



CAPITAL MARKETS

2006 ANNUAL REPORT

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COMPANY

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

BOARD OF DIRECTORS

Henrik Thufason	Chairman of the Board
Florian Wendelstadt	Vice Chairman of the Board
Teddy Jacobsen	Member of the Board
John Korsø Jensen	Member of the Board
Julian Michael Simmonds	Member of the Board
Henning Skovlund	Member of the Board

EXECUTIVE MANAGEMENT

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

FOREIGN OFFICES

Saxo Capital Markets Pte. Ltd.

3 Church Street
#30-00, Samsung Hub
Singapore 049483
Singapore

Saxo Bank A/S London

Branch office
40 Bank Street – level 26
Canary Wharf
London E14 5DA
United Kingdom

Saxo Bank A/S Marbella

Branch office
Avenida José Banús
Urbanización Playas del Duque
Edificio Málaga - II - Local 2 A
29660 Puerto Banús
Marbella (Málaga)
Spain

Saxo Soft A/S St. Petersburg

Rep. office
4, Petropavlovskaya street
St. Petersburg, 197022
Russia

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Annual Report 2006

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

FINANCIAL HIGHLIGHTS (DKr. '000)
Key Figures

	2006	2005	2004	2003	2002
Net interest, fees and commissions receivable	-79,353	-99,702	-90,283	-63,540	-7,607
Price and exchange rate adjustments	1,084,169	735,763	549,387	350,323	165,284
Staff costs and administrative expenses	-744,273	-395,218	-284,064	-209,125	-127,561
Loss and provisions for bad debts	-2,317	-122	-383	-277	-130
Result of participating interests in affiliated undertakings	-21,648	-121	295	248	-20
Net profit for the financial year before tax	205,109	222,919	160,829	65,923	23,919
Net profit for the financial year	144,130	158,093	109,401	45,102	16,132
Loans and advances	174,691	121,317	102,581	62,493	40,290
Subordinated loan	149,143	74,614	74,375	74,463	0
Shareholders' equity, end of year	432,110	335,881	213,885	116,336	75,039
Total assets	6,124,647	4,288,600	2,816,690	1,823,121	849,595
No. of employees (average)	566	318	239	174	122

Ratios

Base capital proportional to minimum requirement	13.1	8.9	6.6	4.6	1.8
Solvency ratio	13.8%	14.6%	28.8%	28.9%	15.9%
Core capital ratio	9.6%	11.4%	20.1%	16.4%	15.9%
Return before tax on shareholders' equity	53.4%	81.1%	97.4%	68.9%	35.9%
Return after tax on shareholders' equity	37.5%	57.5%	66.3%	47.1%	24.2%
Cost/core income ratio	1.26	1.54	1.54	1.30	1.18
Interest rate risk	1.2%	1.9%	2.2%	0.4%	0.6%
Foreign exchange positions	539.8%	495.1%	529.4%	334.6%	322.6%
Exchange rate risk	10.0%	15.6%	6.4%	6.3%	13.4%
Loans, advances and provisions proportional to deposits	3.9%	3.6%	4.8%	4.6%	6.0%
Loans and advances proportional to share capital	0.4	0.4	0.5	0.5	0.5
Growth of loans and advances	44.0%	18.3%	64.1%	55.1%	9.7%
Additional liquidity proportional to the liquidity requirement	742.9%	786.3%	780.2%	740.4%	721.6%
The total of large engagements/base capital	74.4%	118.5%	50.8%	37.0%	11.9%
Loss and provisions ratio	1.3%	0.1%	0.4%	0.4%	0.3%

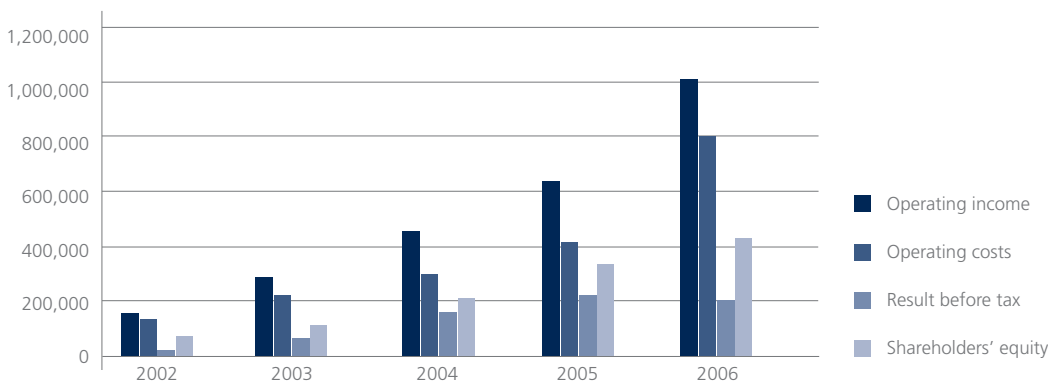
FINANCIAL HIGHLIGHTS (DKr. '000)	2006	2005	2004	2003	2002
Key Figures					
Net interest, fees and commissions receivable	-82,923	-101,652	-90,283	-63,540	-7,607
Price and exchange rate adjustments	1,084,886	735,565	549,387	350,323	165,284
Staff costs and administrative expenses	-761,235	-392,695	-284,064	-209,125	-127,561
Loss and provisions for bad debts	-2,317	-122	-383	-277	-130
Net profit for the financial year before tax	205,109	222,919	160,829	65,923	23,919
Net profit for the financial year	144,130	158,093	109,401	45,102	16,132
Loans and advances	121,780	92,965	102,581	62,493	40,290
Subordinated loan	149,143	74,614	74,375	74,463	0
Shareholders' equity, end of year	432,110	335,881	213,885	116,336	75,039
Total assets	6,155,561	4,306,155	2,816,690	1,823,121	849,595
No. of employees (average)	622	329	239	174	122
Ratios					
Base capital proportional to minimum requirement	12.9	8.9	6.6	4.6	1.8
Solvency ratio	13.7%	14.6%	28.8%	28.9%	15.9%
Core capital ratio	9.5%	11.4%	20.1%	16.4%	15.9%
Return before tax on shareholders' equity	53.4%	81.1%	97.4%	68.9%	35.9%
Return after tax on shareholders' equity	37.5%	57.5%	66.3%	47.1%	24.2%
Cost/core income ratio	1.26	1.54	1.54	1.30	1.18
Interest rate risk	1.2%	1.9%	2.2%	0.4%	0.6%
Foreign exchange positions	547.8%	495.1%	529.4%	334.6%	322.6%
Exchange rate risk	10.2%	15.6%	6.4%	6.3%	13.4%
Loans, advances and provisions proportional to deposits	2.8%	2.8%	4.8%	4.6%	6.0%
Loans and advances proportional to share capital	0.3	0.3	0.5	0.5	0.5
Growth of loans and advances	31.0%	-9.4%	64.1%	55.1%	9.7%
Additional liquidity proportional to the liquidity requirement	744.1%	782.5%	780.2%	740.4%	721.6%
The total of large engagements/base capital	75.2%	118.5%	50.8%	37.0%	11.9%
Loss and provisions ratio	1.9%	0.1%	0.4%	0.4%	0.3%

Management Review 2006

The bank's profit on ordinary operations before tax reached DKr. 205 million in 2006, compared to DKr. 223 million in 2005. The result represents a healthy 58% increase in operating income and a 93% increase in operating costs, including major investments such as a doubling in personnel and opening new offices in London and Singapore, paving the way for future growth.

Operating income in the bank reached a record DKr. 1,002 million, an increase of 58% from the previous year. Shareholders' equity increased by 29% to DKr. 432 million. Total assets increased by 43% to DKr. 6.2 billion. Partners, clients, trading volume and operating income all grew across the different product offerings and in line with management expectations. Client collateral deposits – a strong indicator of prospective growth in trading activity and earnings reached DKr. 5.7 billion. The global headcount in Copenhagen, London, Singapore and St. Petersburg reached more than 850. The bank's management is therefore pleased to report a year of progressive investment and building for future growth.

FINANCIAL RESULTS 2002 - 2006 (DKr. '000)



Reporting a year of expansion

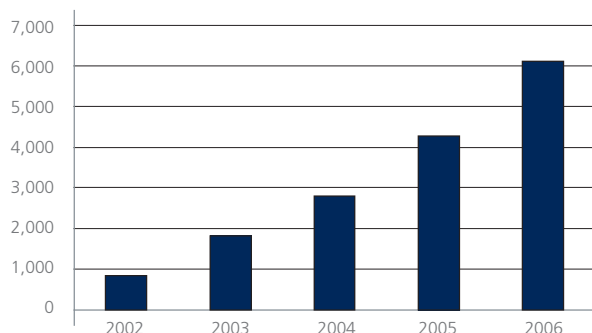
Looking back, 2006 was another year of growth for Saxo Bank as well as a year of progressive investments and expansion.

A number of important initiatives were successfully launched: the opening of London and Singapore offices, a significant increase in sales activities, more focus on processes and clarification of responsibilities, an increase in new hires which added to the general level of professionalism and competence. Moreover, as in past year, the bank earned the recognition of its industry peers with multiple awards, including the top award by FX Week magazine - World's Best FX Bank for Investors.

In 2006, more clients and partners than ever selected Saxo Bank for their online trading and business requirements.

During the year, the bank expanded its IT capabilities with the strategic hiring of top-level experts, including highly skilled software development resources in Copenhagen and in St. Petersburg.

TOTAL ASSETS 2002 - 2006 (DKr. million)



Strategic human resource planning is also a critical foundation in the bank's growth. During the year, the bank broadened its reach in acquiring expertise in sales, service and technology.

The global headcount exceeded 850 at year end, 45% of whom are in Front Office, 30% in IT and 25% in Back Office. Managed personnel growth continues to be a fundamental competency for the bank.

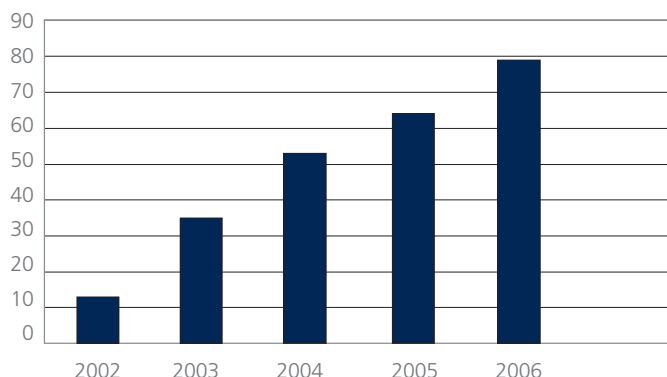
The facilitation business model

The bank's business model emphasizes facilitation, suggesting a cooperative, rather than competitive, business philosophy. Combining intensive IT focus with a deep regard for transparent, scalable and client driven solutions, Saxo Bank seeks to add value for liquidity providers, exchanges, distributors and direct trading partners. Facilitation translates into enabling large liquidity providers to obtain global and profitable access to the growing retail investor markets. It translates into aggregating liquidity and exchange access for smaller, efficient distributors who might otherwise find such access impeded.

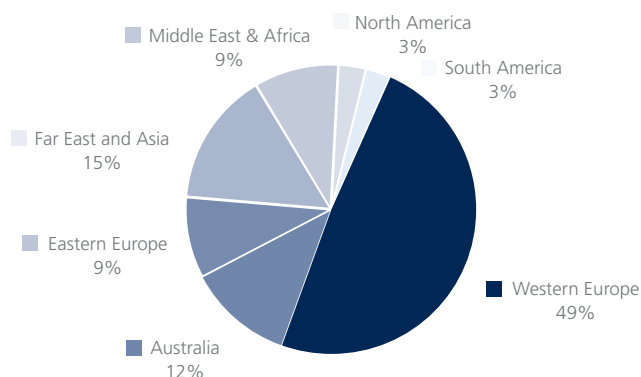
This perspective underscores the growth and geographic expansion of Saxo Bank's engagements with private, institutional and WLP (White Label Partner) markets throughout the world. The bank continues to reinvest in and expand its value chain from marketing through end-user service to strengthen the unique selling proposition offered to clients and partners.

Saxo Bank seeks to add value throughout the global, online capital markets through a focused programme of a) product development and efficient instrument delivery, b) market making, liquidity management, integrated risk and operational management and c) value-added distribution capabilities using client and product specific marketing, sales, and content management initiatives.

NUMBER OF WHITE LABEL PARTNERS 2002-2006



GEOGRAPHIC DISTRIBUTION OF CLIENT BASE



The bank partners with liquidity providers and exchanges worldwide by providing an integrated trading infrastructure and distribution network. The bank aggregates OTC products (FX and CFDs) and makes available direct market access to exchange traded or listed products (equities, futures, funds) through its unique trading and risk management platforms. This tailored technology program is scalable and sets the pace for horizontal product expansion, as well as increasing the range of functional and service-related capabilities for trading and risk management on the platforms. For large liquidity and product providers, the bank's STP and market-making capabilities for deal execution, clearing, settlement and custody serve as a cost effective and compelling distribution channel.

White Label Partners benefit from Saxo Bank's turnkey service offering to accelerate their firm's entry into the online capital markets. Through the bank's integrated business model, local partners are able to deliver a full product suite, supported by a strong technology platform to their marketplace. Saxo Bank further enhances the offer by providing marketing, website services and account management.

For the Introducing Broker segment as well as the direct Private Client market, the continuous enhancement of online investment trading and risk management tools, combined with the expansion of product functionalities and tradable instruments, has helped to cement relationships and foster growing commitment to the bank's services.

Investing in the future

In 2006, the bank continued its strategic initiatives to strengthen the organization and expand its business reach.

Staying close to the market is a core tenet of Saxo Bank's business model. Thanks to Internet technology, this has been realised and reinforced with each product enhancement and service expansion. The bank's growing base of clients and partners continues to demand extensive travel and resource management. The bank's products, technology, service and human resource leadership remain well-grounded in Copenhagen. From this base, the bank expanded to Singapore and London during 2006, both sites selected as preferred bases for client support and service. Also in 2006 the bank initiated plans for an expansion to Marbella in Spain.

London, the acknowledged center of the global capital markets, was the first new office project launched in 2006. Access to expert manpower in sales, account management and trading, as well as close proximity to travel routes worldwide, are key drivers in the projected viability of the London enterprise.

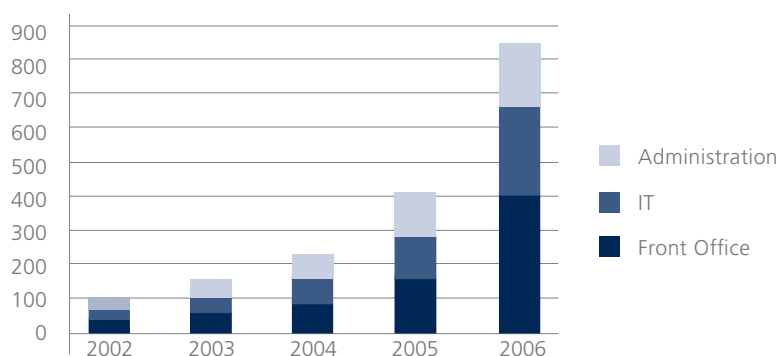
With more than twenty five percent of the bank's business originating in the Asia Pacific region, the Singapore office will enable the bank to place professionals directly in the client's own time zone, supported by deeper local language capabilities, to be acquired locally. Private client sales will also be enhanced from the local office.

Late in 2005, the bank completed contractual negotiations to begin construction on its new corporate headquarters in the expanding business hub just north of central Copenhagen. The new building, which is set to open in early 2008, will serve as a significant corporate profile in Copenhagen and a powerful nucleus for the bank's global operations.

Looking ahead 2007

The coming year will build upon the achievements of the past several years, placing the bank in a strong position as it moves into 2007.

DISTRIBUTION OF EMPLOYEES AT YEAR END 2002-2006



Financial review

Saxo Bank and the Saxo Bank Group reported a profit after tax of DKr. 144 million against the DKr. 158 million profits after tax reported in 2005. The 9% decrease represents a healthy 58% increase in operating income and a 93% increase in operating costs, including major investments in additional personnel and new offices in London and Singapore, paving the way for future growth.

Operating income reached a record DKr. 1,002 million during 2006, compared to DKr. 634 million during 2005. This 58% year-to-year increase in operating income reflected consistent growth in the bank's foreign exchange trading business, as well as continued establishment of the bank's online investment trading capabilities across the other capital markets products: traditional stocks, CFDs and futures.

Trading volumes across all products reflected the underlying growth of the bank's core business with investment trading activities and related earnings in the FX, CFD and Futures markets posting 43%, 111% and 60% year to year growth respectively. Trading income from foreign exchange trading activities continued to grow across all client segments with combined daily trading volumes reaching in excess of EUR 1,050 billion for the year, compared to EUR 725 billion in 2005.

Total client accounts engaged by the bank increased by 92% during the year. Client relationships secured through white label partnerships increased by 114%, through partnerships with Introducing Brokers by 39% and through direct sales efforts by 86%.

Client cash deposits increased from DKr. 3.4 billion to DKr. 4.5 billion in 2006, while the value of clients' assets increased by 55% to DKr. 5.7 billion at the end of 2006. The bank's total assets also increased from DKr. 4.3 billion to DKr. 6.2 billion in 2006, an increase of 43% during the year.

Operating costs for the year were DKr. 798 million, an increase of 93% from the previous year. The bank made significant investments in new offices in Singapore and London, as well as in technology development and marketing campaigns. The Bank increased its number of global personnel by 427 in 2006, adding skilled resources to its front-line sales and client and partner service functions, and augmenting the level of expertise in the critical IT development and operational areas.

Balance sheet, solvency and equity

Due to the increase in direct client deposits, the bank's total assets increased by 43% in 2006 to DKK 6.2 billion from DKK 4.3 billion as at the end of 2005.

The bank's overall capital base was strengthened in the beginning of 2006 with the addition of another subordinated loan of EUR 10 million.

At the beginning of the year 2007, the bank's overall capital base was further strengthened with the addition of EUR 20 million in subordinated loans through Merrill Lynch International and Dekania Europe CDO II plc. The pre-existing EUR 10 million subordinated loan with Deutsche Bank was repaid. Total remaining subordinated loan capital amounts to EUR 30 million or DKr. 224 million.

The Board proposes to the annual general meeting of the shareholders that DKr. 47.6 million of the profit after tax be distributed as dividend to the shareholders and DKr. 96.5 million be allocated to

the shareholders' equity, bringing the total shareholders' equity including the proposed dividend, to DKr. 432 million at the end of 2006, compared to DKr 336 million one year ago, an increase of 29%.

In 2006 the bank increased the share capital by issuing 648.464 new shares of DKr. 1 each as a result of the expiry of warrants issued in 2002 to bank employees. In addition 72,382 warrants were issued to a board member.

The bank's solvency ratio was 13.7% at the end of the financial year, comfortably above the minimum requirement and sufficient to support the increased level of traded exposures brought about from general growth in the bank's overall trading activities.

Financial risks

The bank continues to operate with efficient market making functions, in support of its total foreign exchange and CFD investment trading offering to clients and partners. All other traded instruments are supported on the bank's online trading platform on a fully hedged basis, in compliance with the operating mandate issued to management by the Board.

During the year, the Board has evaluated and approved regulated increases in the bank's overall risk parameters for foreign exchange-related investment trading, in response to continued growth in overall trading volumes.

The bank continues to focus on maintaining an effective balance between the size and nature of market risks undertaken and its overall capacity to actively monitor, control and mitigate those risks.

Further enhancements to the bank's risk management control and reporting systems were implemented in 2006. These enhancements further improved the bank's deployment of its Value-at-Risk (VaR)-based risk measurement methodologies and real-time risk exposure management tools.

Credit risk

Credit risk refers either to the risk that a counterpart of the bank will fail to meet its obligations as agreed, or that collateral pledged by the counterpart does not sufficiently cover the bank's risk.

The bank's credit risk arises as a result of losses sustained by the counterpart on margin trading. Risk is monitored on a real-time basis, both automatically and manually, with the execution of stop-outs in due time to avoid any credit situation. The bank's funds are placed with highly rated credit institutions, or in short-term treasury bills. Further details on the bank's credit risk are shown on page 25 of the annual report.

Market risk

Market risk is defined as the risk of loss due to movements in market values, as a result of general or specific movements in financial market variables, such as interest rates, foreign exchange rates, equity prices and commodity prices.

The bank's market risk is monitored with the use of various Value-at-Risk models etc., which calculate risk on the bank's exposures across different products and specific instruments on a daily and real-time basis. The bank operates within specific risk limits per product and instrument, as defined by the Board. Risk exposure is concentrated mainly in FX (Spot, Forwards and Options) and in equities (CFD's). Other exposures are generally fully hedged. The bank's exposure to interest rate risk is very limited. Additional information on the bank's market risk can be found on pages 26-28 of the annual report.

Liquidity risk

Liquidity risk is defined as the risk of being able to meet liquidity commitments only at increased cost, or ultimately, being unable to meet obligations as they are due.

Liquidity risk management focuses on short-term liquidity risk as well as long-term structural liquidity risk. The bank's non-lending policy, as well as the policy of placing the majority of excess cash in short-term bonds, secures its ability to meet all obligations as they come due. The bank monitors this situation on a regular basis and endeavors to maintain a positive and stable level of funding at all times.

Operational risk

Operational risk is defined as the risk of direct or indirect loss or damaged reputation resulting from inadequate or failed internal processes, people and systems or from external events including legal and compliance risks.

Operational risks are inherent to all activities within the organization, and in all interactions with external parties. The bank continually monitors its operational risk via internal controls and quality management, based on an effective risk-management framework and skilled personnel.

Financial outlook for 2007

The bank anticipates continued growth in 2007, with emphasis on increasing market share, enhanced product and service offerings, and increased revenues through a balanced program of product innovation, expert facilitation and improved distribution capacities.

The bank is strongly positioned going into 2007, with offices well established in London and Singapore and a forthcoming presence in Marbella, a fortified sales force, and sharper focus on all processes and responsibilities.

Through close cooperation with clients, partners and liquidity counterparts across the market spectrum, including the retail investor community, our white label and introducing broker partnerships, wealth management and institutional traders, the bank's management has devised a series of focused business strategies for capturing growth targets in new client accounts, trading volumes, operating income and underlying shareholder value.

Saxo Bank's subsidiary, Saxo Capital Markets Plc. Ltd., opened its Singapore office in November 2006. The subsidiary's brokerage activities are expected to turn the loss of DKr 16 million in 2006 into a profit in 2007.

The subsidiary, I.I. Real Estate A/S, which holds the bank's present domicile, will continue its rental business activities throughout the course of 2007, and is expected to present a profit for 2007, as it did in 2006.

The subsidiary Saxo Soft A/S, which operates the bank's software development activities in St. Petersburg, Russia, is taking over part of a new property in early 2007, and is expected to further increase development activities for the bank in 2007, turning the loss posted in 2006 into a small profit.

Accordingly, the bank expects increased profits on ordinary activities for 2007, where operating income is expected to reflect steady growth across the client, product and market segments. Operating costs will reflect the bank's continued commitment to investment in personnel, technology, products and services.

Post balance sheet events

In January 2007, the bank raised additional subordinated capital through EUR 20 million in subordinated loans issued by Merrill Lynch International and Dekania Europe CDO II plc. This was done in order for the bank to accommodate its projected continued growth in client business, trading volumes and related trading exposures, and to ensure that it remains in full compliance with all regulatory capital requirements. In January 2007 the bank repaid the EUR 10 million subordinated loan from Deutsche Bank.

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

Board of Directors

One new member was elected to the Board during 2006, while one board member left the Board in December 2006. Board members Henning Skovlund and Teddy Jacobsen are expected to leave the board at the annual general meeting, while one new member is expected to be elected at that time.

Annual general meeting

The bank's annual general meeting will be held at 3.00 p.m. on Thursday March 15th, 2007 at Smakkedalen 2, DK-2820 Gentofte.

Shareholder information

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

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

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

Statement of the Board of Directors and Executive Management

The Board of Directors and Executive Management have considered and approved the 2006 annual report for Saxo Bank A/S.

The annual report has been prepared in accordance with the Danish Financial Business Act. In our opinion, the accounting policies applied are appropriate, and the annual report gives a true and fair view of the bank's and the group's assets, liabilities and financial position and the result of the operations for the financial year 2006.

The 2006 annual report is submitted for the approval of the annual general meeting.

Copenhagen, 27th February 2007

Executive Management

Lars Seier Christensen, CEO

Kim Fournais, CEO

/ Steen Sørensen, CFO

Board of Directors

Henrik Thufason
Chairman of the Board

Florian Wendelstadt
Vice Chairman of the Board

Teddy Kær Jacobsen

John Korsø Jensen

Julian Michael Simmonds

Henning Skovlund Pedersen

To the shareholders of Saxo Bank A/S

We have audited the annual report of Saxo Bank A/S for the financial year 1 January – 31 December 2006, which comprises the statement by the Board of Directors and Executive Management on the annual report, management review, accounting policies, income statement, balance sheet, statement of changes in equity and notes for the group as well as for the bank. The annual report has been prepared in accordance with the Danish Financial Business Act.

The Board of Directors' and Executive Management's responsibility for the annual report

The Board of Directors and Executive Management are responsible for the preparation and fair presentation of this annual report in accordance with the Danish Financial Business Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable under the circumstances.

Auditors' responsibility and basis of opinion

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the annual report in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and Executive Management, as well as evaluating the overall presentation of the annual report.

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

Our audit did not result in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the group's and the bank's financial position at 31 December 2006 and of the results of the group's and the bank's operations for the financial year 1 January – 31 December 2006 in accordance with the Danish Financial Business Act.

Copenhagen, 27th February 2007

KPMG C. Jespersen

Statsautoriseret Revisionsinteressentskab

Henrik O. Larsen
State Authorised
Public Accountant

Lars Rhod Søndergaard
State Authorised
Public Accountant

General

The annual report for 2006 has been prepared in accordance with the Danish Financial Business Act, the Danish Executive Order on financial reports for credit institutions and investment companies, etc., and guidance issued by The Danish Financial Supervisory Authority.

For 2006 the bank has prepared consolidated accounts as the bank's affiliated undertakings are no longer considered immaterial.

The financial accounts of Saxo Bank A/S are included in the consolidated accounts prepared by the bank's parent company, Internet Invest Holding A/S, Gentofte.

The accounting policies are unchanged compared to last year.

Consolidation

The consolidated financial accounts comprise the parent company Saxo Bank A/S and the affiliated undertakings, in which the parent company exercise a controlling interest.

The consolidated financial accounts are prepared by adding accounting items of similar content and presented in accordance with the group accounting policies. Inter-company transactions, balances and gains and losses from inter-company transactions are eliminated.

The purchase method is applied when acquiring new affiliated undertakings, according to which the assets and liabilities acquired are stated at their fair value on the acquisition date. Where the acquisition price exceeds the fair value of the net assets acquired, any difference is capitalized as goodwill.

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

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

Foreign exchange adjustment of balances which are considered part of the investment in companies with another functional currency than DKr. are recognized in the consolidated financial statements directly in equity under other reserves.

Foreign currency exchange

The functional currency of the bank is Danish kroner (DKr.).

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

Realized and unrealized gains and losses are recognized in the profit and loss account as financial items.

Profit and Loss Account

Interest and commission

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

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

Result of participating interests in affiliated undertakings

The parent company's profit and loss account include a proportional share of the pre-tax profit or loss reported by the individual affiliated undertakings.

Balance Sheet

Loans and advances

Loans and advances are measured at the amortised cost price. The bank evaluates continuously and on the balance sheet date whether there is any evidence of impairment in the value of loans and advances. If there is evidence of impairment, the relevant loan or advance is written down, if the book value exceeds the present value of the expected future payment on the loan or advance.

Participating interest in affiliated undertakings

Participating interest in affiliated undertakings comprise shares in subsidiaries. The participating interests are recognised and measured in accordance with the equity method and, calculated in accordance with the bank's accounting policies. The aggregate of the participating interests pre-tax profit is recognised in the profit and loss account as "Result of participating interests in affiliated undertakings". Tax in the affiliated undertakings is recognised in the profit and loss account under "Tax".

The book value of participating interest in affiliated undertakings is devalued or written down with the parent company's proportional share of the profits or losses for the year and any adjustment of the book value of the affiliated undertakings being recognised as a change in capital in the affiliated undertakings. The net revaluation is transferred to reserve for net revaluation according to the equity method.

Intangible and tangible fixed assets

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

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

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

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

Software	3-5 years
Buildings	50 years
Leasehold improvements	5 years
Fixtures, equipment and vehicles	5 years
IT equipment	3 years

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

Depreciation, amortisation and impairment losses are recognised in the profit and loss account.

Securities and derivative financial instruments

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

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

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

For matching positions mid prices are applied as the basis for settling the fair value of the matching position and the purchase and sales prices on the open net position, respectively.

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

Net premiums on forward transactions related to foreign exchange and securities are stated on an accrued basis and disclosed in the profit and loss account as interest revenue. Other changes in fair value of the derivative financial instruments are disclosed in the profit and loss account under "Price and exchange rate adjustments".

Proposed dividends

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

Warrants

For the bank's schemes established prior to 1 January 2004, the estimated market value of warrants issued to the bank's employees was recognised in the profit and loss account as staff costs at the time of issue and recognised in the equity capital.

Schemes established subsequently are recognised as cost in the profit and loss account for the relevant vesting period. At the same time, a corresponding increase is recognised in the equity capital.

Tax

As of 1 January 2005, the bank is taxed jointly with the parent company and Danish subsidiaries. The joint taxation involves allocation between the jointly-taxed Danish companies in proportion to their taxable income. The jointly-taxed companies are taxed under the on-account tax scheme.

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

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

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

(DKr. '000)	Note	Saxo Bank Group		Saxo Bank A/S	
		2006	2005	2006	2005
Interest receivable	1	512,604	244,499	515,075	245,196
Interest payable	2	-302,501	-133,180	-301,391	-132,052
Net interest receivable		210,103	111,319	213,684	113,144
Fees and commissions receivable		282,027	177,886	281,989	177,886
Fees and commissions payable		-575,053	-390,857	-575,026	-390,732
Net interest, fees and commissions receivable		-82,923	-101,652	-79,353	-99,702
Price and exchange rate adjustments	3	1,084,886	735,565	1,084,169	735,763
Operating income		1,001,963	633,913	1,004,816	636,061
Other income	4	839	1,437	1,155	1,535
Staff costs and administrative expenses	5	-761,235	-392,695	-744,273	-395,218
Depreciation and amortisation of intangible and tangible assets	6	-33,811	-19,192	-32,294	-18,794
Other charges		-330	-422	-330	-422
Loss and provisions for bad debts	7	-2,317	-122	-2,317	-122
Result of participating interests in affiliated undertakings	8	-	-	-21,648	-121
Profit before tax		205,109	222,919	205,109	222,919
Tax	9	-60,979	-64,826	-60,979	-64,826
Net profit for the financial year		144,130	158,093	144,130	158,093
Proposed allocation of Profits					
Proposed dividend for the year		47,563	52,171	47,563	52,171
Proposed allocation to retained earnings		96,567	105,922	96,567	105,922
Total allocation		144,130	158,093	144,130	158,093

Balance Sheet as at December 31

		Saxo Bank Group		Saxo Bank A/S	
(DKr. '000)	Note	2006	2005	2006	2005
ASSETS					
Cash in hand and demand deposits with central banks		199	142	199	142
Receivables from credit institutions and central banks	10	2,055,777	1,236,237	2,023,392	1,235,826
Loans and advances at amortised costs	11	121,780	92,965	174,691	121,317
Bonds at fair value	12	2,651,823	2,203,818	2,651,823	2,203,818
Equities		0	6,297	0	6,297
Participating interest in affiliated undertakings	13	-	-	21,963	874
Intangible assets	14	47,744	25,543	47,744	25,543
Domicile premises	15	30,369	29,969	0	0
Tangible assets	16	103,244	53,887	66,858	37,093
Deferred tax assets		4,574	-	-	-
Tax receivables		0	10,621	0	10,188
Other assets		1,132,378	639,270	1,131,567	640,096
Prepayments		7,673	7,406	6,410	7,406
Total assets		6,155,561	4,306,155	6,124,647	4,288,600
SHAREHOLDERS' EQUITY AND LIABILITIES					
Debt to credit institutions and central banks	17	18,330	16,912	2,587	22
Deposits	18	4,524,783	3,391,959	4,524,783	3,391,959
Company tax		26,773	0	26,288	0
Other liabilities		992,162	479,360	977,591	478,790
Total debts		5,562,048	3,888,231	5,531,249	3,870,771
Provision for deferred tax	19	12,035	7,109	11,920	7,014
Other provisions		225	320	225	320
Total provisions		12,260	7,429	12,145	7,334
Subordinated loan	20	149,143	74,614	149,143	74,614
Shareholders' equity					
Share capital		54,934	54,286	54,934	54,286
Other reserves		2,911	442	2,911	442
Proposed dividend		47,563	52,171	47,563	52,171
Retained earnings		326,702	228,982	326,702	228,982
Total shareholders' equity		432,110	335,881	432,110	335,881
Total shareholders' equity and liabilities		6,155,561	4,306,155	6,124,647	4,288,600
Contingent and contractual liabilities	21				
Related parties	22				

Saxo Bank Group
SHAREHOLDERS' EQUITY (DKr. '000)

	Share Capital	Share Premium Account	Other Reserves	Proposed dividend	Retained Earnings	Total
Shareholders' equity 1st January 2005	46,410	2,527	437	36,102	128,409	213,885
Net profit for the year	-	-	-	-	105,922	105,922
Exchange rate adjustment, affiliated undertakings	-	-	5	-	-	5
Dividend paid for 2004	-	-	-	-36,102	-	-36,102
Proposed dividend for 2005	-	-	-	52,171	-	52,171
Increase in the share capital	13,783	-	-	-	714,967	728,750
Decrease in the share capital	-5,907	-	-	-	-285,593	-291,500
Extraordinary dividend paid	-	-	-	-	-437,250	-437,250
Transfer of share premium account	-	-2,527	-	-	2,527	0
Shareholders' equity 31st December 2005	54,286	0	442	52,171	228,982	335,881
Net profit for the year	-	-	-	-	96,567	96,567
Exchange rate adjustment, affiliated undertakings	-	-	2,269	-	-	2,269
Dividend paid for 2005	-	-	-	-52,171	-	-52,171
Proposed dividend for 2006	-	-	-	47,563	-	47,563
Issue of warrants	-	-	200	-	-	200
Increase in share capital by use of warrants	648	-	-	-	1,153	1,801
Shareholders' equity 31st December 2006	54,934	0	2,911	47,563	326,702	432,110

Saxo Bank A/S
SHAREHOLDERS' EQUITY (DKr. '000)

	Share Capital	Share Premium Account	Other Reserves	Proposed dividend	Retained Earnings	Total
Shareholders' equity 1st January 2005	46,410	2,527	437	36,102	128,409	213,885
Net profit for the year	-	-	-	-	105,922	105,922
Exchange rate adjustment, affiliated undertakings	-	-	5	-	-	5
Dividend paid for 2004	-	-	-	-36,102	-	-36,102
Proposed dividend for 2005	-	-	-	52,171	-	52,171
Increase in the share capital	13,783	-	-	-	714,967	728,750
Decrease in the share capital	-5,907	-	-	-	-285,593	-291,500
Extraordinary dividend paid	-	-	-	-	-437,250	-437,250
Transfer of Share premium account	-	-2,527	-	-	2,527	0
Shareholders' equity 31st December 2005	54,286	0	442	52,171	228,982	335,881
Net profit for the year	-	-	-	-	96,567	96,567
Exchange rate adjustment, affiliated undertakings	-	-	2,269	-	-	2,269
Dividend paid for 2005	-	-	-	-52,171	-	-52,171
Proposed dividend for 2006	-	-	-	47,563	-	47,563
Issue of warrants	-	-	200	-	-	200
Increase in share capital by use of warrants	648	-	-	-	1,153	1,801
Shareholders' equity 31st December 2006	54,934	0	2,911	47,563	326,702	432,110

The share capital has been increased by 648,464 shares with a nominal value of DKr. 1.00 in 2006.

The share capital consists of 54,934,605 shares with a nominal value of DKr. 1.00, comprising

13,783,223 Preference shares and 41,151,382 Ordinary shares.

The bank has issued warrants as follows:

Year of issue	Amount Issued	Exercised/ Expired	Outstanding	Strike Price	Expiry
2002 (Employees)	744,750	-744,750	0	2,78	2006
2003 (Employees)	102,000	0	102,000	5,28	2007
2006 (Board)	72,382	0	72,382	87,73	2007
Total	919,132	-744,750	174,382		

(DKr. '000)	Saxo Bank Group		Saxo Bank A/S	
	2006	2005	2006	2005
Shareholders' equity	432,110	335,881	432,110	335,881
Deductions:				
Intangible assets	-47,744	-25,543	-47,744	-25,543
Proposed dividend	-47,563	-52,171	-47,563	-52,171
Deferred tax assets	-4,574	-	-	-
Core capital less statutory deductions	332,229	258,167	336,803	258,167
Subordinated loan	149,143	74,614	149,143	74,614
Base capital	481,372	332,781	485,946	332,781
Capital requirement 8% of total weighted items	280,906	181,804	280,713	181,804
Weighted items not included in traded portfolio	719,108	441,182	718,677	441,182
Weighted items with market risk included in traded portfolio	2,792,222	1,831,369	2,790,230	1,831,369
Total weighted items	3,511,330	2,272,551	3,508,907	2,272,551
Core capital ratio	9.5%	11.4%	9.6%	11.4%
Solvency ratio	13.7%	14.6%	13.8%	14.6%

LOANS, ADVANCES AND GUARANTEES BY SECTOR AND INDUSTRY	Saxo Bank Group		Saxo Bank A/S	
	2006	2005	2006	2005
Credit, finance and insurance	95%	93%	93%	91%
Property and trading administration, business service	0%	0%	2%	2%
Total corporate sector	95%	93%	95%	93%
Private customers	5%	7%	5%	7%
Total	100%	100%	100%	100%
CREDIT RISK, DERIVATIVE FINANCIAL INSTRUMENTS (DKr. '000)				
Positive market value, counterparty with risk weighted of 20%	261,411	186,014	261,411	186,014
Positive market value, counterparty with risk weighted of 100%	525,398	317,239	525,398	317,239
Total credit risk, derivative financial instruments	786,809	503,253	786,809	503,253
Provisions against loans, advances and guarantees as at December 31	2,926	757	2,926	757

(DKr. '000)	Saxo Bank Group		Saxo Bank A/S	
	2006	2005	2006	2005
Exchange rate indicator 1	1,820,053	1,278,259	1,818,061	1,278,259
Exchange rate indicator 1 as percentage of core capital	547.8%	495.1%	539.8%	495.1%
Exchange rate indicator 2	33,753	40,208	33,753	40,208
Exchange rate indicator 2 as percentage of core capital	10.2%	15.6%	10.0%	15.6%
Interest rate risk				
Total interest risk on loans etc.	3,950	4,820	3,950	4,820
Total interest rate risk broken down by currency				
DKK	498	379	498	379
USD	302	4,308	302	4,308
EUR	6,714	3,337	6,714	3,337
JPY	-202	-273	-202	-273
GBP	233	-1,973	233	-1,973
CHF	-164	-475	-164	-475
Other	-3,431	-483	-3,431	-483

Saxo Bank Group

DERIVATIVE FINANCIAL INSTRUMENTS (DKr. '000) / Specified by remaining life as at 31 December 2006

	3 months and below		Over 3 months to 1 year		Over 1 year to 5 years		Over 5 years	
	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value
Currency contracts								
Forwards/futures bought	13,902,339	264,837	823,136	8,759	-	-	-	-
Forwards/futures sold	12,891,730	(244,138)	379,942	(971)	-	-	-	-
Options bought	7,320,575	39,996	1,122,884	9,035	384	399	-	-
Options written	4,596,315	(31,648)	617,907	(8,971)	384	(399)	-	-
Interest rate contracts								
Forwards/futures bought	844,645	(5,234)	752,211	(1,851)	-	-	-	-
Forwards/futures sold	840,233	3,899	752,545	1,657	-	-	-	-
Options bought	-	-	-	-	-	-	-	-
Options written	-	-	-	-	-	-	-	-
Equity contracts								
Forwards/futures bought	5,917,619	171,659	1,100	3	-	-	-	-
Forwards/futures sold	5,963,156	(123,251)	1,107	4	-	-	-	-
Options bought	45,733	310	-	-	-	-	-	-
Options written	45,733	(310)	-	-	-	-	-	-
Commodity contracts								
Forwards/futures bought	1,230,277	3,040	115,568	3,752	4,352	(41)	-	-
Forwards/futures sold	1,240,282	5,982	119,080	(714)	4,362	58	-	-

Saxo Bank Group

DERIVATIVE FINANCIAL INSTRUMENTS (DKr. '000)

	2006		2005		2006		2005	
	Notional amount	Net market value	Notional amount	Net market value	Market Value		Market Value	
					Positive	Negative	Positive	Negative
Currency contracts								
Forwards/futures bought	14,725,475	273,596	12,901,885	31,083	309,477	35,882	93,382	62,298
Forwards/futures sold	13,271,672	(245,109)	13,568,501	63,477	41,711	286,820	157,405	93,928
Options bought	8,443,843	49,429	4,830,423	54,145	49,429	-	54,145	-
Options written	5,214,606	(41,017)	3,021,271	(21,592)	-	41,017	-	21,592
Interest rate contracts								
Forwards/futures bought	1,596,856	(7,085)	3,375,419	386	46	7,131	5,115	4,729
Forwards/futures sold	1,592,777	5,556	3,374,865	(1,907)	5,592	36	2,575	4,482
Options bought	-	-	9,858	706	-	-	706	-
Options written	-	-	9,858	(706)	-	-	-	706
Equity contracts								
Forwards/futures bought	5,918,718	171,662	3,120,430	81,651	242,642	70,980	120,197	38,546
Forwards/futures sold	5,964,262	(123,247)	3,163,139	(46,290)	106,694	229,941	59,726	106,017
Options bought	45,733	310	30,050	166	310	-	166	-
Options written	45,733	(310)	29,965	(166)	-	310	-	166
Commodity contracts								
Forwards/futures bought	1,350,197	6,751	275,748	5,055	13,994	7,243	7,291	2,236
Forwards/futures sold	1,363,724	5,327	276,788	(3,147)	16,558	11,231	2,539	5,685
Options bought	67,222	356	-	-	356	-	-	-
Options sold	67,222	(356)	-	-	-	356	-	-
Total		95,862		162,861	786,809	690,947	503,247	340,385

UNSETTLED SPOT TRANSACTIONS (DKr. '000)

Currency contracts								
Foreign exchange transactions bought	12,187,566	177,454	6,070,464	(6,726)	203,503	26,049	19,337	26,063
Foreign exchange transactions sold	10,415,174	(27,802)	5,181,986	85,502	78,151	105,953	89,536	4,034
Total	22,602,740	149,652	11,252,450	78,776	281,654	132,002	108,873	30,097

Notes to the Profit and Loss Account

NOTE (DKr. '000)	Saxo Bank Group		Saxo Bank A/S	
	2006	2005	2006	2005
1 Interest receivable				
Receivables from credit institutions and central banks	120,271	48,063	120,258	48,060
Loans and advances	79,128	43,782	81,612	44,482
Bonds	79,718	48,128	79,718	48,128
Derivative financial instruments	233,303	104,283	233,303	104,283
Other interest income	184	243	184	243
Total interest receivable	512,604	244,499	515,075	245,196
2 Interest payable				
Credit institutions and central banks	-94,073	-44,617	-93,009	-43,489
Deposits	-146,345	-64,674	-146,299	-64,674
Subordinated loan	-7,421	-3,528	-7,421	-3,528
Derivative financial instruments	-51,938	-20,313	-51,938	-20,313
Other interest payable	-2,724	-48	-2,724	-48
Total interest payable	-302,501	-133,180	-301,391	-132,052
3 Price and exchange rate adjustments				
Bonds	-1,508	-1,538	-1,508	-1,538
Foreign exchange	891,409	647,233	890,692	647,431
Derivative financial instruments	194,985	89,870	194,985	89,870
Total price and exchange rate adjustments	1,084,886	735,565	1,084,169	735,763
4 Other income				
Gain on disposal of tangible assets	244	330	244	330
Reversal of provisions for court cases, prior years	170	685	170	685
Administrative services	18	18	334	116
Rent income	144	173	144	173
Other	263	231	263	231
Total other income	839	1,437	1,155	1,535

NOTE (DKr. '000)	Saxo Bank Group		Saxo Bank A/S	
	2006	2005	2006	2005
5 Staff costs and administrative expenses				
Salaries and remuneration of Board of Directors and Chief Executive Officers				
Chief Executive Officers	-24,963	-22,461	-24,963	-22,461
Board of Directors	-800	-716	-800	-716
Total	-25,763	-23,177	-25,763	-23,177
In 2006 warrants have been issued to a member of the Board as part of the remuneration.				
Staff costs				
Salaries	-339,196	-207,885	-330,308	-205,435
Pensions	-27,759	-10,041	-27,068	-10,041
Social security expenses	-32,137	-21,141	-31,056	-20,750
Total	-399,092	-239,067	-388,432	-236,226
Other administrative expenses	-336,380	-130,451	-330,078	-135,815
Total staff costs and administrative expenses	-761,235	-392,695	-744,273	-395,218
Number of employees				
Average number of employees during the financial year converted into full-time employees	622	329	566	318
Audit Fees				
Total fee to the auditor elected by the general meeting to perform the statutory audit	3,544	3,955	3,292	3,821
Hereof fees for other services than audit	2,152	2,630	1,942	2,575
6 Depreciation and amortisation of intangible and tangible assets				
Intangible assets	-11,031	-4,281	-11,031	-4,281
Tangible assets	-22,780	-14,911	-21,263	-14,513
Total depreciation and amortisation of intangible and tangible assets	-33,811	-19,192	-32,294	-18,794

Notes to the Profit and Loss Account

NOTE (DKr. '000)	Saxo Bank Group		Saxo Bank A/S	
	2006	2005	2006	2005
7 Loss and provisions for bad debt				
Loss and provisions for the financial year	-2,538	-305	-2,538	-305
Adjustment of prior year's provision	91	105	91	105
Other	130	78	130	78
Total loss and provisions for bad debt	-2,317	-122	-2,317	-122
The provision for impairment of loans and advances is based on an individual assessment. No impairment loss has been recognised on portfolio basis.				
8 Result of participating interests in affiliated undertakings				
Result of participating interests in affiliated undertakings before tax	-	-	-21,648	-121
Total result of participating interests in affiliated undertakings	-	-	-21,648	-121
9 Tax				
Taxation on profit for the year	-59,885	-60,063	-59,336	-59,994
Taxation on affiliated undertakings	-	-	4,025	-69
Deferred tax assets	4,574	-	-	-
Deferred tax	-4,906	-4,758	-4,906	-4,758
Adjustment of prior year's taxation	-762	-5	-762	-5
Total taxation for the year	-60,979	-64,826	-60,979	-64,826
Tax paid during the year	33,409	78,004	33,314	77,661
Current tax rate	28%	28%	28%	28%
Effective tax rate	29.7%	29.1%	29.7%	29.1%
Tax payable on profit for the year	-57,430	-62,417	-57,430	-62,417
Non tax-deductible expenses	-1,845	-2,368	-1,845	-2,368
Change in deferred tax due to change in tax rate	0	80	0	80
Difference in foreign affiliated undertakings' tax rate compared to Danish tax rate	-1,247	-116	-1,247	-116
Other taxation, incl. adjustment to previous years	-457	-5	-457	-5
Total taxation for the year	-60,979	-64,826	-60,979	-64,826

NOTE (DKr. '000)	Saxo Bank Group		Saxo Bank A/S	
	2006	2005	2006	2005
10 Receivables from credit institutions and central banks				
Claims on credit institutions on demand	2,055,777	1,236,237	2,023,392	1,235,826
Total receivables from credit institutions and central banks	2,055,777	1,236,237	2,023,392	1,235,826
11 Loans and Advances				
Loans and advances on demand	121,780	92,965	174,691	121,317
Including:				
Investment Brokers	9,081	1,124	9,081	1,124
Clients	112,699	91,841	112,699	91,841
Affiliated undertakings	0	0	52,911	28,352
Total loans and advances	121,780	92,965	174,691	121,317
Loans and advances, not covered by negative market values of open financial contracts, deposits or other securities, amounts to 697 tDKr. after impairment (2005, 460 tDKr.)				
12 Bonds				
Listed on Copenhagen Stock Exchange	15,823	16,632	15,823	16,632
Listed on other exchanges	2,636,000	2,187,186	2,636,000	2,187,186
Total bonds	2,651,823	2,203,818	2,651,823	2,203,818
Average weighted duration of bonds is below 6 months				
13 Participating interest in affiliated undertakings				
Total purchase price, beginning	-	-	1,130	1,130
Additions, capital increase, foundation of Saxo Capital Markets Pte. Ltd.	-	-	36,749	0
Total purchase price, end	-	-	37,879	1,130
Revaluation, beginning	-	-	-256	-59
Profit/loss for the year after tax	-	-	-17,929	-202
Exchange rate adjustments	-	-	2,269	5
Revaluation, end	-	-	-15,916	-256
Booked holdings, end	-	-	21,963	874

Participating interest in affiliated undertakings comprise:

Saxo Capital Markets Pte.Ltd., Singapore, ownership and voting rights 100%. Activity: Financial business.

Loss after tax for the financial year 2006, 16.218 tDKr. Shareholders' equity, end of the year 2006, 20,531 tDKr.

Saxo Soft A/S, Gentofte, ownership and voting rights 100%. Activity: Development and sale of software.

Loss after tax for the financial year 2006, 1,996 tDKr. (2005, 631 tDKr.) Shareholders' equity, end of the year 2006, -81 tDKr.

I.I. Real Estate A/S, Gentofte, ownership and voting rights 100%. Activity: Letting of business property.

Profit after tax for the financial year 2006, 285 tDKr.(2005, 429 tDKr.) Shareholders' equity, end of the year 2006, 1,508 tDKr.

Notes to the Balance Sheet

NOTE (DKr. '000)	Saxo Bank Group		Saxo Bank A/S	
	2006	2005	2006	2005
14 Intangible assets				
Total purchase price, beginning	42,667	20,647	42,667	20,647
Transferred to tangible assets	-341	0	-341	0
Additions	33,561	22,020	33,561	22,020
Disposal	125	0	125	0
Total purchase price, end	75,762	42,667	75,762	42,667
Depreciation and write-down, beginning	17,124	12,843	17,124	12,843
Transferred to tangible assets	-134	0	-134	0
Depreciation for the year	11,031	4,281	11,031	4,281
Reversal of depreciation and write-down	3	0	3	0
Depreciation and write-down, end	28,018	17,124	28,018	17,124
Book value, end	47,744	25,543	47,744	25,543
15 Domicile premises				
Purchase price, beginning	30,648	29,353	0	0
Additions	576	1,295	0	0
Total purchase price, end	31,224	30,648	0	0
Depreciation and write-down, beginning	679	533	0	0
Depreciation for the year	176	146	0	0
Depreciation and write-down end	855	679	0	0
Revalued value, end	30,369	29,969	0	0

NOTE (DKr. '000)	Saxo Bank Group		Saxo Bank A/S	
	2006	2005	2006	2005
16 Tangible assets				
Total purchase price, beginning	89,309	47,353	72,346	47,353
Transferred from intangible assets	341	0	341	0
Additions	74,006	45,870	53,072	28,719
Disposals	2,751	3,914	2,751	3,726
Total purchase price, end	160,905	89,309	123,008	72,346
Depreciation and write-down, beginning	35,422	21,522	35,253	21,522
Transferred from intangible assets	134	0	134	0
Depreciation for the year	22,605	14,765	21,263	14,513
Reversal of depreciation and write-down	500	865	500	782
Depreciation and write-down, end	57,661	35,422	56,150	35,253
Book value, end	103,244	53,887	66,858	37,093
17 Debt to credit institutions and central banks				
Debt on demand	2,587	22	2,587	22
Maximum 3 months	274	258	0	0
3 months - 1 year	822	773	0	0
1-5 years	4,806	4,815	0	0
More than 5 years	9,841	11,044	0	0
Total debt to credit institutions and central banks	18,330	16,912	2,587	22
18 Deposits				
Deposits on demand	4,524,783	3,391,959	4,524,783	3,391,959
Total Deposits	4,524,783	3,391,959	4,524,783	3,391,959
19 Provision for deferred tax				
Provision for deferred tax, beginning	7,109	2,338	7,014	2,256
Additions	4,926	4,771	4,906	4,758
Total provision for deferred tax, end	12,035	7,109	11,920	7,014
Provision for deferred tax is related to:				
Intangible and tangible assets	12,942	6,373	12,827	6,278
Provision for bad debts	-882	-326	-882	-326
Other	-25	1,062	-25	1,062
Total provision for deferred tax	12,035	7,109	11,920	7,014

NOTE (DKr. '000)	Saxo Bank Group		Saxo Bank A/S	
	2006	2005	2006	2005
20 Subordinated loan	149,143	74,614	149,143	74,614

Loan of 10 m EUR from FIH Erhvervsbank.

Interest rate is EURIBOR plus 2.25% p.a. for the first 5 years

and EURIBOR plus 4.00% p.a. for the following 3 years. The loan expires in 2014.

Loan of 10 m EUR from Deutsche Bank.

Interest rate is EURIBOR plus 2.5% p.a. The loan expires in 2010.

After the balance sheet date the bank has received further loans of totally 20 m EUR.

Loan of 13 m EUR from Merrill Lynch International. A 10-plus-3-years loan expiring in 2019.

Loan of 7 m EUR from Dekania Europe CDO II plc. A 10-plus-3-years loan expiring in 2019.

Interest rate for these loans is EUROBOR plus 2.95% p.a. for the first 10 years and EUROBOR plus 3.95% p.a. for the following 3 years.

Subsequent to the balance sheet date the bank has repaid the subordinated loan of 10 m EUR from Deutsche Bank.

21 Contingent and contractual liabilities

Guarantees				
Danish Guarantee Fund	3,245	2,752	3,245	2,752
Total guarantees	3,245	2,752	3,245	2,752
Other liabilities				
Rent commitments, affiliated undertakings	0	0	14,510	14,139
Other rental and lease commitments	986,340	59,070	971,712	58,542
Total other liabilities	986,340	59,070	986,222	72,681

A proportion of the bank's deposits and bond holdings held with the investment brokers, banks and other credit institutions have been provided as security for the bank's margin requirements arising from the bank's financial trading with these institutions. Debt to credit institutions is secured by mortgage deed of 21 m DKr. on the domicile property.

22 Related parties

Saxo Bank A/S has not provided any loans, pledges or guarantees to members of the bank's or the bank's parent company's Board of Directors or Chief Executive Officers or to people related to these.

Saxo Bank A/S provides administrative services and IT services to the affiliated undertakings and the parent company Internet Invest Holding A/S. Saxo Bank A/S is renting the office premises, Smakkedalen 2, Gentofte, from I.I. Real Estate A/S and buys services related to development and maintenance of software from Saxo Soft A/S. Saxo Bank A/S has entered a White Label Partner agreement with Saxo Capital Markets Pte.Ltd. All transactions and agreements are based on market terms.

The following shareholders have registered as the holder of more than 5% of the share capital of the bank:

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

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

