>4,767</b>	<b>259,296</b>
<b>Transactions with owners</b>								
Acquisitions	-	-	-	-	4,903	4,903	36,001	40,904
Share-based payments	-	-	-	-	300	300	-	300
Increase in share capital	1	-	-	-	87	88	-	88
Treasury shares	-	-	-	-	(8,099)	(8,099)	-	(8,099)
Transactions with non-controlling interests	-	-	-	-	-	-	(23,169)	(23,169)
<b>Shareholders' equity at 30 June 2013</b>	<b>66,599</b>	<b>144,716</b>	<b>(43,213)</b>	<b>56,933</b>	<b>3,348,472</b>	<b>3,573,507</b>	<b>60,319</b>	<b>3,633,826</b>
<b>Shareholders' equity at 1 January 2012</b>	<b>66,598</b>	<b>163,694</b>	<b>(47,122)</b>	<b>-</b>	<b>3,032,082</b>	<b>3,215,252</b>	<b>24,779</b>	<b>3,240,031</b>
Net profit	-	-	-	-	43,237	43,237	294	43,531
<b>Other comprehensive income</b>								
Exchange rate adjustments	-	34,900	-	-	-	34,900	-	34,900
Fair value adjustment of cash flow hedges	-	-	(6,939)	-	-	(6,939)	-	(6,939)
Hedge of net investments in foreign entities	-	(24,903)	-	-	-	(24,903)	-	(24,903)
Revaluation domicile properties	-	-	-	72,828	-	72,828	-	72,828
Other capital movements	-	-	-	-	(3,899)	(3,899)	-	(3,899)
Other comprehensive income from associates and joint ventures, net of tax	-	-	-	-	3,809	3,809	-	3,809
Tax on other comprehensive income	-	6,226	1,735	(17,907)	-	(9,946)	-	(9,946)
Total other comprehensive income	-	16,223	(5,204)	54,921	(90)	65,850	-	65,850
<b>Total comprehensive income</b>	<b>-</b>	<b>16,223</b>	<b>(5,204)</b>	<b>54,921</b>	<b>43,147</b>	<b>109,087</b>	<b>294</b>	<b>109,381</b>
<b>Transactions with owners</b>								
Acquisitions	-	-	-	-	-	-	5,161	5,161
Share-based payments	-	-	-	-	360	360	-	360
Treasury shares	-	-	-	-	3,937	3,937	-	3,937
Transactions with non-controlling interests	-	-	-	-	-	-	(1,255)	(1,255)
<b>Shareholders' equity at 30 June 2012</b>	<b>66,598</b>	<b>179,917</b>	<b>(52,326)</b>	<b>54,921</b>	<b>3,079,526</b>	<b>3,328,636</b>	<b>28,979</b>	<b>3,357,615</b>

## STATEMENT OF CAPITAL BASE – SAXO BANK GROUP

(DKK 1,000)	30 June 2013	31 Dec. 2012
Total shareholders' equity	3,633,826	3,364,506
Partly offset non-controlling interests	(36,001)	-
Revaluation reserve	(56,933)	(54,921)
Guaranteed capital	202,557	201,888
Intangible assets <sup>1)</sup>	(2,264,937)	(2,459,844)
Deferred tax liabilities, intangible assets	239,182	218,198
Deferred tax assets	(92,497)	(115,535)
<b>Core Tier 1 capital</b>	<b>1,625,197</b>	<b>1,154,292</b>
Hybrid capital	105,871	106,211
Fair value adjustment of cash flow hedges	43,212	57,534
Investments in associates (50%) <sup>2)</sup>	(57,280)	(48,014)
<b>Tier 1 capital</b>	<b>1,717,000</b>	<b>1,270,023</b>
Subordinated loans, reduced value	414,763	432,517
Revaluation reserve	56,933	54,921
Investments in associates (50%) <sup>2)</sup>	(57,280)	(48,014)
<b>Capital base</b>	<b>2,131,416</b>	<b>1,709,447</b>
<sup>1)</sup> Including goodwill and other intangible assets from assets held for sale and investments in associates and joint ventures of DKK 224.7 million (31 December 2012: DKK 193.3 million).		
<sup>2)</sup> Relate to investments in associates which are credit institutions, excluding goodwill.		
<b>Risk weighted items</b>		
Credit risk	4,277,810	4,309,357
Market risk	2,512,118	2,430,348
Operational risk	6,342,880	5,885,093
<b>Total risk weighted items</b>	<b>13,132,808</b>	<b>12,624,798</b>
Core Tier 1 capital ratio	12.4%	9.1%
Tier 1 capital ratio	13.1%	10.1%
Solvency ratio	16.2%	13.5%

## CASH FLOW STATEMENT – SAXO BANK GROUP

(DKK 1,000)	First half 2013	First half 2012
<b>Cash flow from operating activities</b>		
Profit before tax	406,748	75,640
Adjustment for non-cash operating items:		
Income from associates and joint ventures	(8,981)	(10,016)
Amortisation and impairment charges of intangible assets	158,005	116,400
Depreciation and impairment charges of tangible assets and investment properties	63,116	40,141
Loan impairment charges	6,195	33,894
Tax paid	(40,906)	(109,039)
Other non-cash operating items	70,260	(3,880)
<b>Total</b>	<b>654,437</b>	<b>143,140</b>
Changes in operating capital:		
Receivables from credit institutions and central banks	15,349	34,672
Derivative financial instruments	(266,243)	(244,945)
Loans and advances at amortised cost	(98,892)	(15,572)
Bonds	(3,433,567)	(7,162,430)
Other assets	(45,206)	(11,512)
Debt to credit institutions and central banks	253,081	1,722,376
Deposits	853,762	1,630,204
Provisions and other liabilities	(6,539)	(252,734)
<b>Cash flow from operating activities</b>	<b>(2,073,818)</b>	<b>(4,156,801)</b>
<b>Cash flow from investing activities</b>		
Acquisition and divestment of businesses, net of cash acquired	96,831	(15,224)
Acquisition of associates, joint ventures and other participating interests	-	(7,431)
Acquisition of intangible and tangible assets	(154,253)	(347,736)
<b>Cash flow from investing activities</b>	<b>(57,422)</b>	<b>(370,391)</b>
<b>Cash flow from financing activities</b>		
Increase in share capital	88	-
Purchase of treasury shares	(8,099)	-
<b>Cash flow from financing activities</b>	<b>(8,011)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,139,251)</b>	<b>(4,527,192)</b>
Cash and cash equivalents at 1 January	5,158,518	8,233,454
<b>Cash and cash equivalents at 30 June</b>	<b>3,019,267</b>	<b>3,706,262</b>
<b>Cash and cash equivalents at 30 June</b>		
Cash in hand and demand deposits with central banks	1,755,938	1,809,842
Amounts due from credit institutions and central banks within three months	1,263,329	1,896,420
<b>Cash and cash equivalents at 30 June</b>	<b>3,019,267</b>	<b>3,706,262</b>

## NOTES – SAXO BANK GROUP

### Note

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#### **1 Accounting policies**

The interim financial statements of Saxo Bank Group for the first half of 2013 have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for interim reports of financial institutions.

The interim report has not been subject to audit or review.

The accounting policies are unchanged compared to those applied in the Group's Annual Report 2012, which provides a full description of the Group's accounting policies.

The Group has implemented standards, amendments to existing standards as adopted by EU and interpretations applicable on 1 January 2013. None of the new standards and interpretations have had impact on recognition and measurement in 2013.

#### **Critical accounting estimates and judgements**

Critical accounting estimates and judgements are described in the Group's Annual Report 2012.

#### **Comparative figures for first half 2012**

Revaluation of domicile properties is changed compared to Interim Report first half 2012 due to executive order issued 7 March 2013 by the Danish Financial Supervisory Authority, note 24 in the Group Annual Report 2012. Comparative figures for first half 2012 are changed accordingly resulting in Other comprehensive income, Total comprehensive income and Shareholders equity decreasing with DKK 22.5 million compared to the Interim Report First Half 2012.

Besides this certain minor changes have been made in the comparative figures for 2012 due to reclassification.



## NOTES – SAXO BANK GROUP

Note	(DKK 1,000)	First half 2013	First half 2012
<b>2</b>	<b>Interest income</b>		
	Credit institutions and central banks	11,223	11,698
	Loans and advances	80,182	90,760
	Bonds	30,557	74,131
	Derivative financial instruments	374,529	303,895
	<b>Total interest income</b>	<b>496,491</b>	<b>480,484</b>
<b>3</b>	<b>Interest expense</b>		
	Credit institutions and central banks	(23,099)	(24,863)
	Deposits	(22,744)	(31,071)
	Issued bonds	-	(12,580)
	Subordinated loans	(11,712)	(15,838)
	Guaranteed capital	(7,229)	(7,694)
	Derivative financial instruments	(23,782)	(24,963)
	<b>Total interest expense</b>	<b>(88,566)</b>	<b>(117,009)</b>
<b>4</b>	<b>Fee and commission income</b>		
	Trading with equities and derivative financial instruments	525,608	429,485
	Payment services fees	2,399	2,611
	Origination fees	10,348	10,906
	Guarantee commissions	618	428
	Asset management fees	54,557	48,908
	Other fee and commission income	5,641	4,626
	<b>Total fee and commission income</b>	<b>599,171</b>	<b>496,964</b>
<b>5</b>	<b>Fee and commission expense</b>		
	Trading with equities and derivative financial instruments	(539,383)	(404,470)
	<b>Total fee and commission expense</b>	<b>(539,383)</b>	<b>(404,470)</b>
<b>6</b>	<b>Price and exchange rate adjustments</b>		
	Bonds	(6,383)	(56,408)
	Investment securities	1,675	(538)
	Foreign exchange	1,029,893	812,896
	Derivative financial instruments	255,815	204,902
	<b>Total price and exchange rate adjustments</b>	<b>1,281,000</b>	<b>960,852</b>

## NOTES – SAXO BANK GROUP

Note	(DKK 1,000)	30 June 2013	31 Dec. 2012
<b>7</b>	<b>Impairment for receivables, loans, advances etc.</b>		
	<b>Individual impairment for loans, advances and guarantees</b>		
	Impairment at 1 January	183,005	153,477
	Impairment	12,922	49,889
	Reversals of impairment from previous years	(4,772)	(6,679)
	Other	-	1,230
	Loss written off	(420)	(41,742)
	Transferred from receivables from credit institutions and central banks	-	26,830
	<b>Individual impairment for loans, advances and guarantees, end of period</b>	<b>190,735</b>	<b>183,005</b>
	No individual impairment for receivables from credit institutions and central banks has been recognised at 30 June 2013 (31 December 2012: DKK 0 million).		
	<b>Collective impairment for loans, advances and guarantees</b>		
	Impairment at 1 January	4,243	2,816
	Impairment	-	1,427
	Reversals of impairment from previous years	(495)	-
	<b>Collective impairment for loans, advances and guarantees, end of period</b>	<b>3,748</b>	<b>4,243</b>
<b>8</b>	<b>Trading assets and liabilities</b>		
	Listed bonds	13,773,456	10,357,688
	Listed equities	758	3,507
	Unlisted equities	3,320	3,556
	Derivative financial instruments with positive fair value	5,191,292	4,540,745
	<b>Total trading assets</b>	<b>18,968,826</b>	<b>14,905,496</b>
	Derivative financial instruments with negative fair value	2,981,075	2,596,771
	<b>Total trading liabilities</b>	<b>2,981,075</b>	<b>2,596,771</b>
<b>9</b>	<b>Tax</b>		
	The Group's effective tax rate is for the period 1 January – 30 June 2013 34.4% compared to 42.5% for the period 1 January – 30 June 2012. This decrease in the effective tax rate is mainly due to the increase in the profit before tax and thus the non-deductible expenses, effect of tax rates in foreign jurisdictions and other components comprise a relative lower proportionate share of the profit before tax.		
	The effective tax rate is impacted by non-taxable income and non-deductible expenses due to the divestment of the Groups shares in Euroinvestor.com A/S and CPH Capital Fondsmæglerselskab A/S, see note 13 Acquisition and divestment of businesses.		

## NOTES – SAXO BANK GROUP

Note (DKK 1,000)

### 10 Fair value information for financial instruments

	30 June 2013		31 December 2012	
	Fair value	Carrying amount	Fair value	Carrying amount
<b>Financial assets</b>				
Trading assets	18,968,826	18,968,826	14,905,496	14,905,496
Loans and advances at amortised cost <sup>1)</sup>	1,855,777	1,889,481	1,716,885	1,760,842
Investment securities	90,606	90,606	89,226	89,226
<b>Total</b>	<b>20,915,209</b>	<b>20,948,913</b>	<b>16,711,607</b>	<b>16,755,564</b>
<b>Financial liabilities</b>				
Trading liabilities	2,981,075	2,981,075	2,596,771	2,596,771
Deposits	17,259,805	17,259,805	16,451,131	16,451,131
Subordinated debt <sup>1)</sup>	827,896	874,366	786,808	871,633
<b>Total</b>	<b>21,068,776</b>	<b>21,115,246</b>	<b>19,834,710</b>	<b>19,919,535</b>

<sup>1)</sup>The fair value measurement is based on generally accepted valuation techniques (level 3).

The Group measures fair values using the following fair value hierarchy, that reflects the significance of the inputs used in making the measurements.

#### Level 1 – Quoted market price

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

#### Level 2 – Observable input

Valuation techniques based on inputs, other than quoted prices included within level 1, that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level covers derivatives valued on the basis of observable yield curves or spot rates.

#### Level 3 – Non-observable input

Valuation techniques based on inputs for the assets or liabilities that are not based on observable market data. This level covers unlisted equities and bonds, and valuation is primarily based on generally accepted valuation techniques.

Fair values of financial instruments that are traded in active markets are based on quoted market prices. These financial instruments are recognised in level 1. If quoted prices for financial instruments fail to represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants or if quoted prices are not available, fair value is established using valuation techniques.

Valuation techniques range from discounted cash flow analysis to complex option pricing models. The models are based on observable prices to the widest extent possible, but can also apply unobservable model parameters.

The Group applies valuation techniques for certain CFD derivatives, FX forwards, OTC options, unlisted trading portfolio of assets and liabilities and unlisted investment securities. In most cases the valuation is substantially based on observable input, such as interbank quoted prices and implied volatility. The most frequently used valuation and estimation techniques include the pricing of transactions with future settlement, swap models that apply present value calculations, credit pricing models and options models, such as Black & Scholes.

The valuation of unlisted equities and bonds is based substantially on listings from external valuation agencies and non-observable input using discounted cash flows, discounted dividend models or other generally accepted estimation and valuation techniques.

Transfers between levels of the fair value hierarchy are recognised as of the end of the reporting period during which the change has occurred. There have been no transfers between levels in first half 2013.

## NOTES – SAXO BANK GROUP

Note (DKK 1,000)

### 10 Fair value information for financial instruments - continued

30 June 2013	Level 1	Level 2	Level 3	Total
Trading assets	15,232,666	3,732,083	4,077	18,968,826
Investment securities	-	-	90,606	90,606
<b>Total financial assets</b>	<b>15,232,666</b>	<b>3,732,083</b>	<b>94,683</b>	<b>19,059,432</b>
Trading liabilities	(542,688)	(2,438,387)	-	(2,981,075)
<b>Total financial liabilities</b>	<b>(542,688)</b>	<b>(2,438,387)</b>	<b>-</b>	<b>(2,981,075)</b>

The level 3 in the fair value hierarchy covers financial instruments such as unlisted shares and bonds. A 20% increase or decrease in the fair value of financial instruments measured based on non-observable input would result in a profit or loss of DKK 18.9 million (31 December 2012: DKK 18.6 million).

	30 June 2013	31 Dec. 2012
<b>Financial instruments measured on the basis of non-observable input</b>		
Fair value at 1 January	92,782	73,485
Additions	9,975	36,782
Disposals	(7,314)	(19,855)
Fair value adjustments recognised in the income statement in Price and exchange rate adjustments <sup>1)</sup>	(760)	2,370
<b>Fair value end of period</b>	<b>94,683</b>	<b>92,782</b>

<sup>1)</sup> Hereof DKK -0.8 million (31 December 2012: DKK 2.4 million) related to financial instruments held end of period.

### 11 Intangible assets

#### Goodwill

Cost at 1 January	1,149,794	1,134,283
Additions from acquisitions	-	25,210
Transfer to assets held for sale	(5,050)	-
Transfer to investment in associates	(35,229)	-
Disposals	(135,809)	(14,917)
Exchange rate adjustments	(14,441)	5,218
<b>Cost, end of period</b>	<b>959,265</b>	<b>1,149,794</b>
Amortisation and impairment at 1 January	(5,068)	-
Impairment losses	(4,088)	(5,068)
Transfer to investment in associates	9,156	-
<b>Amortisation and impairment, end of period</b>	<b>-</b>	<b>(5,068)</b>
<b>Carrying amount, end of period</b>	<b>959,265</b>	<b>1,144,726</b>

## NOTES – SAXO BANK GROUP

Note	(DKK 1,000)								30 June 2013	31 Dec. 2012
<b>12</b>	<b>Subordinated debt</b>									
	Subordinated loans								565,938	563,534
	Hybrid capital								105,871	106,211
	Guaranteed capital								202,557	201,888
	<b>Total subordinated debt</b>								<b>874,366</b>	<b>871,633</b>
				Margin first period		Margin second period				
	<b>Currency</b>	<b>Year of issue</b>	<b>Maturity</b>	<b>Interest</b>	<b>Rate</b>	<b>Years</b>	<b>Rate</b>	<b>Years</b>		
	EUR	2006	31.03.2014	EURIBOR	2.25%	5	4.00%	3	74,588	
	EUR	2007	15.12.2019	EURIBOR	2.95%	10	3.95%	2	7,459	
	EUR	2007	15.12.2019	EURIBOR	2.95%	10	3.95%	2	52,212	
	EUR	2007	15.12.2019	EURIBOR	2.95%	10	2.95%	2	89,505	
	EUR	2007	15.09.2020	EURIBOR	2.95%	10	2.95%	3	111,882	
	EUR	2007	15.09.2020	EURIBOR	2.95%	10	3.95%	3	74,588	
	DKK	2005	01.11.2013	CIBOR <sub>3</sub>	1.10%	5	2.60%	3	69,528	
	DKK	2006	01.11.2014	CIBOR <sub>3</sub>	1.10%	5	2.60%	3	86,176	
	<b>Total subordinated loans</b>								<b>565,938</b>	<b>563,534</b>
	Hereof included in Capital base DKK 414.8 million (31 December 2012: DKK 432.5 million).									
	DKK	2009	Perpetual	Fixed	11.11%	5	-	-	105,871	
	<b>Total hybrid capital</b>								<b>105,871</b>	<b>106,211</b>
	Hereof included in Capital base DKK 105.9 million (31 December 2012: DKK 106.2 million).									
	DKK	2010	2015	Var.	6.00%	5	-	-	202,557	
	<b>Total guaranteed capital</b>								<b>202,557</b>	<b>201,888</b>
	Hereof included in Capital base DKK 202.6 million (31 December 2012: DKK 201.9 million).									
	<b>Total subordinated debt</b>								<b>874,366</b>	<b>871,633</b>

Subordinated debt consists of liabilities in the form of subordinated loan capital, guaranteed capital and hybrid capital. In case of the Group's voluntary or compulsory winding-up the subordinated loans will not be repaid until the claims of ordinary creditors have been met. The ranking in coverage is that guaranteed capital ranks below hybrid capital and hybrid capital ranks below subordinated loan capital. Early redemption of subordinated debt is subject to the approval of the Danish Financial Supervisory Authority.

Hybrid capital is redeemable between 24 November 2012 and 23 November 2014 at a price of 100 plus interest, and from 24 November 2014 to 23 November 2015 at a price of 105. The hybrid capital may be redeemed at a price of 110 after 24 November 2015.

Guaranteed capital can only be redeemed by the guarantors if child saving accounts or pension accounts reach the end of their retention period or similar event before the maturity of guaranteed capital in 2015.

## NOTES – SAXO BANK GROUP

Note (DKK 1,000)

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### 13 Acquisition and divestment of businesses

#### Acquisitions in the first half of 2013

No acquisitions have been made in the first half of 2013.

#### Divestments in the first half of 2013

The Group has completed 3 divestments in first half of 2013.

In April 2013 52.9% of the shares in Capital Four Management Fondsmæglerselskab A/S were divested. Goodwill related to Capital Four Management Fondsmæglerselskab A/S has been impaired with DKK 4.1 million in first half 2013. The impairment loss is recognised in Depreciation, amortisation and impairment of intangible and tangible assets. No further gain or loss has been recognised due to the divestment.

The remaining investment 47.1% of the shares in Capital Four Management Fondsmæglerselskab A/S is from May 2013 accounted for as an investment in associates due to loss of control.

In May 2013 the Group divested its investment in CPH Capital Fondsmæglerselskab A/S equaling 39.5% of the issued shares in the company resulting in a gain of DKK 24.8 million recognised in Other income.

In June 2013 the Group divested its investment in Euroinvestor.com A/S equaling 72.38% of the issued shares in the company resulting in a loss of DKK 51.9 million at Group level and DKK 59.5 million in Saxo Bank A/S recognised in Other expenses.

#### Acquisitions in the first half of 2012

##### Lembex Trading and Marketing Services Ltd. and Lembex Global Investments Ltd.

In April 2012 the Group acquired 100% of the shares in Lembex Trading and Marketing Services Ltd. in Israel and Lembex Global Investments Ltd. in Malta. The acquisitions were a strategic step as they gave access to the MT4 segment.

Total consideration for the acquisitions was DKK 22.4 million. The consideration consists of cash DKK 16.8 million and treasury shares DKK 5.6 million. Following recognition of identifiable assets, liabilities and contingent assets at their fair value, the goodwill related to the acquisitions has been measured at DKK 19.1 million. The goodwill represents the value of the expected future profits in the acquired businesses which cannot be attributed to individually identifiable assets, including workforce and know-how.

The acquisitions made in the first half of 2012 are of a size not requiring detailed disclosure.

### 14 Related parties

Parties with significant influence include shareholders with holdings exceeding 20% of Saxo Bank A/S.

Board of Management is due to their significant ownership in Saxo Bank A/S through their holding companies included in parties with significant influence.

Saxo Bank A/S nor any Group companies have provided any loans, pledges or guarantees to any member of Saxo Bank A/S' Board of Directors or Board of Management or to persons related to these.

All transactions and agreements with related parties are settled on an arms-length basis.

The nature of related-party transactions in the first half of 2013 are as disclosed in the Annual Report 2012.

### 15 Assets deposited as collateral

Of the Group's bond holdings nominal EUR 580 million (31 December 2012: EUR 451 million), with a fair value of DKK 4.3 billion (31 December 2012: DKK 3.4 billion), are tied up with institutions with full right of disposal for the Group. The bonds serve as security for the Group'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 83% (31 December 2012: 89%) of the fair value of the bond holdings provided as security at 30 June 2013.

The Group has deposited bonds nominal DKK 50 million (31 December 2012: DKK 40 million) with a fair value of DKK 51.0 million (31 December 2012: DKK 40.2 million) as security for an interest swap.

Of the Group's deposits with investment brokers, banks and other credit institutions, DKK 230 million (31 December 2012: DKK 800 million) have likewise been provided as security for the Group's ongoing financial business.

Of the Group's receivables from credit institutions DKK 4.0 million (31 December 2012: DKK 0 million) have been provided as security for committed investments.

Debt to credit institutions is secured by mortgage deed of DKK 477 million on the Group's domicile property (31 December 2012: DKK 477 million).

## NOTES – SAXO BANK GROUP

Note	(DKK 1,000)	30 June 2013	31 Dec. 2012
<b>16</b>	<b>Contingent and other contractual commitments</b>		
	<b>Guarantees</b>		
	Financial guarantees	117,494	90,693
	Mortgage finance guarantees	125,505	107,902
	Registration and remortgaging guarantees	39,353	17,815
	Other guarantees	220,369	154,114
	<b>Total guarantees</b>	<b>502,721</b>	<b>370,524</b>
	<b>Loan commitments etc.</b>		
	Unutilised credit facilities	551,508	574,986
	<b>Total loan commitments etc.</b>	<b>551,508</b>	<b>574,986</b>
	<b>Other contractual commitments</b>		
	Other commitments incl. operating leases	334,184	370,315
	<b>Total other contractual commitments</b>	<b>334,184</b>	<b>370,315</b>

Due to the business volume of the Group, disputes with clients etc. occur from time to time. The Group does not consider the outcome of the cases pending to have any material effect on the Group's financial position.

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

The Group is the lessee in a number of operating leases, involving mainly leasing of office premises, car leasing and other. Note 39 in the Group's Annual Report 2012 provides more information about the future operating lease payments.

Saxo Bank A/S is registered jointly with all Danish companies in the Group for corporation tax, withholding tax etc., for which it is jointly and severally liable.

### 17 Events after the reporting date

On 2 July 2013 the Group has divested its investment in Global Evolution Fondsmæglerselskab A/S equaling 51% of the shares.

Assets and liabilities in Global Evolution Fondsmæglerselskab A/S are classified as Asset held for sale and Liabilities held for sale at 30 June 2013.

The impact on Net profit is a gain of DKK 14.0 million to be recognised in July 2013.

No other events occurring after the reporting date have had significant impact on the financial position of the Group.

## NOTES – SAXO BANK GROUP

Note	(DKK 1,000)	First half 2013	First half 2012
<b>18</b>	<b>Key figures and ratios</b>		
	<b>Key figures</b>		
	Net interest, fees and commissions	467,713	455,969
	Price and exchange rate adjustments	1,281,000	960,852
	Staff costs and administrative expenses	(1,121,944)	(1,222,679)
	Impairment charges for receivables, loans, advances etc.	(6,874)	(33,267)
	Income from associates and joint ventures	8,981	10,016
	Net profit	266,686	43,531
	Loans and advances at amortised cost	1,889,481	1,672,481
	Subordinated debt	874,366	906,876
	Total shareholders' equity	3,633,826	3,357,615
	Total assets	27,915,360	29,896,759
	Average number of employees	1,354	1,527
	<b>Ratios</b>		
	Solvency ratio	16.2%	12.0%
	Tier 1 capital ratio	13.1%	8.6%
	Return before tax on Total equity	11.6%	2.3%
	Return after tax on Total equity	7.6%	1.3%
	Income proportional to cost	1.29	1.05
	Interest rate risk	0.4%	3.9%
	Foreign exchange rate risk / Tier 1 capital	71.9%	209.7%
	Value at risk of foreign exchange rate risk / Tier 1 capital	2.3%	7.4%
	Loans, advances and provisions / Deposits	12.1%	9.7%
	Loans and advances proportional to Total equity	0.5	0.5
	Growth of Loans and advances	7.3%	(1.1)%
	Additional liquidity / liquidity requirement	407.2%	479.2%
	Loss and provisions ratio (loans and advances)	0.3%	8.5%

See definitions in Saxo Bank's annual report 2012 page 103.



## INCOME STATEMENT – SAXO BANK A/S

Note	(DKK 1,000)	First half 2013	First half 2012
2	Interest income	400,277	365,150
3	Interest expense	(52,355)	(61,286)
	<b>Net interest income</b>	<b>347,922</b>	<b>303,864</b>
	Fee and commission income	505,145	439,791
	Fee and commission expense	(947,853)	(749,514)
	<b>Net interest, fees and commissions</b>	<b>(94,786)</b>	<b>(5,859)</b>
4	Price and exchange rate adjustments	1,274,869	975,395
	<b>Operating income</b>	<b>1,180,083</b>	<b>969,536</b>
	Other income	25,896	41,602
	Staff costs and administrative expenses	(777,671)	(818,338)
	Depreciation, amortisation and impairment of intangible and tangible assets	(174,902)	(130,504)
	Other expenses	(67,341)	(3,076)
5	Impairment charges for receivables, loans, advances etc.	(1,560)	(24,782)
	Income from associates, joint ventures and subsidiaries	155,874	38,716
	<b>Profit before tax</b>	<b>340,379</b>	<b>73,154</b>
6	Tax	(86,057)	(30,487)
	<b>Net profit</b>	<b>254,322</b>	<b>42,667</b>
	<b>Proposed allocation of net profit</b>		
	Allocated to retained earnings	125,025	385,489
	Equity method reserve	129,297	(342,822)
	<b>Net profit</b>	<b>254,322</b>	<b>42,667</b>

## STATEMENT OF COMPREHENSIVE INCOME – SAXO BANK A/S

(DKK 1,000)	First half 2013	First half 2012
<b>Net profit</b>	<b>254,322</b>	<b>42,667</b>
<b>Other comprehensive income</b>		
Items that can not be reclassified to income statement:		
Other comprehensive income from subsidiaries, net of tax	-	54,921
Other capital movements	-	(3,305)
Items that can not be reclassified to income statement	-	51,616
Items that can be reclassified to income statement:		
Exchange rate adjustments	(48,030)	34,900
Hedge of net investments in foreign entities	32,127	(24,903)
Other comprehensive income from subsidiaries, net of tax	16,327	(5,204)
Other comprehensive income from associates and joint ventures, net of tax	212	3,809
Tax on other comprehensive income	(8,032)	6,226
Items that can be reclassified to income statement	(7,396)	14,828
<b>Total other comprehensive income</b>	<b>(7,396)</b>	<b>66,444</b>
<b>Total comprehensive income</b>	<b>246,926</b>	<b>109,111</b>

## STATEMENT OF FINANCIAL POSITION – SAXO BANK A/S

Note	(DKK 1,000)	30 June 2013	31 Dec. 2012
<b>ASSETS</b>			
	Cash in hand and demand deposits with central banks	75,417	1,258,954
5	Receivables from credit institutions and central banks	352,291	1,487,976
5	Loans and advances at amortised cost	541,618	489,623
	Bonds at fair value	11,273,213	8,094,954
	Equities	17,290	9,694
	Investments in associates and joint ventures	353,898	318,412
	Investments in subsidiaries	1,883,426	1,837,819
	Intangible assets	2,027,317	2,219,646
	Tangible assets	137,910	161,025
	Tax receivables	25,330	20,991
	Deferred tax assets	473	438
	Assets held for sale	13,509	-
	Other assets	5,294,942	4,648,970
	Prepayments	78,540	64,231
	<b>Total assets</b>	<b>22,075,174</b>	<b>20,612,733</b>

## STATEMENT OF FINANCIAL POSITION – SAXO BANK A/S

Note	(DKK 1,000)	30 June 2013	31 Dec. 2012
<b>LIABILITIES</b>			
	Debt to credit institutions and central banks	3,131,417	2,832,444
	Deposits	11,306,466	10,885,476
	Tax liabilities	56,974	878
	Other liabilities	3,310,804	2,894,317
	<b>Total debt</b>	<b>17,805,661</b>	<b>16,613,115</b>
	Deferred tax liabilities	238,096	209,741
	Other provisions	47,681	45,276
	<b>Total provisions</b>	<b>285,777</b>	<b>255,017</b>
7	<b>Subordinated debt</b>	<b>410,234</b>	<b>410,314</b>
<b>EQUITY</b>			
	Share capital	66,599	66,598
	Equity method reserve	207,140	85,239
	Retained earnings	3,299,763	3,182,450
	<b>Total shareholders' equity</b>	<b>3,573,502</b>	<b>3,334,287</b>
	<b>Total liabilities and equity</b>	<b>22,075,174</b>	<b>20,612,733</b>

## STATEMENT OF CHANGES IN EQUITY – SAXO BANK A/S

(DKK 1,000)	Share capital	Equity method reserve	Retained earnings	Total
<b>Shareholders' equity at 1 January 2013</b>	<b>66,598</b>	<b>85,239</b>	<b>3,182,450</b>	<b>3,334,287</b>
Net profit	-	129,297	125,025	254,322
<b>Other comprehensive income</b>				
Exchange rate adjustments	-	(48,030)	-	(48,030)
Hedge of net investments in foreign entities	-	32,127	-	32,127
Other comprehensive income from subsidiaries, net of tax	-	16,327	-	16,327
Other comprehensive income from associates and joint ventures, net of tax	-	212	-	212
Tax on other comprehensive income	-	(8,032)	-	(8,032)
Total other comprehensive income	-	(7,396)	-	(7,396)
<b>Total comprehensive income</b>	<b>-</b>	<b>121,901</b>	<b>125,025</b>	<b>246,926</b>
<b>Transactions with owners</b>				
Share-based payments	-	-	300	300
Increase in share capital	1	-	87	88
Treasury shares	-	-	(8,099)	(8,099)
<b>Shareholders' equity at 30 June 2013</b>	<b>66,599</b>	<b>207,140</b>	<b>3,299,763</b>	<b>3,573,502</b>
<b>Shareholders' equity at 1 January 2012</b>	<b>66,598</b>	<b>372,673</b>	<b>2,783,564</b>	<b>3,222,835</b>
Net profit	-	(342,822)	385,489	42,667
<b>Other comprehensive income</b>				
Exchange rate adjustments	-	34,900	-	34,900
Hedge of net investments in foreign entities	-	(24,903)	-	(24,903)
Other capital movements	-	(3,305)	-	(3,305)
Other comprehensive income from subsidiaries, net of tax	-	49,717	-	49,717
Other comprehensive income from associates and joint ventures, net of tax	-	3,809	-	3,809
Tax on other comprehensive income	-	6,226	-	6,226
Total other comprehensive income	-	66,444	-	66,444
<b>Total comprehensive income</b>	<b>-</b>	<b>(276,378)</b>	<b>385,489</b>	<b>109,111</b>
<b>Transactions with owners</b>				
Share-based payments	-	-	360	360
Treasury shares	-	-	3,937	3,937
<b>Shareholders' equity at 30 June 2012</b>	<b>66,598</b>	<b>96,295</b>	<b>3,173,350</b>	<b>3,336,243</b>

## STATEMENT OF CAPITAL BASE – SAXO BANK A/S

(DKK 1,000)	30 June 2013	31 Dec. 2012
Total shareholders' equity	3,573,502	3,334,287
Intangible assets <sup>1)</sup>	(2,252,015)	(2,412,967)
Deferred tax liabilities, intangible assets	238,096	209,741
Deferred tax assets	(473)	(438)
<b>Core Tier 1 capital</b>	<b>1,559,110</b>	<b>1,130,623</b>
Investments in associates (50%) <sup>2)</sup>	(57,280)	(48,014)
<b>Tier 1 capital</b>	<b>1,501,830</b>	<b>1,082,609</b>
Subordinated loans, reduced value	354,293	373,013
Investments in associates (50%) <sup>2)</sup>	(57,280)	(48,014)
<b>Capital base</b>	<b>1,798,843</b>	<b>1,407,608</b>
<sup>1)</sup> Including goodwill and other intangible assets from assets held for sale and investments in associates and joint ventures of DKK 224.7 million (31 December 2012: DKK 196.3 million).		
<sup>2)</sup> Relate to investments in associates which are credit institutions, excluding goodwill.		
<b>Risk weighted items</b>		
Credit risk	3,724,461	3,882,434
Market risk	2,084,976	2,012,011
Operational risk	4,625,954	4,399,672
<b>Total risk weighted items</b>	<b>10,435,391</b>	<b>10,294,117</b>
Core Tier 1 capital ratio	14.9%	11.0%
Tier 1 capital ratio	14.4%	10.5%
Solvency ratio	17.2%	13.7%

## NOTES – SAXO BANK A/S

Note (DKK 1,000)

### 1 Accounting policies

The interim financial statements of Saxo Bank A/S for the first half of 2013 have been prepared in accordance with the Danish Financial Business Act and the Danish executive order on financial reports for credit institutions and investment companies, etc. dated 8 February 2013.

The interim report has not been subject to audit or review.

The accounting policies applied are unchanged compared to those followed in the Annual Report 2012.

#### Comparative figures for first half 2012

Other comprehensive income from subsidiaries is changed compared to Interim Report first half 2012 due to executive order issued 7 March 2013 by the Danish Financial Supervisory Authority see note 1 in the Consolidated interim financial statements. Comparative figures for first half 2012 are changed accordingly resulting in Other comprehensive income, Total comprehensive income and Shareholders equity decreasing with DKK 22.5 million compared to the Interim Report First Half 2012.

Besides this certain minor changes have been made in the comparative figures for 2012 due to reclassification.

	First half 2013	First half 2012
<b>2 Interest income</b>		
Credit institutions and central banks	2,926	4,683
Loans and advances	26,258	28,290
Bonds	22,625	47,223
Derivative financial instruments	348,468	284,954
<b>Total interest income</b>	<b>400,277</b>	<b>365,150</b>
<b>3 Interest expense</b>		
Credit institutions and central banks	(11,463)	(12,345)
Deposits	(7,037)	(14,655)
Subordinated loans	(6,871)	(8,790)
Derivative financial instruments	(26,984)	(25,496)
<b>Total interest expense</b>	<b>(52,355)</b>	<b>(61,286)</b>
<b>4 Price and exchange rate adjustments</b>		
Bonds	(5,258)	(40,890)
Foreign exchange	1,024,383	811,749
Derivative financial instruments	255,744	204,536
<b>Total price and exchange rate adjustments</b>	<b>1,274,869</b>	<b>975,395</b>





## NOTES – SAXO BANK A/S

Note (DKK 1,000)

### 9 Related parties

Parties with significant influence include shareholders with holdings exceeding 20% of Saxo Bank A/S.

Board of Management is due to their significant ownership in Saxo Bank A/S through their holding companies included in parties with significant influence.

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

All transactions and agreements with related parties are settled on an arms-length basis.

The nature of related-party transactions in the first half of 2013 are as disclosed in the Annual Report 2012.

### 10 Assets deposited as collateral

Of the Bank's bond holdings nominal EUR 580 million (31 December 2012: EUR 451 million), with a fair value of DKK 4.3 billion (31 December 2012: DKK 3.4 billion), are held in custody with institutions with full right of disposal for the Bank. The bonds 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 83% (31 December 2012: 89%) of the fair value of the bond holdings provided as security at 30 June 2013.

The Bank has deposited bonds nominal DKK 50 million (31 December 2012: DKK 40 million) with a fair value of DKK 51.0 million (31 December 2012: DKK 40.2 million) as security for an interest swap on behalf of Ejendomsselskabet Bygning 119 A/S.

Of the Bank's deposits with investment brokers, banks and other credit institutions, DKK 230 million (31 December 2012: DKK 800 million) have likewise been provided as security for the Bank's ongoing financial business.

Of the Bank's receivables from credit institutions DKK 4.0 million (31 December 2012: DKK 0 million) have been provided as security for participation in capital increase.

	30 June 2013	31 Dec. 2012
<b>11 Contingent and other contractual commitments</b>		
<b>Guarantees</b>		
Financial guarantees	18,444	2,871
Guarantees issued to subsidiaries	10,000	10,000
Other guarantees	54,009	43,792
<b>Total guarantees</b>	<b>82,453</b>	<b>56,663</b>
<b>Other contractual commitments</b>		
Rent commitments towards subsidiaries	596,703	606,671
Other commitments incl. operating leases	259,375	296,121
<b>Total other contractual commitments</b>	<b>856,078</b>	<b>902,792</b>

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

Saxo Bank A/S has agreed to support Saxo Jet A/S, Saxo Soft A/S and I.I. Real Estate A/S with the liquidity necessary to support the approved budgets and plans up to and including 31 December 2013. Saxo Bank A/S has declared that it will support Saxo Privatbank A/S with a capital increase of up to DKK 10 million in 2013.

Due to the business volume of the Bank, disputes with clients etc. occur from time to time. The Bank does not consider the outcome of the cases pending to have any material effect on the Bank's financial position.

Saxo Bank A/S is registered jointly with all Danish companies in the Group for corporation tax, withholding tax etc., for which it is jointly and severally liable.

## NOTES – SAXO BANK A/S

Note (DKK 1,000)

### 12 Events after the reporting date

On 2 July 2013 Saxo Bank A/S has divested its investment in Global Evolution Fondsmæglerselskab A/S equaling 51% of the shares.

The investment in Global Evolution Fondsmæglerselskab A/S is classified as Asset held for sale at 30 June 2013.

The impact on Net profit is a gain of DKK 14.0 million to be recognised in July 2013.

No other events occurring after the reporting date have had significant impact on the financial position of Saxo Bank A/S.

	First half 2013	First half 2012
<b>13 Key figures and ratios</b>		
<b>Key figures</b>		
Net interest, fees and commissions	(94,786)	(5,859)
Price and exchange rate adjustments	1,274,869	975,395
Staff costs and administrative expenses	(777,671)	(818,338)
Impairment charges for receivables, loans, advances etc.	(1,560)	(24,782)
Income from associates, joint ventures and subsidiaries	155,874	38,716
Net profit	254,322	42,667
Loans and advances at amortised cost	541,618	550,596
Subordinated debt	410,234	408,914
Total shareholders' equity	3,573,502	3,336,243
Total assets	22,075,174	21,928,022
Average number of employees	661	796
<b>Ratios</b>		
Solvency ratio	17.2%	12.2%
Tier 1 capital ratio	14.4%	9.5%
Return before tax on Total equity	9.9%	2.2%
Return after tax on Total equity	7.4%	1.3%
Income proportional to cost	1.33	1.07
Interest rate risk	2.0%	6.2%
Foreign exchange rate risk / Tier 1 capital	75.0%	225.2%
Value at risk of foreign exchange rate risk / Tier 1 capital	2.5%	7.1%
Loans, advances and provisions / Deposits	5.6%	4.4%
Loans and advances proportional to Total equity	0.2	0.2
Growth of Loans and advances	10.6%	36.3%
Additional liquidity / liquidity requirement	288.2%	334.1%
Loss and provisions ratio (loans and advances)	0.2%	2.8%

See definitions in Saxo Bank's annual report 2012 page 103.

## STATEMENT BY THE MANAGEMENT

The Board of Directors and Board of Management have considered and approved the interim report first half 2013 of Saxo Bank Group and the Parent Company.

The consolidated interim financial statements for the first half of 2013 have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and the Parent Company's interim financial statements have been prepared in accordance with the Danish Financial Business Act. Furthermore, the interim report has been prepared in accordance with Danish disclosure requirements for interim reports of financial institutions.

In our opinion, the interim financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders' equity and financial position at 30 June 2013 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the period 1 January - 30 June 2013.

Moreover, in our opinion, the Management's Report includes a fair review of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

Copenhagen, 22 August 2013

### BOARD OF MANAGEMENT

Lars Seier Christensen  
Co-CEO and Co-founder

Kim Fournais  
Co-CEO and Co-founder

### BOARD OF DIRECTORS

Dennis Malamatinas  
Chairman of the Board

Asiff S. Hirji  
Vice Chairman of the Board

Kurt K. Larsen

Thomas Plenborg

Karl I. Peterson

## COMPANY INFORMATION

### Company

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Fax: +45 3977 4200  
Reg. No.: 1149  
CVR No.: 15 73 12 49  
Website: [www.saxoworld.com](http://www.saxoworld.com)

### Board of Directors

Dennis Malamatinas	Chairman of the Board
Asiff S. Hirji	Vice Chairman of the Board
Kurt K. Larsen	Member of the Board
Thomas Plenborg	Member of the Board
Karl I. Peterson	Member of the Board

### Board of Management

Lars Seier Christensen	Co-CEO and Co-founder
Kim Fournais	Co-CEO and Co-founder

### Shareholders

The following shareholders (in alphabetic order) have registered shareholdings of more than 5% of the Bank's share capital:

Fournais Holding A/S, DK-2850 Nærum, Denmark.  
Lars Seier Christensen Holding A/S, DK-1256 Copenhagen, Denmark.  
TPG Capital, TX-76102 Fort Worth, United States.