



# Interim report for first half 2023

# Contents

## Management review

- 3** First half 2023 highlights
  - 4** Financial review
  - 6** Outlook for 2023
  - 7** Capital & Liquidity
- 

## Financial statements

### Saxo Bank Group

- 9** Statement of profit or loss
- 9** Statement of comprehensive income
- 10** Statement of financial position
- 11** Statement of changes in equity
- 13** Statement of capital
- 13** Cash flow statement
- 14** Notes

### Saxo Bank A/S

- 25** Statement of profit or loss
  - 25** Statement of comprehensive income
  - 26** Statement of financial position
  - 27** Statement of changes in equity
  - 29** Statement of capital
  - 29** Notes
- 

## Statements

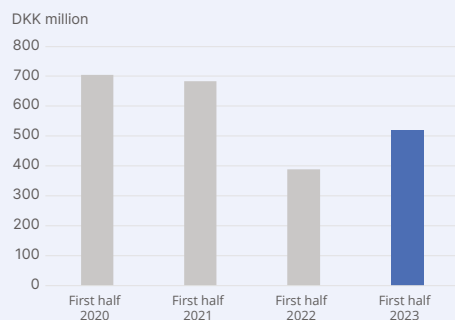
- 34** Management Statement

# First half 2023 highlights

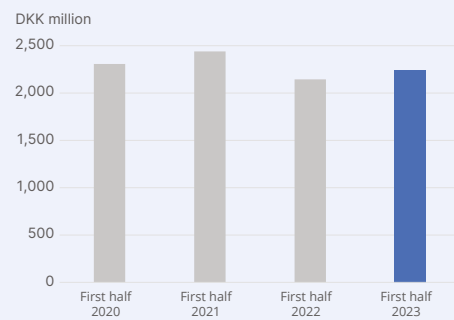
Despite challenging market conditions and continued geopolitical tension in the first half year of 2023, the Saxo Bank Group delivered an Operating profit of DKK 520 million corresponding to an increase of 34% compared to last year.

- Continued uncertain macro environment and low market volatility led to lower trading and investment activity, which was offset by higher interest income
- Introduction of a new client interest model, where Saxo Bank Group promptly passes on rate hikes to its clients, ensuring that they benefit from the increased interest rates automatically, and immediately
- Saxo Bank Group reached a historic milestone of 1 million end clients and an all time high of DKK 721 billion in client assets, positively impacted by net funding of cash and securities of DKK 79 billion in the first half of 2023
- Divestment of 50% interest in Saxo Geely Tech Holding in order to optimise our business operations and focus on core markets and clients. The divestment impacts Net profit in the first half of 2023 negatively by DKK 94 million
- Appointed as SIFI by the Danish FSA and received a BBB rating with a positive outlook from Standard & Poor's, highlighting Saxo Bank Group's strong capital position and business model as well as cautious approach to Risk Management

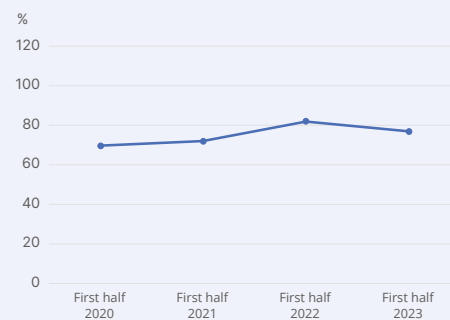
## Operating profit 520 DKK million



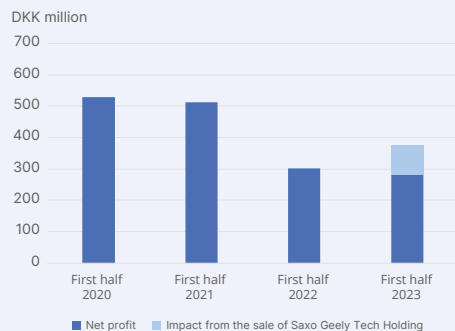
## Total income 2,242 DKK million



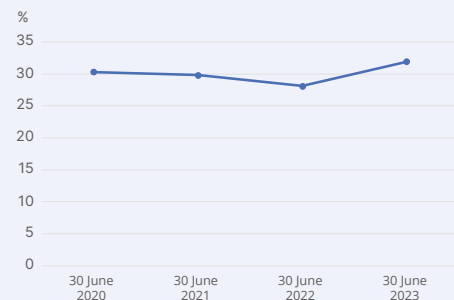
## Adjusted cost/income ratio<sup>1)</sup> 77%



## Net profit 282 DKK million Adjusted Net profit 376 DKK million



## Total capital ratio 32%



## Client assets 721 DKK billion Total Clients<sup>2)</sup> 1 million clients



<sup>1)</sup> Adjusted cost/income ratio is an Alternative Performance Measure and is defined as Total operating expenses divided by Total income. All figures are from the financial statements. For definition, see note 16.2 in the consolidated financial statements.

<sup>2)</sup> Clients are defined as number of end clients holding assets with Saxo Bank Group of at least DKK 1,000 at the end of the period and include end clients of our Institutional wholesale partners.

## Financial review

In the first half of 2023, Saxo Bank Group realised an Operating profit of DKK 520 million, which was an increase of 34% compared to last year. The Net profit amounted to DKK 282 million and was negatively affected by the divestment of the joint venture Saxo Geely Tech Holding A/S with a loss of DKK 94 million. The adjusted result was DKK 376 million which is considered acceptable.

The macroeconomic environment with higher interest rates had a positive impact on the financial performance for the first half of 2023 with higher net interest income from the liquidity and the bond portfolio. A new client interest model has been introduced with a larger sharing of interest rates with the clients, improving the competitive offering of the Saxo Bank Group, however also reducing the short term positive impact on the financial performance. The uncertain macroeconomic environment and low volatility in

financial markets have, however, resulted in lower trading and investing activity compared to the same period last year.

Despite decreasing trading and investing activities, the net inflow of new clients continued and in June 2023, the milestone of 1 million clients was passed, resulting in a record high client assets of DKK 721 billion by the end of first half 2023.

Key figures and ratio for Saxo Bank Group	First half 2023	First half 2022	Changes %	2022
<b>Statement of profit or loss (DKK million)</b>				
Net interest, fees and commissions	1,644	1,359	21.0%	2,991
Price and exchange rate adjustments	594	777	-23.5%	1,444
Total income <sup>1)</sup>	2,242	2,145	4.5%	4,455
Total operating expenses	-1,722	-1,757	-2.0%	-3,499
Operating profit	520	388	34.0%	956
Share of net profit/loss from joint ventures	-108	27	na.	-7
Profit before tax	413	415	-0.5%	949
Net profit	282	302	-6.4%	711
<b>Statement of financial position (DKK million)</b>				
Loans and other receivables at amortised cost	4,179	5,185	-19.4%	4,258
Deposits	67,695	73,919	-8.4%	69,702
Subordinated debt	790	787	0.4%	794
Total equity	6,666	7,021	-5.1%	7,118
Total assets	87,746	95,714	-8.3%	90,481
Acquisition of intangible assets	266	293	-9.2%	565
<b>Employees</b>				
Number of full-time equivalent staff (end of period)	2,526	2,551	-1.0%	2,515
- Hereof employed in India	1,044	1,042	0.2%	1,029

<sup>1)</sup> These measures are non-IFRS Alternative Performance Measures. For definitions, see note 16.2 in the consolidated financial statements.

<sup>2)</sup> Including end clients of our Institutional wholesale partners.

<sup>3)</sup> Annualised.

	First half 2023	First half 2022	Changes %	2022
<b>Clients</b>				
Client assets (DKK billion)	721	591	22.1%	584
Hereof Assets under Management (DKK billion)	8	9	-9.7%	8
Total clients (Number of end clients ('000)) <sup>2)</sup>	1,009	874	15.4%	876
Trades (Number of trades (million))	29	33	-14.1%	64
<b>Financial ratios</b>				
Total capital ratio	31.9%	28.1%		31.0%
Tier 1 capital ratio	27.3%	24.1%		26.6%
Return on equity before tax <sup>3)</sup>	11.7%	11.4%		13.3%
Return on equity after tax <sup>3)</sup>	8.0%	8.3%		9.9%
Cost/income ratio	80.7%	80.9%		78.7%
Adjusted cost/income ratio <sup>1)</sup>	76.8%	81.9%		78.5%
Loans and other receivables proportional to Total equity	0.63	0.74		0.60
Liquidity coverage ratio	294.3%	279.6%		272.0%
Sum of large exposures/CET1 capital	11.9%	24.6%		23.2%



### Statement of profit or loss

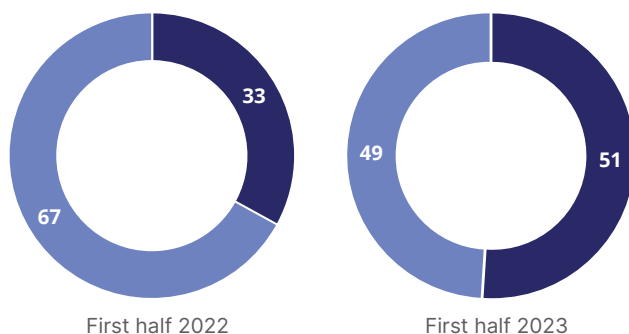
**Net interest, fees and commissions** increased to DKK 1,644 million for the first half of 2023 (H1 2022: DKK 1,359 million) as a result of improved net interest income driven by the higher interest rate environment. This was, however, partly offset by lower net fee and commission income following the uncertain macroeconomic conditions and low financial market volatility leading to lower trading and investing activity among our clients.

**Price and exchange rate adjustments** amounted to an income of DKK 594 million for the first half of 2023 (H1 2022: DKK 777 million). The decrease was predominantly driven by lower exchange-rate revenue from trading in international stocks and lower trading in FX products compared to first half 2022.

The above development in the revenue composition led to an increase in the recurring revenue<sup>1)</sup> for the first half of 2023 to 51% compared to 33% for the same period last year.

Split of Total income (recurring vs. non-recurring) (%)

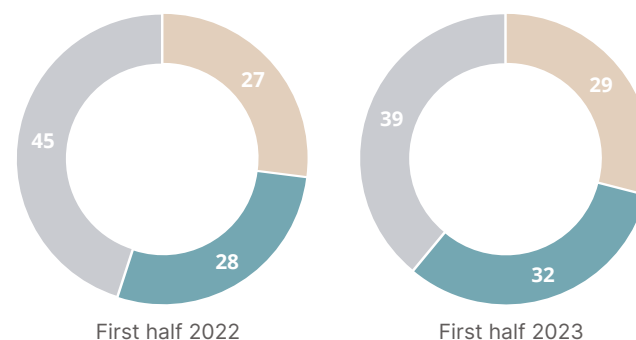
■ Recurring  
■ Non-recurring



**Total income** increased to DKK 2,242 million for the first half of 2023 (H1 2022: DKK 2,145 million) driven by the Investor and Saxo Institutional business areas that benefitted the most from the increase in interest income. Traders in the same period has experienced a decrease in total income mainly driven by reduced client activity across margin products following the low volatility in the market.

Split of Total income by business areas (%)

■ Traders  
■ Investors  
■ Saxo Institutional



**Total operating expenses** amounted to DKK 1,722 million for the first half of 2023, a decrease of DKK 35 million compared to same period last year. The decrease was due to lower administrative expenses, despite the experienced inflationary pressure.

The recent years' high level of investments in our platforms, new products and services as well as digitisation to improve the Saxo Experience led to increased **amortisation, depreciation and impairment losses** of DKK 329 million in the first half of 2023, an increase of DKK 26 million compared to the same period last year.

Due to an increase in total income and stable cost levels, the **adjusted cost/income** ratio for the first half of 2023 ended at 77% and was slightly lower compared to first half 2022.

In order to optimise our business operations and focus on core markets and clients, Saxo Bank A/S in June 2023 divested its 50% interest in Saxo Geely Tech Holding A/S, including loan notes to Geely Group and received a corresponding amount of Saxo Bank A/S shares in return. The divestment resulted in a loss of DKK 94 million recognised in Share of net profit/loss from joint ventures. The new ownership structure of Saxo Bank A/S is Geely Financial Denmark 49.88%, Fournais Holding 28.09%, Sampo 19.83% and other minority shareholders.

The effective tax rate increased to 31.7% for the first half of 2023 compared to 27.3% for the same period last year, primarily due to the divestment loss of DKK 94 million recognised in Share of net profit/loss from joint ventures.

<sup>1)</sup> Recurring revenue constitutes income deriving from clients' cash and asset positions as opposed to transaction driven income, which is classified as non-recurring revenue.

## Outlook for 2023

### Statement of financial position

The continued positive cash inflow from clients' deposits were placed with counterparty banks, in bonds and other interest-bearing assets. **Cash in hand and demand deposits with central banks** amounted to DKK 32 billion as of 30 June 2023 compared to DKK 21 billion at 31 December 2022. The increase in cash in hand and demand deposits with central banks was besides client deposits also impacted due to reduction of the bond portfolio to enhance the liquidity position of the Group. **Bonds at amortised cost** amounted to DKK 30 billion as of 30 June 2023 compared to DKK 45 billion at 31 December 2022.

**Loans and other receivables at amortised cost** of DKK 4.2 billion as of 30 June 2023 were almost equal to the balance as of 31 December 2022.

**Total shareholders' equity** amounted to DKK 6.2 billion as of 30 June 2023 compared to DKK 6.7 billion as of 31 December 2022. Total shareholders' equity was affected by the result for the first six months of 2023 of DKK 282 million, paid dividend for 2022 of DKK 411 million as well as the received treasury shares from the sale of Saxo Geely Tech Holding of DKK 300 million.

### Changes to the Board of Directors

Marika Frederiksson has decided to retire from her position as member of the Board of Directors upon approval of this half year report. This decision is a consequence of the bank's SIFI appointment that comes with limitations on number of directorships each director may have.

### Events after the reporting date

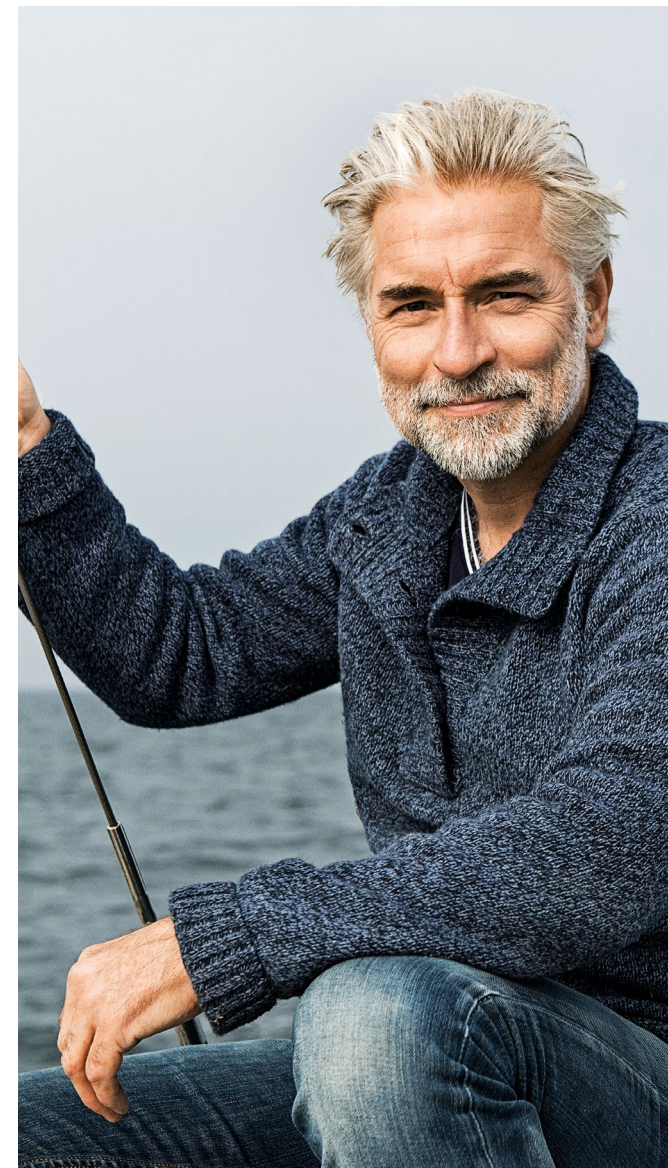
After the reporting date, there have been no events that materially affected the assessment of this Interim report 2023.

Saxo Bank Group operates in global financial markets, and income generation is besides the number of clients and client assets subject to volatility within the currency, equity, and commodity markets, as well as fluctuating interest rates.

The first half of 2023 have been characterised by continued uncertainty in the macroeconomic environment. The higher interest rate levels has resulted in a higher return from the liquidity portfolio, while the lower market volatility has led to lower trading activity compared to the same period last year. The cost base remained stable despite the inflationary pressure.

The focus on core business and markets has been strengthened in June 2023 with the divestment of Saxo Geely Tech Holding, which has resulted in a recognised loss of DKK 94 million. Consequently, Net profit for the first half of 2023 ended at DKK 376 million adjusted for divestment (unadjusted, net profit amounted to DKK 282 million).

The market conditions for 2023 remain highly uncertain with regards to volatility, inflation, and changes to central bank statements on financial markets, and as a result, the Saxo Bank Group expect Net profit adjusted for the divestment of Saxo Geely Tech Holding to be maintained in line with the previously guided range of DKK 650-800 million.



# Capital & Liquidity

## Capital

Saxo Bank A/S is domiciled in Denmark which is a member of the European Union. Saxo Bank is therefore subject to the EU capital requirement rules in the Capital Requirement Regulation (CRR) and Capital Requirement Directive (CRD) as well as subject to national requirements. To safely operate the Saxo Bank Group and to protect depositors, creditors and shareholders, Saxo Bank holds an internally defined capital buffer in excess of the applicable capital requirements.

As of 30 June 2023, the Saxo Bank Group continued to have a strong capital position with a comfortable buffer to the regulatory minimum requirements.

DKK million	30 June 2023		31 Dec. 2022	
Common equity tier 1 capital (CET1)	4,020	24.6%	4,033	24.0%
Total tier 1 capital	4,468	27.3%	4,481	26.6%
Total capital	5,207	31.9%	5,221	31.0%

As of 30 June 2023, the Saxo Bank Group's Internal Capital Adequacy Assessment Process (ICAAP) resulted in a capital requirement of 14.0% of the Risk Exposure Amount (REA), equivalent to DKK 2.3 billion. As such, the CET1 buffer was DKK 2.1 billion, equivalent to 13.1% of REA.

In the regulatory capital, 50% of net profit for the first half of 2023 has been included, as the remaining 50% is reserved for potential dividends in accordance with the dividend policy.

The total capital buffer is defined as the capital which is held above the ICAAP requirement and the combined buffer requirement, measured as a percentage of REA.

Percentage (%)	30 June 2023	31 Dec. 2022
CET1 buffer	13.1	12.9
Total capital buffer	14.3	14.2

The total REA of the Saxo Bank Group was DKK 16.3 billion as of 30 June 2023.

The ICAAP Q2 2023 Report provides additional information on Saxo Bank A/S' and the Saxo Bank Group's total capital, including regulatory capital disclosures, REA and capital requirements.

## Liquidity

As of 30 June 2023, the Saxo Bank Group had a Liquidity Coverage Ratio (LCR) of 294.3% and a Net Stable Funding Ratio (NSFR) of 280.2%, thereby meeting the regulatory minimum requirements as well as the internal Board-approved requirement (ILAAP) by a safe margin. The LCR and NSFR for Saxo Bank A/S were 298.1% and 146.8%, respectively.

## Rating

Saxo Bank A/S received a rating from Standard & Poor's in the first half of 2023.

The BBB rating with a positive outlook highlights Saxo Bank A/S' strong capital position and business model, as well as sound approach to risk management.

Saxo Bank Issuer Credit Rating: BBB  
 Outlook: Positive  
 Rating Agency: Standard & Poor's  
 Rating date: 12 April 2023

## SIFI

Saxo Bank A/S was appointed Systemically Important Financial Institutions (SIFI) by the Danish FSA in June 2023.

As a SIFI institution Saxo Bank A/S will be subject to higher capital requirements. To cover the increased MREL requirement, a senior non-preferred issuance will likely be pursued toward year-end 2023.

## The Supervisory Diamond

The Danish FSA applies four specific risk indicators and guidance values for Danish banks, known as the Supervisory Diamond.

The liquidity measure in the Supervisory Diamond uses Liquidity Coverage Ratio (LCR) with a three-month forward-looking approach, as opposed to the 30-day outflow period in the LCR key figure.

### Saxo Bank A/S

Percentage (%)	Guidance value	First half 2023	31 Dec. 2022
Sum of large exposures	<175%	10.4%	20.8%
Lending growth	<20%	72.0%	19.3%
Property exposure	<25%	22.1%	32.4%
Liquidity requirement ratio	>100%	253.7%	169.6%

Saxo Bank A/S has only minimal property exposure and is not engaged in lending activity towards the real estate market. Lending growth was 72.0% in Saxo Bank A/S as of 30 June 2023, primarily due to our product Security lending. Total loans and receivables in Saxo Bank A/S amounted to DKK 593 million as of 30 June 2023. The Danish FSA has been informed that Saxo Bank A/S exceeded the Supervisory Diamond's guidance value for lending growth.



# Financial statements

## Saxo Bank Group

- 9 Statement of profit or loss
- 9 Statement of comprehensive income
- 10 Statement of financial position
- 11 Statement of charges in equity
- 13 Statement of capital
- 13 Cash flow statement
- 14 Notes





## Statement of profit or loss

DKK million	Note	First half 2023	First half 2022
Interest income calculated using the effective interest method	1	971	144
Other interest income	1	807	593
Interest expense	2	-824	-211
Fee and commission income	3	1,353	1,583
Fee and commission expense	4	-664	-751
Price and exchange rate adjustments	5	594	777
Other income		4	10
<b>Total income</b>		<b>2,242</b>	<b>2,145</b>
Staff costs and administrative expenses		-1,380	-1,432
Amortisation, depreciation and impairment		-329	-303
Other expenses		-18	-24
Impairment charges financial assets etc.	8	5	1
<b>Total operating expenses</b>		<b>-1,722</b>	<b>-1,757</b>
<b>Operating profit</b>		<b>520</b>	<b>388</b>
Share of net profit/loss from joint ventures	6	-108	27
<b>Profit before tax</b>		<b>413</b>	<b>415</b>
Tax		-131	-113
<b>Net profit</b>		<b>282</b>	<b>302</b>
<b>Attributable to:</b>			
Shareholders of Saxo Bank A/S		266	284
Additional tier 1 capital holders		18	18
Non-controlling interests		-2	-1
<b>Net profit</b>		<b>282</b>	<b>302</b>

## Statement of comprehensive income

DKK million	First half 2023	First half 2022
<b>Net profit</b>	<b>282</b>	<b>302</b>
<b>Other comprehensive income</b>		
Remeasurement of defined benefit plans	-4	14
Tax	1	-3
Net total, that will not be reclassified to profit or loss in subsequent periods	-3	11
Exchange rate adjustments foreign entities	-23	81
Hedge of net investments in foreign entities	46	-72
Reclassification to statement of profit or loss due to divestment of joint venture	-2	-
Share of other comprehensive income in joint ventures, net of tax	-17	9
Tax	-12	16
Net total, that may be reclassified to profit or loss in subsequent periods	-7	34
<b>Total other comprehensive income</b>	<b>-10</b>	<b>46</b>
<b>Total comprehensive income</b>	<b>272</b>	<b>347</b>
<b>Attributable to:</b>		
Shareholders of Saxo Bank A/S	256	330
Additional tier 1 capital holders	18	18
Non-controlling interests	-2	-1
<b>Total comprehensive income</b>	<b>272</b>	<b>347</b>

## Statement of financial position

DKK million	Note	30 June 2023	31 December 2022
<b>Assets</b>			
Cash in hand and demand deposits with central banks		32,023	20,595
Receivables from credit institutions and central banks		3,494	3,464
Financial assets at fair value	7	12,769	11,259
Bonds at amortised cost	5	29,914	45,295
Loans and other receivables at amortised cost		4,179	4,258
Current tax assets		185	171
Investments in joint ventures	6	-	418
Intangible assets		3,125	3,124
Tangible assets		1,227	1,227
Deferred tax assets		17	14
Other assets		811	655
<b>Total assets</b>		<b>87,746</b>	<b>90,481</b>

DKK million	Note	30 June 2023	31 December 2022
<b>Liabilities</b>			
Debt to credit institutions and central banks		4,134	4,729
Financial liabilities at fair value	7	6,839	6,593
Deposits		67,695	69,702
Current tax liabilities		211	114
Other liabilities		863	770
Deferred tax liabilities		291	354
Provisions		257	305
Subordinated debt		790	794
<b>Total liabilities</b>		<b>81,080</b>	<b>83,362</b>
<b>Equity</b>			
Share capital		75	75
Reserves		1,345	1,352
Retained earnings		4,786	4,818
Proposed dividend		-	411
<b>Equity, shareholders of Saxo Bank A/S</b>		<b>6,206</b>	<b>6,656</b>
Additional tier 1 capital		452	452
Non-controlling interests		8	10
<b>Total equity</b>	10	<b>6,666</b>	<b>7,118</b>
<b>Total liabilities and equity</b>		<b>87,746</b>	<b>90,481</b>

## Statement of changes in equity

DKK million	Shareholders of Saxo Bank A/S							Additional tier 1 capital	Non-controlling interests	Total equity	
	Share capital	Share premium reserve	Translation reserve	Revaluation reserve	Reserves	Retained earnings	Proposed dividend				Total
<b>2023</b>											
<b>Equity at 1 January</b>	<b>75</b>	<b>996</b>	<b>303</b>	<b>52</b>	<b>1,352</b>	<b>4,818</b>	<b>411</b>	<b>6,656</b>	<b>452</b>	<b>10</b>	<b>7,118</b>
Net profit	-	-	-	-	-	266	-	266	18	-2	282
<b>Other comprehensive income</b>											
Exchange rate adjustments foreign entities	-	-	-23	-	-23	-	-	-23	-	-	-23
Hedge of net investments in foreign entities	-	-	46	-	46	-	-	46	-	-	46
Reclassification to statement of profit or loss due to divestment of joint venture	-	-	-2	-	-2	-	-	-2	-	-	-2
Revaluation of domicile properties	-	-	-	-0	-0	0	-	-	-	-	-
Remeasurement of defined benefit plans	-	-	-	-	-	-4	-	-4	-	-	-4
Share of other comprehensive income in joint ventures, net of tax	-	-	-17	-	-17	-	-	-17	-	-	-17
Tax	-	-	-12	0	-12	1	-	-11	-	-	-11
Total other comprehensive income	-	-	-7	-0	-7	-3	-	-10	-	-	-10
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-7</b>	<b>-0</b>	<b>-7</b>	<b>263</b>	<b>-</b>	<b>256</b>	<b>18</b>	<b>-2</b>	<b>272</b>
Treasury shares	-	-	-	-	-	-300	-	-300	-	-	-300
Tier 1 interest payment	-	-	-	-	-	-	-	-	-18	-	-18
Declared dividend	-	-	-	-	-	-	-411	-411	-	-	-411
Share-based payments	-	-	-	-	-	6	-	6	-	-	6
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-295</b>	<b>-411</b>	<b>-706</b>	<b>-18</b>	<b>-</b>	<b>-724</b>
<b>Equity at 30 June</b>	<b>75</b>	<b>996</b>	<b>297</b>	<b>52</b>	<b>1,345</b>	<b>4,786</b>	<b>-</b>	<b>6,206</b>	<b>452</b>	<b>8</b>	<b>6,666</b>



## Statement of changes in equity

DKK million	Shareholders of Saxo Bank A/S								Additional tier 1 capital	Non-controlling interests	Total equity
	Share capital	Share premium reserve	Translation reserve	Revaluation reserve	Reserves	Retained earnings	Proposed dividend	Total			
<b>2022</b>											
<b>Equity at 1 January</b>	<b>75</b>	<b>996</b>	<b>274</b>	<b>53</b>	<b>1,323</b>	<b>4,827</b>	<b>500</b>	<b>6,725</b>	<b>452</b>	<b>7</b>	<b>7,183</b>
Net profit	-	-	-	-	-	-18	302	<b>284</b>	18	-1	<b>302</b>
<b>Other comprehensive income</b>											
Exchange rate adjustments foreign entities	-	-	81	-	<b>81</b>	-	-	<b>81</b>	-	0	<b>81</b>
Hedge of net investments in foreign entities	-	-	-72	-	<b>-72</b>	-	-	<b>-72</b>	-	-	<b>-72</b>
Revaluation of domicile properties	-	-	-	-0	<b>-0</b>	0	-	-	-	-	-
Remeasurement of defined benefit plans	-	-	-	-	-	14	-	<b>14</b>	-	-	<b>14</b>
Share of other comprehensive income in joint ventures, net of tax	-	-	9	-	<b>9</b>	-	-	<b>9</b>	-	-	<b>9</b>
Tax	-	-	16	0	<b>16</b>	-3	-	<b>13</b>	-	-	<b>13</b>
Total other comprehensive income	-	-	<b>34</b>	-0	<b>34</b>	11	-	<b>46</b>	-	0	<b>46</b>
<b>Total comprehensive income</b>	-	-	<b>34</b>	<b>-0</b>	<b>34</b>	<b>-7</b>	<b>302</b>	<b>330</b>	<b>18</b>	<b>-1</b>	<b>347</b>
Tier 1 interest payment	-	-	-	-	-	-	-	-	-18	-	<b>-18</b>
Declared dividend	-	-	-	-	-	-	-500	<b>-500</b>	-	-	<b>-500</b>
Share-based payments	-	-	-	-	-	3	-	<b>3</b>	-	-	<b>3</b>
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	6	<b>6</b>
<b>Transactions with owners</b>	-	-	-	-	-	<b>3</b>	<b>-500</b>	<b>-497</b>	<b>-18</b>	<b>6</b>	<b>-510</b>
<b>Equity at 30 June</b>	<b>75</b>	<b>996</b>	<b>308</b>	<b>52</b>	<b>1,357</b>	<b>4,823</b>	<b>302</b>	<b>6,557</b>	<b>452</b>	<b>12</b>	<b>7,021</b>

## Statement of capital

DKK million	30 June 2023	31 December 2022
<b>Tier 1 capital</b>		
Equity end of the reporting period	6,206	6,656
Adjustment 50% of net profit reserved for potential dividends <sup>1)</sup>	-133	-
<b>Adjusted equity end of the reporting period</b>	<b>6,073</b>	<b>6,656</b>
Proposed dividend	-	-411
Intangible assets	-2,220	-2,336
Deferred tax liabilities, intangible assets	189	141
Deferred tax assets	-3	-0
Prudent valuation adjustments	-20	-17
<b>Common equity tier 1 capital (net after deduction)</b>	<b>4,020</b>	<b>4,033</b>
Additional tier 1 capital	448	448
<b>Total tier 1 capital</b>	<b>4,468</b>	<b>4,481</b>
<b>Tier 2 capital</b>		
Subordinated debt	740	740
<b>Total tier 2 capital</b>	<b>740</b>	<b>740</b>
<b>Total capital</b>	<b>5,207</b>	<b>5,221</b>
<b>Risk exposure amounts</b>		
Credit risk	7,596	7,859
Market risk	474	854
Operational risk	8,278	8,104
<b>Total risk exposure amounts</b>	<b>16,347</b>	<b>16,817</b>
<b>Capital ratios</b>		
Common equity tier 1 capital ratio	24.6%	24.0%
Tier 1 capital ratio	27.3%	26.6%
Total capital ratio	31.9%	31.0%

<sup>1)</sup> In accordance with the EU Regulation No 575/2013 (CRR) art. 26 (2), Saxo Bank has included 50% of the net profit for the first half of 2023 in the regulatory capital, as the remaining 50% is reserved for potential dividends in accordance with the dividend policy.

Total capital is calculated in accordance with the Capital Requirement Regulation (CRR).

## Cash flow statement

DKK million	Note	First half 2023	First half 2022
<b>Operating activities</b>			
Profit before tax		413	415
Taxes paid		-134	-293
Adjustment for non-cash operating items:			
Share of net profit/loss from joint ventures		108	-27
Amortisation, depreciation and impairment		329	303
Impairment charges financial assets etc.		-5	-1
Other non-cash operating items		81	140
Changes in operating capital	11	11,412	-8,422
<b>Cash flow from operating activities</b>		<b>12,203</b>	<b>-7,886</b>
<b>Investing activities</b>			
Acquisition of intangible and tangible assets		-278	-289
<b>Cash flow from investing activities</b>		<b>-278</b>	<b>-289</b>
<b>Financing activities</b>			
Paid interest on additional tier 1 capital		-18	-18
Dividends paid to shareholders		-411	-500
Transactions with non-controlling interests		-	6
Repayments on lease commitments		-31	-29
<b>Cash flow from financing activities</b>		<b>-461</b>	<b>-541</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>11,464</b>	<b>-8,716</b>
Cash and cash equivalents at 1 January		24,054	38,510
<b>Cash and cash equivalents at 30 June</b>		<b>35,518</b>	<b>29,794</b>
Cash in hand and demand deposits with central banks		32,023	24,000
Amounts due from credit institutions and central banks within three months		3,494	5,794
<b>Cash and cash equivalents at 30 June</b>		<b>35,518</b>	<b>29,794</b>

# Statement of profit or loss

## Notes

DKK million	First half 2023	First half 2022
<b>1 Interest income</b>		
Credit institutions and central banks	654	22
Bonds at amortised cost	207	49
Loans and other receivables at amortised cost	110	73
<b>Total interest income calculated using the effective interest method</b>	<b>971</b>	<b>144</b>
Derivative financial instruments	807	593
<b>Total other interest income</b>	<b>807</b>	<b>593</b>
<b>Total interest income</b>	<b>1,778</b>	<b>737</b>
Hereof interest received due to negative interest rates	-	30
<b>2 Interest expense</b>		
Credit institutions and central banks	-13	-92
Deposits	-613	-17
Bonds at amortised cost	-5	-50
Subordinated debt	-31	-20
Interest expense leases	-4	-5
<b>Total interest expense calculated using the effective interest method</b>	<b>-666</b>	<b>-183</b>
Derivative financial instruments	-158	-28
<b>Total other interest expense</b>	<b>-158</b>	<b>-28</b>
<b>Total interest expense</b>	<b>-824</b>	<b>-211</b>
Hereof interest paid due to negative interest rates	-	-76

DKK million	First half 2023	First half 2022
<b>3 Fee and commission income</b>		
Trading with securities and derivative financial instruments	1,289	1,542
Asset management fees	18	22
Other fee and commission income	46	20
<b>Total fee and commission income</b>	<b>1,353</b>	<b>1,583</b>
<b>4 Fee and commission expense</b>		
Trading with securities and derivative financial instruments	-659	-745
Other fee and commission expense	-5	-6
<b>Total fee and commission expense</b>	<b>-664</b>	<b>-751</b>
<b>5 Price and exchange rate adjustments</b>		
Securities	359	-1
Foreign exchange	442	553
Derivative financial instruments <sup>1)</sup>	-168	224
Disposal of bonds at amortised cost	-39	-
<b>Total price and exchange rate adjustments</b>	<b>594</b>	<b>777</b>

<sup>1)</sup> Other than foreign exchange.

Listed securities are used to economically hedge exposure on CFDs on single stocks issued by Saxo Bank Group (accounted for in Securities). As a result, adjustments in securities is to a large extent offset by adjustments in CFDs (accounted for in Derivative financial instruments).

Saxo Bank Group has in 2023 disposed a portion of its bond portfolio, which was held at amortised cost, to enhance the Group's liquidity position. This was done after increased liquidity market turmoil in March 2023. The total amounted to DKK 13.3 billion and resulted in an immediate loss of DKK 39 million.



## Statement of profit or loss

### Notes

DKK million	First half 2023	First half 2022
<b>6 Share of net profit/loss from joint ventures</b>		
50% share of net profit/loss	-13	-28
Fair value adjustments of loan notes, net of tax	-	55
Divestment loss	-94	-
<b>Total share of net profit/loss from joint ventures</b>	<b>-108</b>	<b>27</b>

In June 2023, Saxo Bank A/S divested the 50% interest in Saxo Geely Tech Holding A/S, including loan notes. The divestment resulted in a net loss of DKK 94 million recognised in Shares of net profit/loss from joint ventures.

Reclassification of accumulated foreign exchange adjustments recognised in equity had a positive impact on the divestment loss of DKK 2 million.

## Statement of financial position

### Notes

DKK million	30 June 2023	31 December 2022
<b>7 Financial assets and financial liabilities at fair value</b>		
Listed securities	2,426	851
Interest swaps (fair value hedge)	27	33
Investment securities	6	6
Derivative financial instruments with positive fair value	10,310	10,369
<b>Total financial assets at fair value</b>	<b>12,769</b>	<b>11,259</b>
Derivative financial instruments with negative fair value	6,839	6,593
<b>Total financial liabilities at fair value</b>	<b>6,839</b>	<b>6,593</b>

Listed securities are used to economically hedge exposure on CFDs on single stocks issued by Saxo Bank Group. As a result, adjustments in securities is to a large extent offset by adjustments in CFDs.

# Statement of financial position

## Notes

DKK million

	30 June 2023				31 December 2022			
	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>8 Impairment charges financial assets etc.</b>								
<b>Financial assets at amortised costs before allowance</b>								
Demand deposits with central banks	32.026	-	-	32.026	20.597	-	-	20.597
Receivables from credit institutions and central banks	3.497	-	-	3.497	3.468	-	-	3.468
Loans and other receivables at amortised cost <sup>1)</sup>	4.179	-	11	4.190	4.258	-	13	4.271
Bonds at amortised cost	29.919	-	-	29.919	45.302	-	-	45.302
Guarantees	59	-	-	59	54	-	9	63
<b>Total</b>	<b>69.682</b>	<b>-</b>	<b>11</b>	<b>69.693</b>	<b>73.679</b>	<b>-</b>	<b>22</b>	<b>73.701</b>
<b>Impairment allowance</b>								
Demand deposits with central banks	3	-	-	3	2	-	-	2
Receivables from credit institutions and central banks	3	-	-	3	3	-	-	3
Loans and other receivables at amortised cost <sup>1)</sup>	-	-	11	11	-	-	13	13
Bonds at amortised cost	5	-	-	5	7	-	-	7
Guarantees	-	-	-	-	-	-	9	9
<b>Total</b>	<b>11</b>	<b>-</b>	<b>11</b>	<b>23</b>	<b>12</b>	<b>-</b>	<b>22</b>	<b>34</b>

<sup>1)</sup> Loans at amortised cost are fully collateralised by listed securities.

The Risk management note 6 in the Annual Report for 2022 contains a detailed description of the Group's credit risk.

# Statement of financial position

## Notes

DKK million

30 June 2023

31 December 2022

### 9 Measurement of financial instruments

#### Fair value hierarchy

	Quoted market price Level 1	Observable input Level 2	Non- observable input Level 3	Total fair value	Total carrying amount	Quoted market price Level 1	Observable input Level 2	Non- observable input Level 3	Total fair value	Total carrying amount
<b>Financial assets and liabilities recognised at fair value <sup>1)</sup></b>										
Listed securities	2,426	-	-	2,426	2,426	851	-	-	851	851
Derivative financial instruments with positive value	-	10,206	105	10,310	10,310	-	10,262	107	10,369	10,369
Interest swaps	-	27	-	27	27	-	33	-	33	33
Convertible loan notes at fair value <sup>2)</sup>	-	-	-	-	-	-	-	267	267	267
Investment securities	-	-	6	6	6	-	-	6	6	6
Derivative financial instruments with negative value	-	6,839	-	6,839	6,839	-	6,593	-	6,593	6,593
<b>Financial assets and liabilities recognised at amortised cost for which the carrying amount is not a reasonable approximation of the fair value</b>										
Bonds at amortised cost	-	29,090	-	29,090	29,914	-	44,236	-	44,236	45,295
Loans and other receivables at amortised cost	-	-	4,166	4,166	4,179	-	-	4,247	4,247	4,258
Subordinated debt	-	-	771	771	790	-	-	794	794	794

<sup>1)</sup> Listed securities, derivatives, interest swaps and investment securities are presented as Financial assets and Financial liabilities at fair value (note 5 Price and exchange rate adjustments).

<sup>2)</sup> Convertible loan notes at fair value are presented as Investments in joint venture.



# Statement of financial position

## Notes

DKK million	30 June 2023	31 December 2022
<b>9 Measurement of financial instruments</b>		
<b>Financial instruments measured at the basis of non-observable input level 3</b>		
Fair value at 1 January	380	358
Additions	0	-
Disposal	-267	-156
Gains and losses recognised in statement of profit or loss:		
Realised fair value adjustments	0	-
Unrealised fair value adjustments	-2	178
<b>Total fair value end of period - level 3</b>	<b>110</b>	<b>380</b>

The fair value adjustments through statement of profit or loss are recognised in Price and exchange rate adjustments.

In 2023, loan notes of DKK 267 million were disposed as part of the divestment of the 50% interest in Saxo Geely Tech Holding A/S.

Financial instruments (level 3) consist primarily of CFD contracts with clients where credit value adjustments are made based on the clients' worthiness.

### Financial instruments measured at fair value

Financial assets and liabilities traded in active markets for identical assets or liabilities are measured at fair value based on quoted market prices. Listed securities are measured based on quoted prices and classified as level 1.

If quoted prices are not available, fair value is established using interbank quoted prices or valuation techniques. Interbank quoted prices are generally provided by several other major financial institutions. Valuation techniques used are different standard option pricing models. In most cases, the valuation is substantially based on observable input, such as interbank quoted prices and implied volatility. If the elements of unobservable inputs constitute a significant part in the valuation of the financial assets or liabilities these are classified as level 3.

Exchange traded products e.g. structured products, stocks, ETO, futures are valued using interbank quoted prices, however differentiation of whether the market is active or not, is not assessed and due to this, the instruments are classified as level 2.

For OTC derivatives, e.g. CFDs and FX instruments, quoted prices are not available, however the most significant input in the valuation is the quoted price for the underlying asset. Such derivatives are classified as level 2 as quoted prices are not available for identical products.

CFDs on Futures, CFDs on Indices, FX Forwards and FX Options are measured based on industry standard valuation models and classified as level 2.

Saxo Bank Group has an ongoing process of assessing the best valuation technique and changes in the valuation process are implemented when relevant.

### Financial instruments measured at amortised cost

For financial assets and liabilities measured at amortised cost, the fair value disclosed is based on quoted market prices, if available (classified as level 1). If quoted market prices are not available, the value is approximated to reflect the price that would have been fixed had the terms been agreed at the reporting date (classified as level 2 or 3).

For bonds at amortised cost, fair value is based on quoted prices if traded in an active market. The fair value measurement for covered bonds, where quoted prices are not deemed an accurate market-based measurement, is based on a quote from the primary market maker.

The fair value of loans and receivables at amortised cost is based on measurement models such as discounted cash flow models. The significant variables in the measurement model are interest, expected early redemption rates and expected credit loss.

For subordinated debt, an estimate of the current return required by the market is applied to measure the fair value.

### 10 Equity

Dividend of DKK 411 million was declared and paid in March 2023 for Saxo Bank A/S.

#### Treasury shares

Treasury shares were received as consideration when disposing Saxo Bank A/S' interest in Saxo Geely Tech Holding A/S, including loan notes.

	30 June 2023	31 December 2022
<b>Number of shares outstanding</b>		
Shares issued at 1 January	75.207.449	75.207.449
Total shares issued end of period	75.207.449	75.207.449
Holding of treasury shares	1.513.550	-
<b>Total shares outstanding end of period</b>	<b>73.693.899</b>	<b>75.207.449</b>

Holding of treasury shares	Number of shares	Nominal value DKK	Percentage of ordinary shares	Sales/purchase price DKK million
At 1 January 2023	-	-	-	-
Purchased	1.513.550	1.513.550	2,01%	300
<b>Holding at 30 June 2023</b>	<b>1.513.550</b>	<b>1.513.550</b>	<b>2,01%</b>	<b>300</b>

## Cash flow statement

### Notes

DKK million	First half 2023	First half 2022
<b>11 Changes in operating capital</b>		
Receivables from credit institutions and central banks	5	8
Financial assets/liabilities at fair value	-1,279	-1,835
Loans and other receivables at amortised cost	74	289
Bonds at amortised cost	15,395	-12,356
Other assets	-139	13
Debt to credit institutions and central banks	-597	489
Deposits	-2,085	5,190
Other liabilities and provisions	38	-220
<b>Changes in operating capital</b>	<b>11,412</b>	<b>-8,422</b>

## Other disclosure requirements

### Notes

DKK million	30 June 2023	31 December 2022
<b>12 Assets deposited as collateral</b>		
Cash in hand and demand deposits with central banks	-	380
Receivables from credit institutions and central banks	880	1,124
Bonds at amortised cost	9,584	8,551

Receivables from credit institutions and central banks and bonds serve as collateral for the ongoing financial business with credit institutions. The actual demand for collateral varies from day to day in line with the fair value of the open positions against these credit institutions.

Bonds and receivable from credit institutions also serve as collateral for securities lending transactions with clients.

## Other disclosure requirements

### Notes

DKK million	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>13 Contingent and other contractual commitments</b>		
Financial guarantees	59	54
<b>Total guarantees, net of allowance</b>	<b>59</b>	<b>54</b>
Other contractual commitments	309	334
<b>Total other contractual commitments</b>	<b>309</b>	<b>334</b>

As part of Saxo Bank Group's ordinary course of business, the Group is involved in various disputes and legal proceedings, including tax matters, that are carefully evaluated when preparing the financial statements.

BinckBank N.V. has as part of an acquisition in 2007 acquired the Alex Bottom-Line product, which is an agreement with the Dutch Investors' Association. If BinckBank N.V. terminates this agreement, it will be liable to pay an amount equal to the custody fee and dividend commission paid by each client of Alex Bottom-Line on entry into the agreement, plus the amount of any custody fee and dividend commission additionally paid by each client on exceeding set limits. It is not practicable to estimate the financial effect based on available information.

As required by Danish legislation, Saxo Bank A/S and its Danish subsidiaries entered from 14 September 2018 into a Danish joint taxation with Geely Financials Denmark A/S. Geely Financials Denmark A/S is the administration company. Saxo Bank A/S and its Danish subsidiaries are together with Geely Financials Denmark A/S jointly and severally liable for Danish corporate taxes and withholding taxes related to interests, royalties and dividends for the entities in the joint taxation.

Until 14 September 2018, Saxo Bank A/S was the administration company for the Danish joint taxation consisting of Saxo Bank A/S and its Danish subsidiaries.

### 14 Related parties

The related party transactions in the first half of 2023 were of same nature as the ones disclosed in note 9.5 in the Saxo Bank Group Annual Report for 2022, except for:

Saxo Bank A/S, has in first half of 2023 sold its 50% interest in the joint venture Saxo Geely Tech Holding A/S, including loan notes to Geely Financials Denmark A/S. Saxo Bank A/S received in return a corresponding amount of Saxo Bank A/S shares with a value of DKK 300 million.

### 15 Events after the reporting date

After the reporting date, there have been no events that materially affected the assessment of the Interim report for the first half 2023.

# Key figures and ratios

## Notes

	First half 2023	First half 2022
<b>16.1 Key figures and ratios</b>		
<b>Statement of profit or loss (DKK million)</b>		
Net interest, fees and commissions	1,644	1,359
Price and exchange rate adjustments	594	777
Other income	4	10
Total income	2,242	2,145
Total operating expenses	-1,722	-1,757
Operating profit	520	388
Share of net profit/loss from joint ventures	-108	27
Profit before tax	413	415
Net profit	282	302
<b>Statement of financial position (DKK million)</b>		
Loans and other receivables at amortised cost	4,179	5,185
Deposits	67,695	73,919
Subordinated debt	790	787
Total equity	6,666	7,021
Total assets	87,746	95,714
<b>Other</b>		
Client assets (DKK billion)	721	591
Number of full-time equivalent staff (end of period)	2,526	2,551

<sup>1)</sup> Annualised.

<sup>2)</sup> The ratio for interest rate risk has been adjusted for first half 2022 compared to the Interim report 2022 due to alignment throughout the Group.

	First half 2023	First half 2022
<b>Financial ratios</b>		
Total capital ratio	31.9%	28.1%
Tier 1 capital ratio	27.3%	24.1%
Return on equity before tax <sup>1)</sup>	11.7%	11.4%
Return on equity after tax <sup>1)</sup>	8.0%	8.3%
Income/cost ratio	124.0%	123.6%
Interest rate risk/Tier 1 capital <sup>2)</sup>	6.4%	13.2%
Foreign exchange rate risk/Tier 1 capital	2.5%	14.2%
Value at risk of foreign exchange rate risk/Tier 1 capital	0.0%	0.1%
Loans and other receivables plus impairment charges/Deposits	6.2%	7.0%
Loans and other receivables proportional to Total equity	0.63	0.74
Growth in loans and other receivables	-1.9%	-5.2%
Liquidity coverage ratio	294.3%	279.6%
Sum of large exposures /CET1 capital	11.9%	24.6%
Loss and provisions ratio	-0.1%	0.0%
Return on assets <sup>1)</sup>	0.6%	0.6%

# Key figures and ratios

## Notes

### 16.2 Definitions of key figures and ratios

[Common equity tier 1 capital \(CET1\)](#)

[Additional tier 1 capital](#)

[Tier 1 capital](#)

[Tier 2 capital](#)

[Total capital](#)

[CET1 capital ratio](#)

[Tier 1 capital ratio](#)

[Total capital ratio](#)

[Return on equity before tax](#)

[Return on equity after tax](#)

[Income/cost ratio](#)

[Interest rate risk/Tier 1 capital](#)

[Foreign exchange rate risk/Tier 1 capital](#)

[Value at risk of foreign exchange rate risk/ Tier 1 capital](#)

[Loans and other receivables plus impairment charges/Deposits](#)

[Loans and other receivables proportional to Total equity](#)

[Growth in Loans and other receivables](#)

[Liquidity coverage ratio](#)

[Sum of large exposures/CET1 capital](#)

[Loss and provisions ratio](#)

[Return on assets](#)

[Full-time-equivalent staff \(end of period\)](#)

#### Alternative Performance Measures (APMs)

- [Total income](#)

- [Cost/income ratio](#)

- [Adjusted cost/income ratio](#)

#### Definitions

Primarily paid-up share capital and retained earnings excluding intangible assets and other deductions.

Issued capital instruments which are accounted for as equity instruments and are part of the tier 1 capital. Additional tier 1 capital ranks below tier 2 capital

Common equity tier 1 capital and Additional tier 1 capital.

Subordinated debt capital subject to certain restrictions.

Tier 1 and tier 2 capital.

Common equity tier 1 capital as a percentage of Risk exposure amounts

Tier 1 capital as a percentage of Risk exposure amounts.

Capital base as a percentage of Risk exposure amounts.

Profit before tax as a percentage of average Total equity.

Net profit as a percentage of average Total equity.

Total income, including Share of net profit/loss from joint ventures, divided by expenses, including impairment charges.

Interest rate risk under market risk as a percentage of tier 1 capital.

Foreign exchange rate risk as a percentage of tier 1 capital.

Value at risk of foreign exchange rate risk as a percentage of tier 1 capital.

Loans and other receivables gross (before impairment impairment charges/Deposits allowance) as a percentage of Deposits.

Loans and other receivables proportional to Total equity.

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

Liquidity coverage ratio (LCR) measures the amount of high quality liquid assets as a percentage of the net liquidity outflow.

Large exposures as a percentage of CET1 capital.

Loss and provisions for bad debt on Loans and other receivables as a percentage of Loans and other receivables plus Guarantees.

Net profit proportional to Total assets.

Number of full-time-equivalent staff (part-time staff calculated as full-time staff) end of period.

Financial measures of historical or future financial performance, financial position, or cash flows, other than those defined in the applicable financial reporting framework (IFRS) or in the EU Capital Requirements Regulation No 575/2013 (CRR), the Delegated Regulation (EU) 2019/979 or the Danish Executive Order No 1306 of 16 December 2008. APMs are used by the Group when relevant to assess and describe the Group's financial position and provide additional relevant information and tools to enable analysis of the Group's performance. All these measures may not be comparable to similarly titled measures used by other companies.

Total income is an Alternative Performance Measure and is defined as Operating income plus Other income. All figures are from the financial statements.

Cost/income ratio is an Alternative Performance Measure and is defined as total operating expenses including impairment charges, divided by total income, and Share of net profit/loss from joint ventures. All figures are from the financial statements.

Adjusted cost/income ratio is an Alternative Performance Measure and is defined as total operating expenses divided by total income. All figures are from the financial statements.

# Basis of preparation

## Notes

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### 17 Significant accounting estimates and judgements

In preparing the consolidated financial statements, management makes various accounting estimates and judgements that form the basis of presentation, recognition and measurement of Saxo Bank Group's assets, liabilities, income, and expenses. The estimates and judgements made are based on historical experience and other factors that management assesses to be reliable, but that, by nature, are associated with uncertainty and unpredictability and may therefore prove to be incomplete or incorrect. Uncertainty about these judgements and estimates could result in outcomes that require adjustments to the carrying amount of assets or liabilities in future periods.

Significant estimates and judgements are disclosed in note 11.1 in the Saxo Bank Group Annual Report for 2022 and are unchanged compared to 2022.

### 18 Accounting policies

The interim financial statements of Saxo Bank Group for the first half of 2023 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 for the first half 2023 has not been subject to audit or review.

The consolidated financial statements are presented in Danish kroner (DKK), which is the functional currency of Saxo Bank A/S. All amounts have been rounded to nearest DKK million, except otherwise stated. As a result, rounding discrepancies may occur because totals have been rounded off and the underlying decimals are not presented to financial statement users.

The accounting policies have not been changed compared to those applied in the Annual Report 2022. Note 11.2 in the Annual Report for 2022 contains a comprehensive description of Saxo Bank Group's accounting policies.

### Implementation of IFRS standards and amendments applicable from 1 January 2023

- Amendments to IAS 1 and IFRS Practice statement 2: Classification of Liabilities as Current or Non-current and Disclosure of Accounting policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a single transaction

Saxo Bank Group adopts the new standards and amendments when they become mandatory in the EU.

Implementation of the amendments has not entailed any changes to the accounting policies.

### Change in comparative figures

Certain minor changes have been made to the comparative figures for 2022 due to reclassifications.



# Financial statements

## Saxo Bank A/S

- 25 Statement of profit or loss
- 25 Statement of comprehensive income
- 26 Statement of financial position
- 27 Statement of charges in equity
- 29 Statement of capital
- 29 Notes



## Statement of profit or loss

DKK million	Note	First half 2023	First half 2022
Interest income	1	1,223	608
Interest expense	2	-704	-171
<b>Net interest income</b>		<b>519</b>	<b>437</b>
Fee and commission income		1,169	1,357
Fee and commission expense		-1,024	-1,353
<b>Net interest, fees and commissions</b>		<b>664</b>	<b>440</b>
Price and exchange rate adjustments	3	578	782
<b>Operating income</b>		<b>1,242</b>	<b>1,222</b>
Other income		23	22
Staff costs and administrative expenses		-962	-954
Amortisation, depreciation and impairment		-283	-244
Other expenses		-4	-7
Impairment charges financial assets etc.	4	-17	-6
Result from subsidiaries and joint ventures		288	309
<b>Profit before tax</b>		<b>286</b>	<b>341</b>
Tax		-2	-39
<b>Net profit</b>		<b>284</b>	<b>302</b>
<b>Attributable to:</b>			
Equity method reserve		-83	-14
Retained earnings		349	-4
Proposed dividend		-	302
Additional tier 1 capital holders		18	18
<b>Net profit</b>		<b>284</b>	<b>302</b>

## Statement of comprehensive income

DKK million	First half 2023	First half 2022
<b>Net profit</b>	<b>284</b>	<b>302</b>
<b>Other comprehensive income</b>		
Other comprehensive income in subsidiaries, net of tax	-3	11
Net total that will not be reclassified to profit or loss in subsequent periods	-3	11
Exchange rate adjustments foreign entities	-23	81
Hedge of net investments in foreign entities	46	-72
Reclassification to statement of profit or loss due to divestment of joint venture	-2	-
Share of other comprehensive income in joint ventures, net of tax	-17	9
Tax	-12	16
Net total that may be reclassified to profit or loss in subsequent periods	-7	34
<b>Total other comprehensive income</b>	<b>-10</b>	<b>46</b>
<b>Total comprehensive income</b>	<b>274</b>	<b>348</b>
<b>Attributable to:</b>		
Equity method reserve	-94	31
Retained earnings	349	299
Additional tier 1 capital holders	18	18
<b>Total comprehensive income</b>	<b>274</b>	<b>348</b>

## Statement of financial position

DKK million	Note	30 June 2023	31 December 2022
<b>Assets</b>			
Cash in hand and demand deposits with central banks		9,039	298
Receivables from credit institutions and central banks		12,504	7,890
Loans and other receivables at amortised cost		593	355
Bonds at amortised cost	3, 5	19,805	34,513
Securities		2,432	857
Investments in subsidiaries		6,119	6,394
Investments in joint ventures		-	418
Intangible assets		3,090	3,060
Tangible assets		109	103
Current tax assets		77	77
Deferred tax assets		0	0
Other assets		10,288	10,219
Prepayments		212	173
<b>Total assets</b>		<b>64,266</b>	<b>64,356</b>

DKK million	Note	30 June 2023	31 December 2022
<b>Liabilities</b>			
Debt to credit institutions and central banks		12,818	12,839
Deposits		36,539	36,330
Current tax liabilities		117	33
Other liabilities		6,919	6,753
<b>Total debt</b>		<b>56,393</b>	<b>55,954</b>
Deferred tax liabilities		215	284
Provision for guarantees		-	9
Other provisions		209	204
<b>Total provisions</b>		<b>425</b>	<b>498</b>
<b>Subordinated debt</b>		<b>790</b>	<b>794</b>
<b>Equity</b>			
Share capital		75	75
Share premium reserve		996	996
Equity method reserve		2,343	2,435
Retained earnings		2,792	2,739
Proposed dividend		-	411
<b>Shareholders of Saxo Bank A/S</b>		<b>6,206</b>	<b>6,657</b>
Additional tier 1 capital		452	452
<b>Total equity</b>	6	<b>6,658</b>	<b>7,109</b>
<b>Total liabilities and equity</b>		<b>64,266</b>	<b>64,356</b>

## Statement of changes in equity

DKK million	Share capital	Share premium reserve	Equity method reserve	Retained earnings	Proposed dividend	Total	Additional tier 1 capital	Total
<b>2023</b>								
<b>Equity at 1 January</b>	<b>75</b>	<b>996</b>	<b>2,435</b>	<b>2,739</b>	<b>411</b>	<b>6,657</b>	<b>452</b>	<b>7,109</b>
Net profit	-	-	-83	349	-	266	18	284
<b>Other comprehensive income</b>								
Exchange rate adjustments foreign entities	-	-	-23	-	-	-23	-	-23
Hedge of net investments in foreign entities	-	-	46	-	-	46	-	46
Reclassification to statement of profit or loss due to divestment of joint venture	-	-	-2	-	-	-2	-	-2
Other comprehensive income in subsidiaries, net of tax	-	-	-3	-	-	-3	-	-3
Share of other comprehensive income in joint ventures, net of tax	-	-	-17	-	-	-17	-	-17
Tax	-	-	-12	-	-	-12	-	-12
Total other comprehensive income	-	-	-10	-	-	-10	-	-10
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-94</b>	<b>349</b>	<b>-</b>	<b>256</b>	<b>18</b>	<b>274</b>
Treasury shares	-	-	-	-300	-	-300	-	-300
Tier 1 interest payments	-	-	-	-	-	-	-18	-18
Declared dividend	-	-	-	-	-411	-411	-	-411
Share-based payments	-	-	1	4	-	6	-	6
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-296</b>	<b>-411</b>	<b>-706</b>	<b>-18</b>	<b>-724</b>
<b>Equity at 30 June</b>	<b>75</b>	<b>996</b>	<b>2,343</b>	<b>2,792</b>	<b>-</b>	<b>6,206</b>	<b>452</b>	<b>6,658</b>

## Statement of changes in equity

DKK million	Share capital	Share premium reserve	Equity method reserve	Retained earnings	Proposed dividend	Total	Additional tier 1 capital	Total
<b>2022</b>								
<b>Equity at 1 January</b>	<b>75</b>	<b>996</b>	<b>2,058</b>	<b>3,095</b>	<b>500</b>	<b>6,725</b>	<b>452</b>	<b>7,177</b>
Net profit	-	-	-14	-4	302	<b>284</b>	18	<b>302</b>
<b>Other comprehensive income</b>								
Exchange rate adjustments foreign entities	-	-	81	-	-	<b>81</b>	-	<b>81</b>
Hedge of net investments in foreign entities	-	-	-72	-	-	<b>-72</b>	-	<b>-72</b>
Other comprehensive income in subsidiaries, net of tax	-	-	11	-	-	<b>11</b>	-	<b>11</b>
Share of other comprehensive income in joint ventures, net of tax	-	-	9	-	-	<b>9</b>	-	<b>9</b>
Tax	-	-	16	-	-	<b>16</b>	-	<b>16</b>
Total other comprehensive income	-	-	46	-	-	<b>46</b>	-	<b>46</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>-4</b>	<b>302</b>	<b>330</b>	<b>18</b>	<b>348</b>
Tier 1 interest payments	-	-	-	-	-	-	-18	<b>-18</b>
Declared dividend	-	-	-	-	-500	<b>-500</b>	-	<b>-500</b>
Share-based payments	-	-	1	2	-	<b>3</b>	-	<b>3</b>
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>-500</b>	<b>-497</b>	<b>-18</b>	<b>-516</b>
<b>Equity at 30 June</b>	<b>75</b>	<b>996</b>	<b>2,090</b>	<b>3,094</b>	<b>302</b>	<b>6,558</b>	<b>452</b>	<b>7,010</b>

## Statement of capital

DKK million	30 June 2023	31 December 2022
<b>Tier 1 capital</b>		
Equity end of the reporting period	6,206	6,657
Adjustment 50% of net profit reserved for potential dividends <sup>1)</sup>	-133	-
<b>Adjusted equity end of the reporting period</b>	<b>6,073</b>	<b>6,657</b>
Proposed dividend	-	-411
Intangible assets	-2,013	-2,120
Deferred tax liabilities, intangible assets	198	143
Deferred tax assets	-0	-0
Prudent valuation adjustments	-19	-16
<b>Common equity tier 1 capital</b>	<b>4,239</b>	<b>4,252</b>
Additional tier 1 capital	448	448
<b>Total tier 1 capital</b>	<b>4,687</b>	<b>4,700</b>
<b>Tier 2 capital</b>		
Subordinated debt	740	740
<b>Total tier 2 capital</b>	<b>740</b>	<b>740</b>
<b>Total capital</b>	<b>5,426</b>	<b>5,440</b>
<b>Risk exposure amounts</b>		
Credit risk	11,846	13,065
Market risk	515	626
Operational risk	4,304	4,304
<b>Total risk exposure amounts</b>	<b>16,665</b>	<b>17,995</b>
<b>Capital ratios</b>		
Common equity tier 1 capital ratio	25.4%	23.6%
Tier 1 capital ratio	28.1%	26.1%
Total capital ratio	32.6%	30.2%

<sup>1)</sup> In accordance with the EU Regulation No 575/2013 (CRR) art. 26 (2), Saxo Bank has included 50% of the net profit for the first half of 2023 in the regulatory capital, as the remaining 50% is reserved for potential dividends in accordance with the dividend policy.

Total capital is calculated in accordance with the Capital Requirement Regulation (CRR).

## Statement of profit or loss

### Notes

DKK million	First half 2023	First half 2022
<b>1 Interest income</b>		
Credit institutions and central banks	96	21
Loans and other receivables at amortised cost	219	45
Bonds at amortised cost	185	47
Derivative financial instruments	723	495
<b>Total interest income</b>	<b>1,223</b>	<b>608</b>
Hereof interest received due to negative interest rates	-	18
<b>2 Interest expense</b>		
Credit institutions and central banks	-16	-22
Deposits	-517	-56
Bonds at amortised cost	-5	-50
Subordinated debt	-31	-20
Derivative financial instruments	-135	-23
Interest expense leases	-0	-0
<b>Total interest expense</b>	<b>-704</b>	<b>-171</b>
Hereof interest paid due to negative interest rates	-	-7
<b>3 Price and exchange rate adjustments</b>		
Securities	359	-1
Foreign exchange	446	564
Derivative financial instruments <sup>1)</sup>	-188	218
Disposal of bonds at amortised cost	-39	-
<b>Total price and exchange rate adjustments</b>	<b>578</b>	<b>782</b>

<sup>1)</sup> Other than foreign exchange.

Listed securities are used to economically hedge exposure on CFDs on single stocks issued by Saxo Bank A/S (accounted for in Securities). As a result, adjustments in securities is to a large extent offset by adjustments in CFDs (accounted for in Derivative financial instruments).

Saxo Bank A/S has in 2023 disposed a portion of its bond portfolio, which was held at amortised cost, to enhance the Group's liquidity position. This was done after increased liquidity market turmoil in March 2023. The total sale amounted to DKK 13.3 billion and resulted in an immediate loss of DKK 39 million.



# Statement of financial position

## Notes

DKK million

**30 June 2023**

### 4 Impairment allowance for financial assets at amortised cost and guarantees

	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	<b>Total</b>
Impairment allowance 1 January	24	-	10	<b>34</b>
Impairment for the period	20	-	-	<b>20</b>
Amounts written down	-	-	-10	<b>-10</b>
Impairment allowance end of reporting period	<b>44</b>	-	<b>-0</b>	<b>44</b>

DKK million

**31 December 2022**

	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	<b>Total</b>
Impairment allowance 1 January	31	-	17	<b>48</b>
Impairment for the period	2	-	-	<b>2</b>
Reversal of impairment from previous years	-9	-	-5	<b>-14</b>
Amounts written down	-	-	-2	<b>-2</b>
Impairment allowance end of reporting period	<b>24</b>	-	<b>10</b>	<b>34</b>

### 5 Bonds at amortised cost

The fair value of Bonds at amortised cost amounted to DKK 19,366 million at 30 June 2023 (31 December 2022: DKK 33,858 million).

### 6 Equity

Dividend of DKK 411 million was declared and paid in March 2023 for Saxo Bank A/S.

### Treasury shares

Treasury shares were received as consideration when disposing Saxo Bank A/S' interest in Saxo Geely Tech Holding A/S, including loan notes. See note 10 equity in the consolidated financial statements.

## Other disclosure requirements

### Notes

DKK million	30 June 2023	31 December 2022
<b>7 Assets deposited as collateral</b>		
Bonds at amortised cost	10,836	8,531
Receivables from credit institutions and central banks	879	1,122

Saxo Bank A/S has bonds held for custody with credit institutions and receivables from credit institutions and central banks serving as collateral for the ongoing financial business with credit institutions. The actual demand for collateral varies from day to day in line with the fair value of the Saxo Bank A/S' open positions against these credit institutions.

Receivables from credit institutions also service as collateral for securities lending transactions with clients.

DKK million	30 June 2023	31 December 2022
<b>8 Contingent and other contractual commitments</b>		
Financial guarantees	36	36
Guarantees issued to subsidiaries	284	289
<b>Total guarantees</b>	<b>320</b>	<b>325</b>
Lease commitments towards subsidiaries	205	216
Other contractual commitments	295	319
<b>Total other contractual commitments</b>	<b>500</b>	<b>535</b>

As part of Saxo Bank A/S' ordinary course of business, Saxo Bank A/S is involved in various disputes and legal proceedings, including tax matters, that are carefully evaluated when preparing the financial statements.

As required by Danish legislation, Saxo Bank A/S and its Danish subsidiaries entered from 14 September 2018 into a Danish joint taxation with Geely Financials Denmark A/S. Geely Financials Denmark A/S is the administration company. Saxo Bank A/S and its Danish subsidiaries are together with Geely Financials Denmark A/S jointly and severally liable for Danish corporate taxes and withholding taxes related to interests, royalties and dividends for the entities in the joint taxation.

Until 14 September 2018, Saxo Bank A/S was the administration company for the Danish joint taxation consisting of Saxo Bank A/S and its Danish subsidiaries.

### 9 Related parties

The related party transactions in the first half of 2023 were of same nature as the ones disclosed in note 6.1 in Saxo Bank A/S' Annual Report for 2022 (part of the Saxo Bank Groups Annual Report), except for:

Saxo Bank A/S has in first half of 2023 sold its 50% interest in the joint venture Saxo Geely Tech Holding A/S, including loan notes to Geely Financials Denmark A/S. Saxo Bank A/S received in return a corresponding amount of Saxo Bank A/S shares with a value of DKK 300 million.

### 10 Events after the reporting date

After the reporting date, there have been no events that materially affected the assessment of the Interim Report for first half of 2023.

# Key figures and ratios

## Notes

	First half 2023	First half 2022		First half 2023	First half 2022
<b>11 Key figures and ratios</b>					
<b>Statement of profit or loss (DKK million)</b>					
Net interest, fees and commissions	664	440	Total capital ratio	32.6%	29.2%
Price and exchange rate adjustments	578	782	Tier 1 capital ratio	28.1%	25.3%
Staff costs and administrative expenses	-962	-954	Return on equity before tax <sup>1)</sup>	8.1%	9.4%
Impairment charges financial assets etc.	-17	-6	Return on equity after tax <sup>1)</sup>	8.1%	8.3%
Result from subsidiaries and joint ventures	288	309	Income/cost ratio	122.6%	128.1%
Profit before tax	286	341	Interest rate risk/Tier 1 capital	3.5%	7.9%
Net profit	284	302	Foreign exchange rate risk/Tier 1 capital	1.8%	12.9%
<b>Statement of financial position (DKK million)</b>					
Loans and other receivables at amortised cost	593	345	Value at risk of foreign exchange rate risk/Tier 1 capital	0.0%	0.1%
Deposits	36,539	38,187	Loans and other receivables plus impairment charges/Deposits	1.6%	0.9%
Subordinated debt	790	787	Loans and other receivables proportional to Total equity	0.09	0.05
Total equity	6,658	7,010	Growth in loans and other receivables	67.0%	15.8%
Total assets	64,266	66,652	Liquidity coverage ratio	298.1%	183.5%
<b>Employees</b>					
Number of full-time-equivalent staff (average)	848	821	Sum of large exposures /CET 1 capital	10.4%	29.8%
			Loss and provisions ratio	1.9%	0.9%
			Return on assets <sup>1)</sup>	0.9%	0.9%

<sup>1)</sup> Annualised.

See note 16.2 Definitions of key figures and ratios in the consolidated financial statements.

# Basis of preparation

## Notes

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### **12 Accounting policies**

The interim financial statements of Saxo Bank A/S for the first half of 2023 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.

The interim report for the first half of 2023 has not been subject to audit or review.

The accounting policies for recognition and measurement are unchanged compared to those applied in the Annual Report 2022.

### **Changes to comparative figures**

Certain minor changes have been made to the comparative figures for 2022 due to reclassifications.

## Statement by the Management

The Board of Directors and Board of Management have discussed and approved the interim report for first half 2023 for Saxo Bank A/S.

The consolidated interim financial statements for the first half of 2023 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 2023 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the period 1 January - 30 June 2023.

Moreover, in our opinion, the Management Review 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, 14 September 2023

### Board of Management

**Kim Fournais**  
CEO & Founder

**Søren Kyhl**  
Deputy CEO and Chief  
Operating Officer

**Mads Dorf Petersen**  
Chief Financial Officer

### Board of Directors

**Kari Stadigh**  
Chair

**Henrik Normann**  
Vice Chair

**Henrik Andersen**

**Marika Frederiksson**

**Patrick Lapveteläinen**

**Donghui Li**

**Xia Li**





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