



**SAXO
BANK**

CAPITAL MARKETS

A N N U A L R E P O R T

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Company Information

Company

Saxo Bank A/S
Smakkedalen 2
DK-2820 Gentofte
Denmark
Reg.No. 1 149
CVR No. 15 73 12 49
Registered Office: Gentofte

Board of Directors

Peter Lerbrandt
John Korsø Jensen
Jens Fournais
Professor Klaus Grunert

Henrik Hviid Klæbel
Henrik Thufason

Chairman of the board
Vice Chairman

Appointed by the Danish Ministry of
Economic and Business Affairs

Executive Management

Lars Seier Christensen
Kim Fournais
Eric Frydenlund Michelsen
Shailendra Robin Patel

Joint Chief Executive Officer
Joint Chief Executive Officer
Trading Director
Finance Director

Management Group

Karen Elizabeth Heltoft
Steen Jakobsen
Karen Skakke Jørgensen
Ole Rossing

Head of Legal & Compliance
Head of Fund Management & Analysis
Financial Controller
Head of IT



Saxo Bank A/S in Figures

Financial Highlights

(DKr. '000)	2001	2000	1999	1998	1997
Trading Income	97,006	65,218	31,850	29,203	36,447
Profit/loss on ordinary operations before tax	10,239	10,622	-1,129	110	1,775
Result before tax	10,239	10,622	10,431	44	1,792
Total assets	446,814	291,752	137,834	109,900	72,160
Shareholders' equity, end of year	58,075	25,861	18,628	7,225	7,249
No. of employees (average)	93	46	34	37	43

Balance Sheet Highlights

(DKr. '000)	2001	2000	1999	1998	1997
Total weighted assets	145,148	96,754	36,896	36,934	24,068
Core share capital less statutory deductions	49,626	25,300	18,626	5,648	7,174
Share capital and subordinated capital	49,626	25,300	19,626	8,841	10,587
Average shareholders equity	41,968	22,245	12,927	7,237	7,249
Loans and advances, beginning of the year	25,519	28,415	15,584	20,718	11,353
Loans, guarantees and provisions	37,136	25,866	28,415	15,501	20,584
Deposits	354,509	218,759	102,181	91,995	52,707
Ordinary costs	90,071	56,327	32,979	29,159	34,745
10% requirement as per BSL § 28	38,874	-	-	-	-

Ratios and Key Figures

Solvency Ratio	34.2%	26.1%	53.2%	23.9%	43.9%
Core Capital Ratio	34.2%	26.1%	50.5%	15.3%	29.8%
Return before tax on shareholders' equity	24.4%	47.8%	80.7%	0.6%	24.7%
Return after tax on shareholders' equity	17.2%	31.6%	88.2%	-0.3%	17.6%
Cost/core income ratio	1.11	1.19	0.98	1.01	1.05
Interest rate risk	1.4%	-	-	-	-
Foreign exchange positions	162.5%	200.8%	47.4%	286.1%	23.6%
Exchange rate risk	3.3%	2.6%	0.7%	3.8%	4.6%
Loans, advances and provisions prop. to deposits	10.5%	11.8%	27.8%	17.5%	40.0%
Additional liquidity prop. to the demand of liquidity	728.8%	-	-	-	-
The total of large engagements/liable capital	48.2%	-	-	-	-
Part of debts with reduced interest rate	0.0%	-	-	-	-
Provisions ratio	1.1%	0.3%	0.0%	3.9%	2.5%
Loss and provisions ratio	1.6%	2.0%	1.1%	0.5%	1.4%
Growth of loans and advances	43.9%	-10.2%	82.3%	-24.8%	82.5%
Loans and advances proportional to share capital	0.6	1.0	1.5	2.1	2.8

Certain key figures are reported for only the period during which the company has operated as a licensed bank.

Values of open derivative positions during the period 1997-1999 are reported in the balance sheet on a net basis in accordance with the then prevailing accounting principles.

An abstract painting featuring a central, pale face with dark, hollow eyes and a faint smile. The face is surrounded by a dense, chaotic web of dark, thin lines and strokes. To the left, there are large, expressive strokes of red and brown. The background is a mix of light blue, white, and grey. The word 'IMPATIENCE' is written in large, bold, black capital letters across the middle of the painting, partially overlapping the face and the surrounding lines. The overall style is expressive and somewhat somber.

IMPATIENCE

HORNSLETH

Management Review 2001

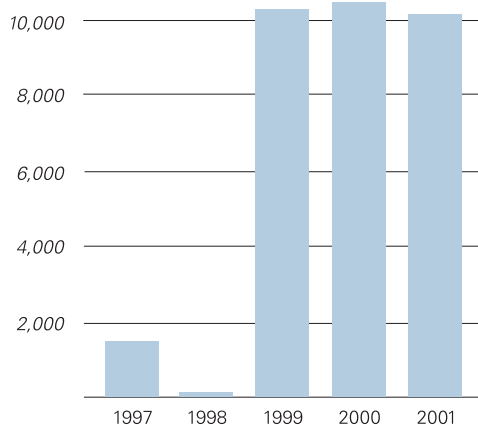
For Saxo Bank, 2001 was a year of continued growth and significant changes in the bank's status and business framework. Furthermore, the bank has continued the policy of making significant investments in developing the bank's Internet based trading platform, particularly the bank's trading system, SaxoTrader.

The bank's total assets increased to DKr. 447 million, an increase of 53% in comparison with the bank's assets as at the end of 2000. The total income from core trading activities grew to DKr. 97 million, corresponding to an increase of 49% from

2000. The bank's operating result in 2001 was a profit before tax of DKr. 10.2 million, compared with a profit before tax of DKr. 10.6 million in 2000. This result is considered as satisfactory by management.

The company's conversion from a regulated investment broker to a fully regulated bank was the most significant development during 2001. On 27th June 2001, the company was granted a full banking licence from the Danish FSA, and thereafter, immediately changed the company's operating status from an investment brokerage

Result before tax (DKr '000)



company to become a bank. At the same time, the name of the company changed from Midas Fondsmæglerselskab A/S to Saxo Bank A/S. In support of the company's application for a full banking license, the company's share capital was also increased from DKr. 7.2 million to DKr. 45 million.

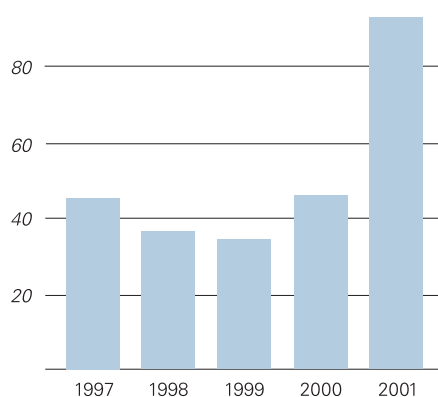
At the beginning of 2001, activities were transferred to the bank from the sister company Internet Invest Technology A/S (formerly CLMarkets.com), which had until then been in charge of developing and maintaining the bank's technology and systems. The transfer of activities led to a significant increase in the bank's operating

costs, however the transfer has also provided the bank with full control and ownership of the intellectual property rights to the software developed by the bank. The bank's management believes that this step is a significant factor in increasing the future commercial value of the bank.

On 1st April 2001, the bank officially moved to the new, purpose built offices in Gentofte, a suburb of Copenhagen. This move was brought about by the ever-increasing need for greater office space and the bank's growing desire to establish a highly secure physical environment and a high degree of operational reliability for the bank's information technology infrastructure. In addition, the move to the bank's new premises has also provided a significantly better working environment for the bank's personnel.

The bank has continued to recruit new employees and as at the end of 2001, the number of full-time employees had reached 107. The average number of full-time

No. of employees (average)



personnel employed during 2001 was 93 compared with 46 during 2000. This increase in personnel is due primarily to the recruitment of experienced dealers and client account executives from within the Danish and international banking sectors, as well as the employment of IT professionals previously employed with Internet Invest Technology and from within the Danish IT sector. In addition to this recruitment, the bank has also further strengthened the work force with key

additions to the bank's management, back office, administration, human resources, customer relations, and legal compliance functions. The bank now boasts a highly diverse workforce representing 20 different nationalities servicing the bank's clients in more than 20 different languages.

During 2001, the bank's employees and board members subscribed to additional shares in the bank and by the end of 2001, the employees and board members held a total 14.9% of the total shareholding in the bank. Furthermore, Internet Invest Holding and Saxo Bank have to date issued stock options and warrants to the bank's employees which by the end of 2001 were equivalent to 5.47% of the bank's share capital.

The bank successfully launched online CFD trading at the beginning of 2001, which constituted a further expansion of the bank's Internet-based trading services. However due to the difficult market conditions for stock trading that prevailed



during 2001, the development of this aspect of the bank's trading activities did not prove satisfactory, and foreign exchange trading was the bank's principal source of trading income.

This does not, however, change the bank's overall strategy which is to expand the bank's product base and to firmly establish SaxoTrader as a multi-product trading platform that provides investors with the possibility of trading the most commonly traded financial instruments and derivatives including a broad range of international stocks.

The continued development of the bank's internet based trading platform reached new functional and operational levels during 2001, which has enabled the bank to provide the bank's trading infrastructure to other financial institutions, in order to increase the trading activities. This infrastructure can be provided either as the bank's proprietary solution or as a „White-label“ solution, which enables the bank's partners to offer the bank's trading platform using their own corporate identity.

This business area is regarded as an important and integral feature of the bank's overall



business strategy, and early indications during 2001 showed considerable promise, with the bank entering into a series of negotiations with relevant financial institutions.

Several such negotiations had already been concluded by the year-end and developments of the first white-label solutions were well in progress.

At the same time, the bank has continued to improve the overall trading facilities offered to other financial institutions and the bank now offers highly competitive pricing and trade execution services which are comparable with the offerings of some

of the world's leading investment banks in terms of the quality, speed and efficiency with which market prices are quoted and trade executions services are supplied using the internet.

This improvement in the bank's internet based trading facilities has enabled the bank to establish further close collaborations with some of the same leading investment banks, which in turn has enabled the bank to significantly improve market liquidity offered to the bank's clients in support of the bank's trade execution

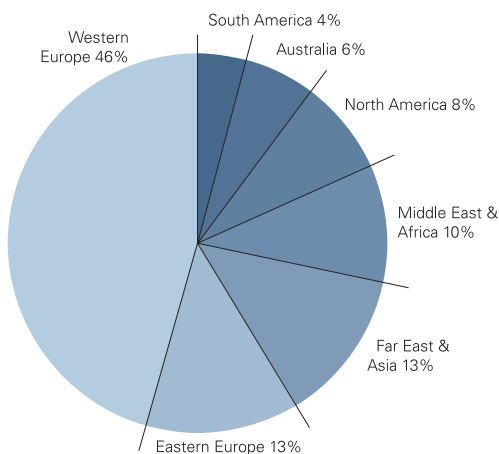


services. Saxo Bank's most important business partners include 3 of the world's leading banks within on-line foreign exchange trading. The bank's trading operations with these 3 banks increased significantly during 2001 and provided the bank with a solid foundation for further development of the bank's on-line trading facilities during the coming years.

In 2001, Saxo Bank also launched a new website at www.saxobank.com, replacing the bank's former website, www.forextrading.com. This new website

better reflects the bank's new corporate identity and offers an even broader selection of market information, rates and analysis than before. The number of users of the bank's website grew to approximately 100,000 members of which 30,000

Development of New Business 2001



members visiting the website daily.

Through collaboration with other leading websites by providing site content in the form of the bank's market rates, the bank has also increased its market presence through hundreds of other websites.

It is impossible to refer to the events of 2001 without reflecting upon the tragic events that unfolded in the USA on 11th September 2001. The terrorist attacks on the World Trade Centre and Pentagon

had a fundamental impact on the financial markets during the fourth quarter of the year, which was characterised by a decline in trading activity, and also by a general reassessment of the future prospects for many different market sectors.

Although many other financial institutions were adversely affected by the prevailing market conditions both during and immediately after the tragic events, it was reassuring for the bank's clients and management to know that the bank's on-line trading facilities (including price quoting) and trading operations remained largely unaffected even by a shock in the financial markets of this magnitude.

In 2001, the stock markets were characterised by a significant downturn, and consequentially had a negative effect on the bank's stock trading income. Shortly after 11th September 2001, many stock markets appeared to reach the bottom of the current cycle, and key economic data since suggests that the international recession may be nearing its end. However, Saxo Bank still regards any predictions

of an upturn in the stock markets as moderately overrated, and believes that there is still a risk that the stock markets may not show any significant improvement during 2002.

Foreign exchange trading was less affected by the difficult market conditions, despite a general slowdown in trading volumes after the tragic events of 11th September 2001. By the end of 2001, the foreign exchange markets lacked any clear trends, which normally would impact negatively on foreign exchange turnover and trading income. However, despite the relatively difficult market conditions, the bank remains well positioned to continue demonstrating strong growth in foreign exchange trading and this is regarded as a promising sign for the future.



Overall, the bank regards 2001 as a satisfactory year, and the bank is well positioned for exploiting the increasing usage of the internet based trading facilities especially amongst other financial institutions as well as individual investors. The combination of the bank's state-of-the-art technology and highly competitive trading services provides an excellent platform from which to further enhance the bank's trading operations. This will be achieved by continuing to attract new client business, as well as by entering into further partnerships with other financial institutions.

WHEN
LOOKING

MAJOR VOLUME
1998

Financial Review 2001

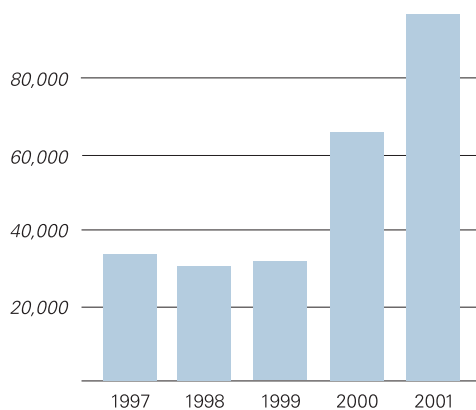
Result

Saxo Bank achieved an operating profit in 2001 of DKr. 10.2 million before tax, which was in line with expectation and reflects the continuing growth of the bank's core trading operations. This result compares favourably with the result before tax of DKr. 10.6 million in 2000 when taking into consideration that the bank's operating costs were significantly higher during 2001 at DKr. 90.1 million as opposed to DKr. 56.3 million in 2000. This result is due largely to the 50% increase in the bank's operating income

from DKr. 66.9 million in 2000 to DKr. 100.3 million in 2001.

Income from core trading activities has increased to DKr. 97m, an increase of 49% over the corresponding activities in 2000. This growth in the bank's core trading operations was due partly to the better than expected performance of the bank's foreign exchange trading operations which increased by 94% during 2001, and partly to the optimisation of the bank's other trading activities.

Trading Income (DKr '000)



The bank's foreign exchange turnover increased throughout the year primarily as a result of the increased deployment of the bank's internet based trading platform, SaxoTrader. The introduction of "straight-through-processing" enabled the bank to support the execution of thousands of trades during any given trading day in a highly efficient manner and with very competitive pricing.

The increase of 60% in operating costs including depreciation from DKr. 56.3 million in 2000 to DKr. 90.1 million in 2001 were a direct result of the bank's investment in new, state-of-the-art offices and the planned increase in personnel.

A significant part of this investment was carried out in the form of the transfer of activities from Internet Invest Technology A/S (formerly CLMarkets.com) – an IT company established in 1999 as a joint venture with Credit Lyonnais SA.

Balance sheet, solvency and equity

The bank's combined assets increased by 53% to DKr. 447 million at the end of 2001 against DKr. 292 million a year earlier.

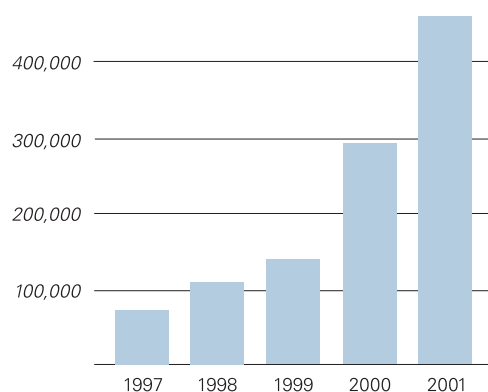
Through the transfer of activities from Internet Invest Technology on the 1st January 2001 the share capital was increased by DKr. 0.7 million at a price of 13.89.

On the 31st March 2001, the bank's share capital was further increased to DKr. 9.0

million through issue of new shares with a nominal value of DKr. 1.1 million at the same price of 13.89.

Thereafter, on 31st March 2001, the bank's share capital was increased from DKr. 9.0 million to DKr. 45 million through issue of bonus shares in the ratio of 4 for 1. This increase in the bank's share capital was in support of the company's application for a full banking license from the Danish FSA.

Total Assets (DKr '000)



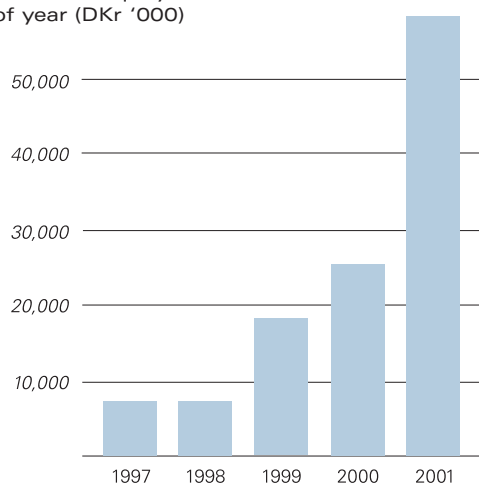
Costs related to this increase in share capital were DKr. 0.3 million and have been recognised in the profit and loss account.

The annual result for the year 2001 after tax was DKr 7.2 million.

The board recommends to the general meeting of the shareholders that this profit is allocated to the shareholders' equity, bringing the shareholders' equity to DKr. 58.1 million at the end of 2001 against DKr. 25.8 million a year earlier. This results in

an increase in the bank's solvency ratio to 34.2% as at the end of 2001 compared with a solvency ratio of 26.1% as at the end of 2000. The bank's solvency ratio is well above the legal requirements of 8% of the combined value of the weighted assets with market risk and non-trading assets.

Shareholders' equity,
end of year (DKr '000)



Financial Risks

The bank's financial risks comprise primarily of currency risk and market rate risks for CFD positions. The Board emphasises that the bank maintains a low risk profile against the financial markets and that this is continuously monitored and reported.

Currency risk constitutes the most significant element of the bank's financial risks. In support of the overall management and control of the bank's financial risks, the bank has implemented and

employs a well defined risk management system which monitors and reports the bank's and the clients' exposures and market related risks relating to their traded positions in real-time using the prevailing mark-to-market prices and rates.

The bank actively trades in the currency, equity and derivatives markets. Trading activities are primarily client related although the bank does trade on its own account, especially in connection with the bank's market making and balance sheet hedging functions.

The Board has issued specific trading and risk management instructions for the management of these trading activities and related market risks with the specific aim of maintaining a low risk profile and these instructions are monitored and controlled continuously.

Outlook for 2002

The bank expects to achieve an improved result before tax during 2002 and to continue the recent growth in the bank's core trading operations. Improvement of the bank's operating result will be achieved through the continued development of the bank's internet based trading platform, Saxo Trader and through a planned expansion of the bank's product and client base and through technological



cooperation with other financial institutions. Overall, the bank expects the core trading income to show continued growth during 2002, despite the general market expectations of slow recovery from the combined effects of falling interest rates, bearish equity markets and generally low investor confidence.

As a result of the bank's established product range, client base, partner network

and the inherent commercial strength of the bank's web-site and Saxo Trader on-line trading platform, the bank is suitably well placed to secure a comparable increase in overall trading volumes and related trading income.

The bank expects to see a moderate increase in operating costs during 2002, as much of the bank's infrastructure has already been significantly strengthened through the continued investments during the last few years especially in the bank's front line systems and trading operations.

The bank expects to enhance the current level of risk management employed in order to secure a more optimal assessment and management of the bank's trading flows and the related market risks.

Annual General Meeting

The bank's annual general meeting will be held at 3.00 p.m. on Thursday 21st March 2002 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 Holdings A/S, Smakkedalen 2, DK-2820 Gentofte

Ecolex A/S, Nikolaj Plads 34, DK-1067 Copenhagen K.



PRODUCT
OF LOVE

HORNSLETH

2000 #02 □ 120

Authentication of accounts

It is proposed that the Annual Report and the statement of the Annual Accounts below will be submitted to the general meeting of the company's shareholders and board of directors for formal adoption.

Copenhagen, 21st March 2002

Executive Management

Lars Seier Christensen

Kim Fournais

Board of Directors

Peter Lerbrandt
(Chairman)

John Korsø Jensen
(Vice-chairman)

Jens Fournais

Klaus Grunert

Henrik Hviid Klæbel

Henrik Thufason



Auditors' Report

We have audited the annual accounts of Saxo Bank A/S for the year 2001 presented by the Board of Directors and Executive Management.

Basis of Opinion

We planned and conducted our audit in accordance with generally accepted Danish auditing principles and international standards on auditing (ISA) to obtain reasonable assurance that the annual accounts are free from material misstatement. Based on an evaluation of materiality and risk, during the audit we tested the basis and documentation for the amounts and disclosures in the annual accounts. An audit includes an assessment of the accounting policies applied and the accounting estimates made. In addition, we evaluated the overall adequacy of the presentation in the annual accounts. Our audit did not result in any qualifications.

Opinion

In our opinion, the annual accounts have been presented in accordance with the accounting provisions of Danish legislation and give a true and fair view of the Company's assets and liabilities, financial position and profit for the year.

Copenhagen, 21st March 2002

KPMG C. Jespersen
Statsautoriseret Revisor

Albert Pedersen
Statsautoriserede Revisorer

Hans Jørgen Borgen

Henrik O. Larsen

Jørgen Christiansen

Anders Ladegaard

State Authorised Public Accountants

State Authorised Public Accountants

Accounting Policies Applied

Guiding Principles

The annual accounts for 2001 have been prepared in accordance with the Commercial Banks and Savings Banks Act, the Danish Executive Order on Presentation of Accounts of Banks and guidelines issued by the Danish Financial Supervisory Authority.

The annual accounts for 2000 were presented in accordance with the Danish Investment Companies Act and the Danish Executive Order on Presentation of Accounts of Investment Companies.

The change of the financial reporting to comply with the Commercial Banks and Savings Banks Act has resulted in a

accruals basis. Dividends, fees and other commission revenue are recognised as income when received.

Loans and Advances

Loans and advances (loans, client margin requirements) have been reviewed individually, in accordance with generally accepted accounting principles, to assess risks of loss, and amounts have been written off or provided for as appropriate. Total provisions and losses have been recognised in the Profit and Loss account under „loss and provisions for bad debts“.



change in the presentation of the derivative financial instruments in the balance sheet. As from 2001 derivative financial instruments are recognised on a gross basis under other assets and other liabilities. The comparable figures for 2000 have been adjusted accordingly. This has resulted in an increase in other assets and other liabilities of DKr. 18.45 million at the end of 2001 (DKr. 33.61 million at the end of 2000).

In addition, few adjustments have been made in relation to format and terminology.

The changes have had no impact on the bank's profit and shareholders' equity.

Apart from the above the accounting policies applied are unchanged compared to last year.

Interest and Commission

Interest receivable and payable, commissions and premiums on forward transactions are stated on an

Tangible and Intangible Assets

Tangible and intangible fixed assets have been included at cost less accumulated depreciation/amortisation. Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are:

Inventory, refurbishments and company cars	5 years
IT equipment	3 years

Assets with a cost of less than DKr. 9,800 are charged to the profit and loss account in the year of the acquisition. Intangible fixed assets are amortised over the expected useful lives of the assets. The maximum amortisation period is 5 years.

Securities

Securities quoted on stock and securities exchanges

have been entered at the officially quoted prices as at the end of December 2001. The price adjustment has been included in the Profit and Loss Account.

Accounts in Foreign Exchange

Accounts and positions held in foreign currencies have been stated at the official market rates as at the end of December 2001. Realised and unrealised gains and losses have been included in the Profit and Loss Account.

Tax

Tax for the year comprises current and deferred tax and is provided for at existing tax rates.

Current tax is calculated based on the profit before tax and adjusted for non-taxable income and expenses. The bank is included in the on account tax scheme.

Deferred tax is calculated on all time differences arising between profit before tax and the taxable income and is included under "provisions for obligations" or "other assets" at the expected realisable value.



Financial Instruments

Open forward exchange transactions, futures and options, etc. have been stated at the market value. Net premiums on forward transactions relating to foreign exchange and securities have been stated on an accruals basis and included in the Profit and Loss Account under „interest receivable“.

The value adjustments of forward exchange transactions, futures and options deriving from changes in interest, rate of exchange, etc. after entering into the contract have been included in the Profit and Loss Account under „price and exchange rate adjustments“.

Average market values are calculated based on quarterly computations.

Financial instruments with a positive market value are included in „other assets“ and financial instruments with a negative market value are included in „other liabilities“.



TIMING

HORNSLETH

ESCAPED
NOW

2000

Profit and Loss Account 2001

(DKr. '000)	Note	2001	2000
Interest receivable	1	62,197	36,531
Interest payable	2	-46,132	-32,555
Net interest receivable		16,065	3,976
Fees and commissions receivable		16,744	38,698
Fees and commissions payable		-16,084	-15,701
Net interest, fees and commissions receivable		16,725	26,973
Price and exchange rate adjustments	3	80,281	38,245
Total income		97,006	65,218
Other ordinary income	4	3,304	1,682
Staff costs and administrative expenses	5	-84,234	-54,419
Depreciations of tangible assets and amortisation of intangible assets	6	-5,164	-1,339
Other ordinary charges		-75	0
Loss and provisions for bad debts		-598	-520
Profit on ordinary activities before tax		10,239	10,622
Tax	7	-3,025	-3,591
Net profit for the financial year		7,214	7,031

Allocation of Profits

Net profit for the financial year	7,214	7,031
Total amount for distribution / to be allocated	7,214	7,031
Allocated to shareholders' equity	7,214	7,031
Total allocation	7,214	7,031

Balance Sheet as at 31 December 2001

(DKr. '000)	Note	2001	2000
ASSETS			
Cash in hand and demand deposits with central banks		37	21
Receivables from credit institutions and central banks	10	127,231	7,462
Loans and advances	11	36,725	25,519
Bonds	12	194,915	190,288
Intangible assets	13	8,450	345
Tangible assets	14	7,900	3,880
Other assets		70,151	63,017
Prepayments		1,405	1,220
Total assets		446,814	291,752
SHAREHOLDERS' EQUITY AND LIABILITIES			
Debt to credit institutions and central banks	15	0	4,038
Deposits	16	354,509	218,759
Other liabilities		31,400	43,094
Provisions for commitments	17	2,830	0
		388,739	265,891
Shareholders' equity			
Share capital		45,000	7,200
Other Reserves		202	202
Retained earnings		12,873	18,459
Total shareholders' equity		58,075	25,861
Total shareholders' equity and liabilities		446,814	291,752
OFF-BALANCE SHEET ITEMS			
Guarantees, etc.		0	274
Other commitments		31,873	31,069
Total off-balance sheet items		31,873	31,343

Changes in Capital

(DKr. '000)	Share Capital	Share Premium Account	Other Reserves	Retained Earnings	Total
Beginning 2000	7,200	0	0	11,428	18,628
Proceeds from sale of warrants	0	0	202	0	202
Profit for the year 2000	0	0	0	7,031	7,031
End 2000 / Beginning 2001	7,200	0	202	18,459	25,861
Capital increase through transfer of activities	720	9,280	0	0	10,000
Capital Increase through cash injection	1,080	13,920	0	0	15,000
Issue of bonus shares	36,000	-23,200	0	-12,800	0
Profit for the year 2001	0	0	0	7,214	7,214
End 2001	45,000	0	202	12,873	58,075

The share capital consists of 45,000,000 shares with a nominal value of DKr. 1.00. The bank has only issued one class of share.

The bank sold warrants in 2000 to the bank's employees, which upon expiry in 2004 will entitle the relevant employees to subscribe to a total of 454,500 new shares in the bank, each with a nominal value of DKr. 1.00 at a share price of DKr. 2.78 per share. Total proceeds from the sale of warrants amounted to DKr. 202,000.

In 2001 the bank granted warrants to the bank's employees with no premium payable by the employees. These warrants upon expiry in 2004 will give the relevant employees the right to subscribe to a total of 927,000 new shares in the bank, each with a nominal value of DKr. 1.00 at a share price of DKr. 2.78 per share.

Solvency (DKr. '000)	Note	2001	2000
Core share capital less statutory deductions		49,626	25,300
Share capital and short-dated subordinated capital		49,626	25,300
Weighted items not included in traded portfolio		82,216	46,506
Weighted items with market risk included in traded portfolio		62,932	50,248
Total weighted items		145,148	96,754
Core capital ratio, %		34.2	26.1
Solvency ratio, %		34.2	26.1

The solvency ratio is calculated in accordance with the rules on capital adequacy for banks and certain credit institutions.

Pledges and contingent liabilities

(DKr. '000)	Note	2001	2000
OFF-BALANCE SHEET ITEMS, Guarantees			
Danish Guarantee Fund		0	274
Total guarantees		0	274

As of 31 December 2001, and following the conversion to a full bank status, the bank is awaiting notification from the Danish Guarantee Fund for Depositors and Investors as to the amount of the bank's obligation to the fund.

OFF-BALANCE SHEET ITEMS, Other Liabilities

Office rent obligations for premises at Chr.D IX's gade, 5		0	204
Office rent obligations for premises at Smakkedalen 2		24,689	29,971
Other rental and leasing commitments		7,184	894
Other rental and lease commitments		31,873	31,069

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

Credit risk

LOANS, ADVANCES AND GUARANTEES BY SECTOR AND INDUSTRY	2001	2000
	%	%
Credit, finance and insurance	98	93
Property administration	2	0
Total corporate sector	100	93
Personal customers	0	7
Total	100	100
Accumulated provisions (DKr. '000)	2001	2000
Accumulated provisions against loans, advances and guarantees at December 31	411	73
Total accumulated provisions	411	73
Accumulated provisions against loans, advances and guarantees as percentage at December 31	1.1%	0.3%

Market risk
POSITIVE MARKET VALUE AFTER NETTING
(DKr. '000)

	2001	2000
Counterparty with risk weighting of 20%	3,791	16,178
Counterparty with risk weighting of 100%	52,875	43,826
Total	56,666	60,004

Outstanding amounts in foreign currency

Total assets in foreign currency	389,567	236,495
Total liabilities in foreign currency	358,474	206,372
Exchange rate indicator 1	80,646	-
Exchange rate indicator 1 as percentage of core capital	162.5	-
Exchange rate indicator 2	1,645	-
Exchange rate indicator 2 as percentage of core capital	3.3	-

Interest rate risk

Interest rate risk (according to size) broken down by currency

DKK	174	-
USD	625	-
EUR	-125	-
JPY	-7	-
CHF	26	-
GBP	9	-
Other	-21	-
Total	681	-

Market risk

DERIVATIVE FINANCIAL INSTRUMENTS

Specified by remaining life

(DKr. '000)

	Three 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 Mark. Value
Currency contracts								
Forwards/futures bought	1,602,243	14,737	34,467	-183	-	-	-	-
Forwards/futures sold	-1,667,221	15,855	-20,118	115	-	-	-	-
Swaps	-	-	-	-	-	-	-	-
Options bought	214,872	1,864	20,872	678	-	-	-	-
Options written	-129,462	-1,502	-20,424	-735	-	-	-	-
Interest rate contracts								
Forwards/futures bought	18,766	-9	-	-	-	-	-	-
Forwards/futures sold	-18,860	54	-	-	-	-	-	-
FRAs bought	-	-	-	-	-	-	-	-
FRAs sold	-	-	-	-	-	-	-	-
Swaps	-	-	-	-	-	-	-	-
Options bought	1,624	11	-	-	-	-	-	-
Options written	-1,624	-11	-	-	-	-	-	-
Equity contracts								
Forwards/futures bought	24,750	-1,084	-	-	-	-	-	-
Forwards/futures sold	-33,237	8,404	-	-	-	-	-	-
Options bought	24,149	796	-	-	-	-	-	-
Options written	-24,419	-796	-	-	-	-	-	-
Commodity contracts								
Forwards/futures bought	1,370	-12	-	-	-	-	-	-
Forwards/futures sold	-1,375	-1	-	-	-	-	-	-
Options bought	-	-	-	-	-	-	-	-
Options sold	-	-	-	-	-	-	-	-
Other contracts	-	-	-	-	-	-	-	-

Market risk

(DKr. '000)

	2001		2000		2001		2000	
	Notional Amount	Net Market Value	Notional Amount	Net Market Value	Market Value Positive	Market Value Negative	Market Value Positive	Market Value Negative
Currency contracts								
Forwards/futures bought	1,636,710	14,554	829,332	23,079	18,388	3,833	25,610	2,531
Forwards/futures sold	-1,687,339	16,000	-849,497	-2,295	24,428	8,428	13,696	15,991
Swaps	-	-	-	-	-	-	-	-
Options bought	235,744	2,542	317,535	4,685	2,542	-	4,685	-
Options written	-149,886	-2,237	341,183	-5,886	-	2,237	-	5,886
Interest rate contracts								
Forwards/futures bought	18,766	-9	5,096	60	76	85	60	-
Forwards/futures sold	-18,860	54	-5,096	-60	120	66	-	60
FRAs bought	-	-	-	-	-	-	-	-
FRAs sold	-	-	-	-	-	-	-	-
Swaps	-	-	-	-	-	-	-	-
Options bought	-1,624	11	-	-	11	-	-	-
Options written	1,624	-11	-	-	-	11	-	-
Equity contracts								
Forwards/futures bought	24,750	-1,084	37,225	-7,432	1,135	2,206	359	7,790
Forwards/futures sold	-33,237	8,404	-42,849	13,098	9,150	760	13,276	177
Options bought	24,149	796	164,068	1,159	796	-	1,159	-
Options written	-24,419	-796	-164,069	-1,159	-	796	-	1,159
Commodity contracts								
Forwards/futures bought	1,370	-12	62,858	181	4	16	604	424
Forwards/futures sold	-1,375	-1	-63,180	-31	16	17	556	588
Options bought	-	-	-	-	-	-	-	-
Options sold	-	-	-	-	-	-	-	-
Other contracts								
	-	-	-	-	-	-	-	-
Total		38,211		25,399	56,666	18,455	60,005	34,606

Market risk

(DKr. '000)	2001		2000		2001	
	Average market value		Average market value		Market value of non-guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative
Currency contracts						
Forwards/futures bought	21,430	7,756	18,388	3,833	25,610	2,531
Forwards/futures sold	33,433	11,562	24,428	8,428	13,696	15,974
Swaps	-	-	-	-	-	-
Options bought	2,264	-	2,542	-	4,572	-
Options written	-	2,108	-	2,237	-	5,774
Interest rate contracts						
Forwards/futures bought	31	20	-	-	-	-
Forwards/futures sold	27	29	-	-	-	-
FRAs bought	-	-	-	-	-	-
FRAs sold	-	-	-	-	-	-
Swaps	-	-	-	-	-	-
Options bought	2	-	-	-	-	-
Options written	-	2	-	-	-	-
Equity contracts						
Forwards/futures bought	1,045	5,289	1,135	2,206	359	7,771
Forwards/futures sold	12,708	781	9,150	751	13,257	177
Options bought	1,015	-	-	-	-	-
Options written	-	1,015	-	-	-	-
Commodity contracts						
Forwards/futures bought	868	816	-	-	-	-
Forwards/futures sold	827	839	-	-	-	-
Options bought	34	0	-	-	-	-
Options sold	-	34	-	-	-	-
Other contracts	-	-	-	-	-	-
Total market value	73,684	30,251	55,643	17,455	57,494	32,227
Total market netting			55,643		57,494	

Market risk

UNSETTLED SPOT TRANSACTIONS

(DKr. '000)	Notional amount	Market value		2001	2000
		Positive	Negative	Net market value	
Foreign exchange transactions bought	2,671,052	6,124	1,453	4,671	-958
Foreign exchange transactions	2,720,347	1,822	2,336	-514	545
Interest rate transactions bought	-	-	-	-	-
Interest rate transactions sold	-	-	-	-	-
Equity transactions bought	612	600	-	600	1,799
Equity transactions sold	612	-	600	-600	-1,796
Total	5,392,623	8,546	4,389	4,157	-410

Liquidity risk

Details of liquidity risk are stated in notes 10, 11, 15 and 16.

Notes to the profit and loss account

Note	2001 (DKr. '000)	2000 (DKr. '000)
1 Interest receivable/premium on		
Receivable from credit institutions and central banks	33,876	9,853
Loans and advances	12,950	12,171
Bonds	7,308	4,671
Other interest income	14	0
Derivative financial instruments		
Foreign exchange contracts	5,421	3,284
Share contracts	2,628	6,552
Total derivative financial instruments	8,049	9,836
Total interest receivable	62,197	36,531
2 Interest payable to		
Credit institutions and central banks	-23,541	-11,303
Deposits	-21,026	-16,743
Subordinated capital investments	0	-18
Derivative financial instruments		
Share contracts	-1,565	-4,491
Total interest payable	-46,132	-32,555
3 Price and exchange rate adjustments		
Bonds	275	-3
Shares	0	-3
Foreign exchange contracts	74,177	38,261
Derivative financial instruments		
Share contracts	5,851	0
Commodities contracts	-22	-10
Total derivative financial instruments	5,829	-10
Total price and exchange rate adjustments	80,281	38,245
4 Other ordinary income		
Administrative and IT services	2,109	1,682
Income from sale of inventory	1,195	0
Total other ordinary income	3,304	1,682

Note	2001 (DKr. '000)	2000 (DKr. '000)
5 Staff costs and administrative expenses		
Salaries and remuneration of Board of Directors, Chief Executive Officers and Board of Representatives		
Board of Directors	-113	0
Chief executive officers	-3,600	-1,800
Total	-3,713	-1,800
Staff costs:		
Salaries	-46,177	-27,088
Social security expenses	-4,601	-2,469
Total	-50,778	-29,557
Other administrative expenses	-29,743	-23,062
Total staff costs and administrative expenses	-84,234	-54,419
6 Depreciation on intangible and tangible assets		
Intangible assets	-2,963	0
Tangible assets	-2,201	-1,339
Total depreciation on intangible and tangible assets	-5,164	-1,339
7 Tax		
Tax on profit for the year	-194	-3,144
Deferred tax	-2,972	-447
Adjustment of prior year's taxation	141	0
Total taxation for the year	-3,025	-3,591
Tax paid during the year	1,200	4,103
Effective tax rate		
Existing tax rate	30%	32%
Tax payable on profit for the year	-3,072	-3,399
Non tax deductible expenses	-68	-134
Other taxation, incl. adjustment to previous years	115	-58
Total tax payable for the year	-3,025	-3,591
Effective tax rate	29.54%	33.81%

Supplementary notes

Note	2001 (Dkr. '000)	2000 (Dkr. '000)
8 Audit Fees		
Total fees to the auditors elected by the general meeting, that perform the statutory audit ,	1,402	778
which include other services than audit	556	159
9 Number of employees		
Average number of employees during the financial year converted into full-time employees	93	46

Notes to the balance sheet

10 Receivables from credit institutions and central banks		
Claims on credit institutions at call	127,231	7,462
Total claims on credit institutions	127,231	7,462
11 Loans and Advances		
Loans and advances at call	36,725	25,519
including:		
Investment Brokers	33,404	23,086
Clients	57	2,259
Affiliated enterprises	3,264	174
Total loans and advances	36,725	25,519
12 Bonds		
Quoted on the Copenhagen Stock Exchange	19,118	10,087
Quoted on other exchanges	175,797	180,201
Total bonds	194,915	190,288

Note		2001 (Dkr. '000)	2000 (Dkr. '000)
13	Intangible assets		
	Total purchase price, beginning	345	0
	- Additions	11,413	345
	- Disposals	345	0
	Total purchase price, end	11,413	345
	Depreciation and write-down, beginning	0	0
	Depreciation for the year	2,963	0
	Depreciation and write-down, end	2,963	0
	Book value, end	8,450	345
	Book value, beginning	345	0
14	Tangible assets		
	Total purchase price, beginning	9,654	7,229
	- Additions	8,097	2,442
	- Disposals	7,107	-17
	Total purchase price, end	10,644	9,654
	Depreciation and write-down, beginning	5,774	4,435
	- Depreciation for the year	2,201	1,339
	- Revision of depreciation and write-down	5,231	0
	Depreciation and write-down, end	2,744	0
	Book value, end	7,900	3,880
	Book value, beginning	3,880	2,793
15	Debt to credit institutions and central banks		
	Debt to credit institutions on at call	0	4,038
	Total debt to credit institutions and central banks	0	4,038
16	Deposits		
	Deposits at call	354,509	218,759
	Total Deposits	354,509	218,759
17	Provisions for commitments		
	Provisions for deferred tax	2,755	0
	Provisions for losses on legal proceedings	75	0
	Total provisions for commitments	2,830	0



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