

Press release to finance and business desks
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Saxo Bank Posts Record Half-Year Result

Saxo Bank has posted its best ever half-year result as it continues its growth in client assets, trading volume, revenue and net income. In the first half of 2003 the bank has also strengthened its credentials for further success with a subordinated loan from Deutsche Bank and extensive new partnerships.

Profit before tax for the Danish international investment bank was DKK 22 million for the first half of 2003, an increase of 47 percent compared with the first half of 2002. Total assets increased by 76% to DKK 1.39 billion compared to the end of first half 2002. It is the best ever result in the history of the bank and management reports that fundamental business conditions appear strong for continued growth.

”We are in the middle of a very positive development, where we are experiencing solid growth rates. Many of the projects we have been working on over the past several years have now come to life. This contributes increasingly to the bottom line. As an example we have during the last months launched partnerships with, among others, two important financial firms: E*TRADE and Refco Overseas. We are negotiating with a number of other significant potential partners at the moment and do therefore expect we will continue to grow in the years to come,” says Lars Seier Christensen, one of the two CEOs of Saxo Bank A/S.

The total income was DKK 119 million – an increase of 48 percent compared to the same period last year and the profit after tax reached DKK 14.9 million. The result is better than budgeted and is an increase of 47 percent compared to the first half of 2002.

In the first six months of the year, total costs grew by 49 percent. The number of employees increased by 60 during the last 12 months, divided among all areas of the bank including IT, front office sales and service, administration and management – in June alone 14 new employees started at the headquarters in Gentofte, Denmark.

”We have in the first half-year strengthened our management team with several competent profiles that can participate in taking the growth of the bank safely into 2004. Outside the management group we have also increased the number of employees with qualified personnel in a number of functions” says Lars Seier Christensen and continues, “In order to strengthen

the capital base of the bank we entered into an agreement with Deutsche Bank in June concerning a subordinated loan of EUR 10 million. This adds further to the close cooperation between Saxo and this leading investment bank.”

Foreign exchange trading continues to be the largest business area in Saxo Bank. In June alone the turnover of foreign exchange business was DKK 370 billion. This is equivalent to a daily turnover with investors and financial institutions of more than DKK 17 billion.

The trading is primarily done through the SaxoTrader, the bank’s online platform for foreign exchange, physical shares, futures, options and CFDs, which is a flexible Contract For Difference derivative that follows the rate of the underlying share.

SaxoTrader also gives access to trading US shares on New York Stock Exchange and Nasdaq and a number of other European stock exchanges including London and Frankfurt and also some Far East markets. Lately the bank has introduced online futures trading, offered at competitive prices which management expects to contribute to the bottom line in the second half of 2003.

Saxo Bank’s trading platform, SaxoTrader, is offered to other banks and financial institutions under special agreements – White Label Partnerships – where the platform is adapted to the identity of the partner. Today the bank has 25 agreements with partners all over the world and the target is an additional ten partnership deals in the second half of 2003.

Saxo Bank now has 185 employees of 30 different nationalities servicing the bank’s global network of clients in 25 languages

Financial accounts for the first half of 2003 are available in the Press Room on Saxo Bank’s web site, www.saxobank.com/press, under ”Financial accounts”.

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Saxo Bank A/S is a modern investment bank specialising in online investments in the international Capital Markets. Saxo Bank enables clients to trade currencies, shares, CFD contracts, futures, options and other derivatives as well as portfolio management via our online trading platform -- SaxoTrader. SaxoTrader has been internally developed by Saxo Bank and is available to today's investor directly through Saxo Bank or through one of our global partnerships as an integral part of their own infrastructure. Today, Saxo Bank's most significant area of business is White Labelling, which is the development of tailored versions of the online trading platform to other banks and brokerage houses. Saxo Bank has over 25 White Label Partners and thousands of direct clients in over 100 countries. The bank's website -- www.saxobank.com -- has a membership of over 225,000 and is visited by more than 100,000 investors every day. Saxo Bank currently employs 185 employees from 30 different countries.