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31 January 2008

Stock Exchange Announcement No. 1/2008 – FIH Financial Report 2007

- **The net profit after tax for the group amounting to DKK 1,123 million is a new record**
- **Satisfactory business segment growth**
- **Still excellent return on unlisted shares**
- **Writedowns of loans continually modest**
- **Very satisfactory liquidity amounting to DKK 33.7 billion**

Net profit for the period

Net profit for 2007 DKK 1,123.3 million after tax, an increase of DKK 188 million compared with 2006. The result is in line with the expectations for 2007 as announced earlier this year.

Return on equity before tax came to 17.6 per cent against 18.9 per cent in 2006 and 15.6 per cent after tax against 15.0 per cent in 2006.

Activities

In 2007 synergies have been apparent between FIH's lending units and the new business segments established during 2006 and the first six months of 2007. Thus the recent investments made by the bank have had the intended effect. FIH is now able to offer a broader selection of products in-house which provides a solid competitive edge.

In addition, the bank's three primary business areas have seen an increase in activities.

FIH Capital Markets

In 2007, FIH Capital Markets has further strengthened its profile by the establishment of a tier 1 equity team, primarily focusing on institutional customers. Combined with Capital Markets' other activities this new initiative helps FIH gain a strong profile in the market.

In November 2007, Prospera AB published its annual stockbroker ranking on dealing, settlement and analysis of shares. FIH obtained a ranking of number three in the region, while it is rare that a newly established stockbroker unit enters the top five list.

FIH DIREKTION

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Investment Banking

In 2007, FIH PARTNERS A/S announced more than 20 transactions at an amount of more than DKK 140bn. FIH PARTNERS A/S thus makes the top of the list of Danish Investment Banking players measured by the number of transactions and the transaction values.

Lending activities

The result generated by the lending units surpasses the expectations, and the total loan portfolio has increased by more than 11 per cent since the beginning of the year. In 2006, FIH went through an adjustment of the lending organisation with the purpose of ensuring an increased focus on the customer portfolio.

Private equity

FIH holds a portfolio of investments in unlisted shares. In 2007, these investments have developed favourably and the unlisted shares have provided an excellent return of DKK 632.2 million. Of this DKK 331.2 million is a realised gain while DKK 301.0 million is unrealised. FIH only holds a very limited stock of listed shares.

Funding

In 2007, FIH has made efforts to diversify the funding base, and therefore additional funding sources have been established, including FIH Kapital Bank A/S. By establishing FIH Kapital Bank A/S, FIH has obtained a committed loan facility from ATP of DKK 15 billion. Furthermore, FIH has received substantial deposits primarily from financial institutions and secondly from corporate customers. In the beginning of the second quarter of 2008 deposit taking from retail customers will be initiated.

There are no sub-prime exposures incorporated in the FIH balance sheet. However, as the crises have had a broad effect on the international loan markets, FIH has been hit by increasing funding costs along with the entire financial sector. The narrowing of the interest rate margin and capital losses in connection with the international crisis has entailed costs of app. DKK 200 million. The liquidity is very satisfactory at the end of 2007 and amount to DKK 33.7 billion.

Key figures

Income Statement					
DKK million *	2007	2006	2005	2004	2003
Net interest and fee income	1,385	1,098	993	903	1,147
Market value adjustments	510	508	87	55	-144
Other operation income	86	89	98	67	10
Profit on net financials	1,981	1,695	1,178	1,025	1,013
Expenses and depreciation	741	540	292	231	218
Writedowns of loans and receivables etc	-19	-17	-10	-27	68
Profit/loss from associates and group enterprises	17	6	-6	45	70
Profit before tax	1,276	1,178	890	866	797
Tax	153	243	178	246	230
Profit after tax	1,123	935	712	620	567
Allocation of profit					
Shareholders	1,094	959	712	620	567
Minority interests	29	-24	0	0	0
Loans	75,015	67,579	58,988	53,087	55,735
Total assets	113,357	95,998	81,285	65,910	66,463
Equity	7,777	6,736	5,791	4,991	6,051

Ratios	2007	2006	2005	2004	2003
Capital base relative to minimum capital adequacy requirement	282.4	216.6	195.5	174.6	210.3
Solvency ratio, per cent	11.5	10.0	10.6	11.6	13.6
Core capital ratio, per cent	8.4	8.3	8.4	8.9	10.5
Return on equity before taxation	17.6	18.9	16.5	14.1	13.6
Return on equity after taxation	15.5	15.0	13.2	10.1	9.7
Income/cost ratio	2.77	3.25	4.2	5.3	3.8
Interest rate risk	4.0	5.2	4.9	2.3	3.2
Foreign exchange position	9.0	6.0	2.3	4.7	2.3
Foreign exchange risk as a percentage of core capital	0.1	0.1	0.1	0.1	0.0
Loans as a percentage of deposits	7.1	10.3	17.5	36.5	82.1
Gearing of loans	9.6	10.1	10.2	10.6	9.2
Growth in loans, per cent	11.0	14.6	11.1	-4.8	-2.0
Excess cover relative to statutory liquidity requirements	36.7	95.0	93.5	29.4	34.5
Total amount of large exposures	155.7	276.8	320.3	469.7	353.0
Impairment ratio	0.0	0.0	0.0	0.0	0.1

*Comparative figures have been adjusted as a consequence of the merger between FI-Holding A/S and FIH Erhvervsbank A/S (continuing company).

Net interest and fee income

DKK million	2007	2006*
Net interest and fee income		
Interest income:		
Due from credit institutions and central banks	458.6	247.0
Loans and other receivables	4,126.8	3,100.1
Contributions	5.7	7.6
Bonds	790.8	423.5
Total derivative financial instruments	25.6	-97.2
Other interest income	1.5	8.1
Total interest income	5,409.0	3,689.1
Interest expense:		
Credit institutions and central banks	690.1	507.2
Deposits and other debt	633.6	183.9
Bonds issued	2,824.8	1,930.5
Subordinated debt	125.6	64.8
Other interest expense	16.0	1.0
Total interest expense	4,290.1	2,687.5
Net interest income	1,118.9	1,001.6
Dividend from shares etc.	9.4	0.2
Fees and commission income	304.8	130.2
Fees and commissions paid	48.2	34.2
Net interest and fee income	1,384.9	1,097.8
Average interest-bearing assets and liabilities		
Interest-bearing assets	100,117	81,261
Interest-bearing liabilities	96,079	77,304
Average interest rate, per cent p.a.		
Total interest income/interest-bearing assets	5.4 %	4.5 %
Total interest income/interest-bearing liabilities	4.5 %	3.5 %
Average interest rate margin	0.9 %	1.0 %
Net interest income/interest-bearing assets	1.1 %	1.2 %
Loans to customers – average interest rate		
Interest income on loans to customers	4,133	3,108
Average loan outstanding before provision for impairments	72,062	62,387
Average interest rate p.a.	5.7 %	4.9 %

Net interest and fee income amounted to DKK 1,384.9 million, up 26 per cent from 2006.

Interest income from loans and other receivables rose by 33 per cent to DKK 4,132.5 million. The rise is mainly attributable to a higher average nominal interest rate on the loan portfolio compared with 2006.

Interest on bonds came to DKK 790.8 million, up from DKK 423.5 million in 2006. Average bond holdings were considerably higher in 2007 and the coupon rate was also higher than in 2006.

Interest on derivative financial instruments, mainly interest income and interest expenses linked to swaps, amounted to DKK 25.6 million against a negative DKK 97.2 million in 2006. FIH uses swaps to hedge interest rate risks and in the general

management of interest rate risks and for trading with customers.

Overall, interest income increased by DKK 1,719.9 million, to DKK 5,409.0 million, compared with 2006.

Interest expenses increased by a total of DKK 1,602.6 million, to DKK 4,290.1 million compared with 2006.

Fee and commission income increased by DKK 174.6 million, to a total of DKK 304.8 million, compared with last year. The increase in earnings may be attributed to the activities established in the investment banking area, as well as activities in Capital Markets.

Market value Adjustments

Market value adjustments were DKK 510.0 million against DKK 508.6 million in 2006.

Market value adjustments of mortgage loans were negative by DKK 14.4 million, which is off set by corresponding income under market value adjustments of issued mortgage bonds. Market value adjustments of loans etc. were negative by DKK 246.7 million in respect of loans hedged by financial instruments. There was a negative market value adjustment of bonds totalling DKK 234.3 million against negative DKK 66.9 million in 2006. Shares were value adjusted by DKK 632.2 million against DKK 385.7 million in 2006, while market value adjustments of foreign currencies amounted to negative DKK 6.0 million against DKK 9.2 million for the same period of 2006.

Investment properties (operating leasing) was fair value adjusted by minus DKK 33.5 million, which is largely equivalent to the repayment proportion of the lease payment recognised under the item "Other operating income". There was a positive market value adjustment of derivative financial instruments totalling DKK 363.3 million. Bonds issued refer to issued mortgage bonds as well as bonds issued and hedged using financial instruments. The market value adjustments totalled DKK 49.5 million.

DKK million	2007	2006*
Market value adjustments		
Mortgage loans	-14.4	-19.6
Other loans and receivables at fair value	-246.7	-605.6
Bonds	-234.3	-66.9
Shares, etc.	632.2	385.7
Investment property	-33.5	-49.4
Foreign currency	-6.0	9.2
Derivative financial instruments	363.3	721.6
Bonds issued	49.4	133.6
Total market value adjustments	510.0	508.6

The return on the bank's portfolio of unlisted shares has been significant in 2007.

The market value adjustments are shown in the table below.

DKK million	2007	2006*
Market value adjustments		
Unrealised market value adjustments	301.0	98.6
Realised market value adjustments	331.2	287.1
Total market value adjustments	632.2	385.7

Other operating income

Other operating income totalled DKK 85.9 million against DKK 89.5 million in 2006.

Expenses

Expenses rose by DKK 200.8 million to DKK 741.4 million. The increase in expenses should be seen in the context of the further development of the business segments Investment Banking and Capital Markets and the overall increase in activities.

The average number of employees was 334.6, up from 242.3 in 2006.

DKK million	2007	2006*
Expenses		
Staff costs and administration expenses	700.3	497.9
Depreciation, amortisation and impairment losses for tangible and intangible assets	37.7	42.4
Other operating expenses	3.4	0.3
Total	741.4	540.6

*Losses and
Writedowns*

New writedowns totalled DKK 87.4 million in 2007, compared with DKK 91.5 million in 2006. Reversal of previous years' write-downs amounted to DKK 101.5 million, an increase of DKK 0.7 million compared with 2006.

Net losses recorded for the period were DKK 52.8 million against DKK 53.3 million in 2006.

DKK million	2007	2006*
Writedowns of loans and guarantee debtors, individual writedowns		
Writedown balance, beginning of period	253.5	317.6
Writedowns, net	101.5	100.8
Writedowns during the period	102.2	90.0
Losses recorded	52.8	53.3
Writedown balance, end of period individual writedowns	201.4	253.5
Writedowns of loans and guarantee debtors, group writedowns		
Writedown balance, beginning of period	30.4	28.9
Writedowns, net	0.0	0.0
Writedowns during the period	-14.8	1.5
Writedown balance, end of period, group writedowns	15.6	30.4
Writedowns of loans and guarantee debtors,		
Writedown balance, beginning of period	283.9	346.5
Writedowns, net	101.5	100.8
Writedowns during the period	87.4	91.5
Losses recorded	52.8	53.3
Writedown balance, end of period	217.0	283.9
Total loans and guarantee debtors for which an objective indication for impairment has occurred before writedown	597.0	812.2
Total loans and guarantee debtors for which an objective indication for impairment has occurred after writedown	380.0	528.3
Accumulated writedowns of loans and guarantee debtors, as a percentage of loans and guarantees, end of year	0.3 %	0.4 %
Losses and writedowns of receivables as a percentage of loans and guarantees, end of year	0.0 %	0.0 %
Net losses recorded, as a percentage of the writedown balance, beginning year	16.7 %	13.2 %

*Investments in
associates*

Investments in associates generated a gain of DKK 17.4 million compared with DKK 5.8 million in 2006.

Tax

The effective tax rate is 11.9 per cent in 2007. The low tax rate is due to partly the fall in the corporate tax rate from 28 % to 25 % in the first half of the year and

partly because FIH has owned an essential part of the holdings of unlisted shares more than three years and with that the capital gains on the shares are tax-exempt.

Balance sheet

Before writedowns, total loans to customers including investment properties increased by DKK 7,399 million, or by 11 per cent, to a total of DKK 76,362 million.

Bond holdings were DKK 13,639 million, up from DKK 12,139 million at the beginning of the year.

Holdings of shares and investments in associates amounted to DKK 1,017 million up from DKK 1,068 million at the end of 2006.

Under the item "intangible assets", development projects were capitalised by DKK 28.9 million in 2007 compared with DKK 24.4 million in 2006, taking the balance after amortisation for the period to DKK 46.7 million.

Bonds issued totalled DKK 53,632 million against DKK 56,592 million at the beginning of the year.

DKK million	2007	2006*
Funding		
Due to credit institution and central banks	31,864	16,653
Deposits	10,533	6,595
Bonds issued	53,015	55,704
Mortgage bonds issued	617	888

Equity and solvency

Equity totalled DKK 7,777 million at the end of 2007 compared to DKK 6,736 million at the end of 2006.

Subordinated debt amounted to DKK 3,011 million, an increase of DKK 1,429 million on the figure at the end of 2006. FIH has raised a subordinated loan in Q1 on EUR 200 mio which is the cause to the increase in subordinated loans.

Inclusive of the net profit for the period the solvency ratio for the group was 11.5 per cent at the end of 2007 relative to 10.0 per cent at the end of 2006. Similarly, the core capital ratio (tier 1) was 8.4 per cent compared to 8.3 per cent at the end of 2006.

Credit risk

At least once a year, individual credit facilities are reviewed. As part of this review, new financial information is examined and ratings are updated, among other things.

Monitoring of credit facilities is undertaken centrally using FIH's credit system, containing all material information on the size and utilisation of facilities, collateral security provided and estimated realisable value, etc.

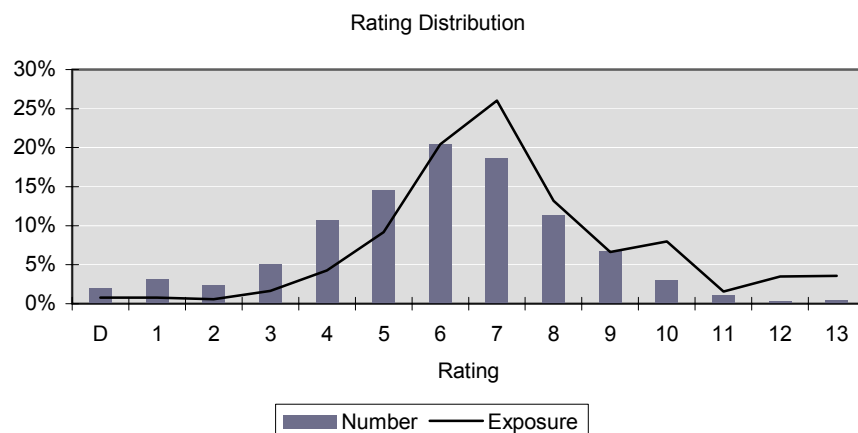
The Credit department continuously monitors the scope, diversification and quality of the loan portfolio, reporting its findings on an ongoing basis to the Executive Board and periodically to the Board of Directors.

Rating models are used, along with individual customer credit ratings.

Financial institutions are rated using a separate model, while the largest customer segment, corporate customers, is rated using the internally developed Corporate model.

The Corporate model categorises customers into 12 rating classifications, 12 being the best. The model also calculates the probability that, within the next 12 months, the individual customer will be unable to meet his financial obligations towards FIH. Public institutions and similar organisations are assigned rating 13 with a probability of default of 0 per cent.

Loan portfolio diversification by rating class exclusive of loans to the public sector is shown below.



Rating classes 8-12 correspond to investment grade as defined by the credit rating agencies, while rating classes 4-7 are below investment grade, although being of acceptable credit quality. Rating classes 3-2 comprise customers with increased risk, corresponding to the single B segment defined by the rating agencies. Rating

1 comprises the weakest and most risky customers, corresponding to the C segment as defined by the rating agencies.

Average rating				
Excluding public companies, financial institutions and customers in default				
31/12 2006	31/3 2007	30/6 2007	30/9 2007	31/12 2007
5.95	5.96	6.01	6.03	6.05

Average rating, weighted by engagement				
Excluding public companies, financial institutions and customers in default				
31/12 2006	31/3 2007	30/6 2007	30/9 2007	31/12 2007
7.11	7.10	7.21	7.18	7.09

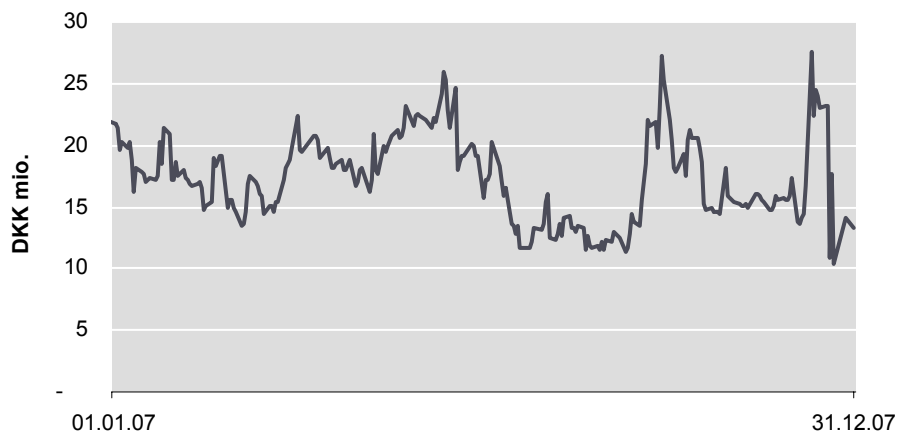
Market risk

Market risk is the risk of a loss as a result of changes in market value of FIH's assets and liabilities and off-balance sheet transactions due to changes in market conditions. Market risk includes interest rate and exchange rate risks and risk related to equity trading.

The market risk related to the bank's total balance sheet (inclusive of the risk not related to the trading book), stated as Value at Risk for interest rate, exchange rate and equity trading amounted to DKK 13 million at the end of 2007.

The Value at Risk method looks at the whole portfolio in the calculation of markets risks associated with financial assets. As a result, not only the standard deviation, but also the correlation between the portfolio assets is taken into account. Consequently, the Value at Risk method summarises the total risk related to the bank's balance sheet by one figure and expressed in Danish kroner.

**Value at Risk over the period (DKK mio.)
99 per cent probability in a single day**



Funding and liquidity

An important element of FIH's funding strategy has been to diversify the funding into new markets in Europe and into new investor segments. Special attention has been devoted to increasing the deposit base from existing and new customers.

Deposits from financial institutions and corporate costumers have increased from DKK 6,595 million at the beginning of the year to app. DKK 10,533 at the end of the year and now amount to almost 11 per cent of the total funding. The focus on deposits will continue in 2008 and in the beginning of Q2, an internet platform targeting retail customers will be introduced.

While traditionally FIH has based long-term funding on Euro Market EMTN issues, the majority of the funding has been raised on new markets and to new costumer segments during 2007.

For the first time in many years, FIH has issued large bond series on the Danish market. In addition, a relatively large fixed-rate GBP loan and issues in CHF and SEK have also contributed significantly to the long-term funding.

The international credit crisis in the second half of 2007 which originate from substantial losses on sub-prime loans in the US has caused an increase in the price of liquidity. The effect for FIH in likeliness with other banks has been increasing funding cost. The price of short funding has in the autumn of 2007 increases app. 0.1 to 0.15 percent and the long fund is more dependent on maturity and structure.

Liquidity has increased considerably during 2007, and amounted to DKK 33,652 million by the end of 2007. The increase mainly comes from a committed loan facility from ATP to FIH Kapital Bank of DKK 15 billion.

Provided that the holdings of commercial papers and deposits are maintained at the present level, the liquidity will cover more than one years' operation without the need for further issue of bonds on the capital markets.

Merger

As stated at the end of the first half of 2007 it was decided to merge FI-Holding A/S (parent company) with FIH Erhvervsbank A/S (continuing company) in the second half year. The merger provides an administrative relief. The merger will have no effect on FIH's financial statements and the expectations for 2007. Consequently, Kaupthing Bank hf. is the direct owner of FIH Erhvervsbank A/S. The merger was registered in October 2007.

Expectations for FIH result 2008

It is expected that the customers' demand for credit in 2008 will be slightly lower than in 2007. The need for investments will be approximately the same as in 2007, while the number of acquisitions will be lower, at the same time as the volume of commercial property transactions will decrease. The growth rate of the total loan market is therefore expected decline. On the other hand, the complete environment has changed as a number of foreign banks have withdrawn from the market now dominated by the Danish and the large Nordic financial institutions. As a con-

sequence of these factors, FIH expects a growth in the loan portfolio of app. 10 per cent in 2008.

The competition on the loan market continues to be fierce, which threatens to reduce the loan margin. The pressure on the loan margin, however, is expected to decrease in 2008 due to the changed funding situation. The expensive funding will have a negative effect on the deposits and the price pressure will thus be transformed from loans to deposits.

FIH's securities, fx and derivatives trading – Capital Markets – show continuous progress, thus in 2008 gross earnings are expected to increase by more than DKK 100 million.

FIH PARTNERS also expects an increase in earnings in 2008.

Costs have continued to rise as a consequence of the substantial activity level increase during 2007. Investment activity is still high but is expected to level off. In 2008, costs are expected to increase by 5 per cent compared to 2007.

The current economic climate in Denmark is extremely favourable which has a positive effect on FIH's writedowns and losses. In 2007, FIH had a modest reversal on net writedowns of DKK 19 million. Even though, FIH anticipates a lower growth rate in 2008, the Danish corporates have experienced a satisfactory growth which is expected to continue. FIH's writedowns and losses are therefore expected to remain modest in 2008.

All things considered, the above mentioned expectations imply a result of app. DKK 1.1 billion in 2008 corresponding to the result for 2007.

Copenhagen, 31 January 2008

For the Board of Directors

Hans Skov Christensen
Chairman

For additional information please contact
Lars Johansen, tel +45 7222 5000

Appendices

Income statement and balance sheet for the FIH Group and FIH Erhvervsbank A/S

FINANCIAL STATEMENTS FOR THE FIH GROUP

DKK million	Q4		Q4	
Income statement	2007	2007	2006*	2006*
Net interest and fee income	339	1,385	280	1,098
Market value adjustments	37	510	108	508
Other operating income	22	86	29	89
Profit on net financials	398	1,981	417	1,695
Expenses and depreciation	218	741	166	540
Writedowns of loans and receivables etc.	-22	-19	-13	-17
Profit/loss from associates and group enterprises	0	17	0	6
Profit before tax	202	1,276	264	1,178
Tax	-35	153	64	243
Profit after tax	237	1,123	200	935
Allocation of profit				
Shareholders	236	1,094	200	959
Minority interests	1	29	0	-24

DKK million		
Balance sheet (key figures)	31/12 2007	31/12 2006*
Cash and cash equivalents	5,013	6,660
Bonds	13,639	12,139
Shares	943	978
Loans	75,015	67,579
Other assets	18,747	8,642
Total assets	113,357	95,998
Deposits	10,533	6,595
Due to credit institutions and central banks	85,496	73,245
Other liabilities	6,217	7,486
Provisions	323	354
Subordinated loan capital	3,011	1,582
Minority interests	27	39
Shareholders' equity interest	7,750	6,697
Total equity	7,777	6,736
Total Liabilities and Equity	113,357	95,998
Ratios	31/12 2007	31/12 2006*
Return on equity before tax	17,6	18.9
Return on equity after tax	15,6	15.0

Statement by the Executive Board

We have today presented and adopted the annual report of for FIH Erhvervsbank A/S for the financial year 1 January to 31 December 2007.

The consolidated financial statements have been presented in accordance with International Financial Reporting Standards as adopted by the EU, and the annual report of the Bank has been presented in accordance with the Danish Financial Business Act. Further, the annual report has been prepared in accordance with additional Danish disclosure requirements for annual reports of listed financial companies.

The management's review includes a fair presentation of the development in the Group's and the Bank's activities and financial position as well as a description of the most material risks and elements of uncertainty that may affect the Group and the Bank.

We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Group's and the Bank's financial position at 31 December 2007 as well as the result of the Group's and the Bank's activities and the Group's cash flows for the financial year 1 January to 31 December 2007.

Copenhagen, 31 January 2008

EXECUTIVE BOARD

Lars Johansen Managing director and CEO	Henrik Sjøgreen Director
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BOARD OF DIRECTORS

Hans Skov Christensen (chairman)	Sigurdur Einarsson (vice-chairman)
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Per Erlandsen Brun	Jørgen Bruun-Toft	Hans Ejvind Hansen	Randi Holm Franke
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Hreiðar Már Sigurðsson	Svend-Aage Nielsen	Jørgen Vorsholt
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INCOME STATEMENT FOR THE FIH GROUP

DKK million	Note	Q4 2007	2007	Q4 2006*	2006*
Interest income	2	1,455.2	5,409.0	1,089.3	3,689.1
Interest expense	3	1,153.6	4,290.1	835.7	2,687.5
Net interest income		301.6	1,118.9	253.6	1,001.6
Dividends from shares etc.		0.0	9.4	0.0	0.2
Fee and commission income		47.1	304.8	32.5	130.2
Fees and commissions paid		9.2	48.2	6.3	34.2
Net interest and fee income		339.5	1,384.9	279.8	1,097.8
Market value adjustments	4	36.5	510.0	108.4	508.6
Other operating income		22.3	85.9	28.9	89.5
Staff costs and administrative expenses	5	206.5	700.3	150.9	497.9
Amortisation, depreciation and write-downs, intangible and tangible assets		9.1	37.7	14.7	42.4
Other operating expenses		2.7	3.4	0.2	0.3
Writedowns of loans and receivables etc.	6	-22.0	-19.4	-13.2	-16.8
Profit from investments in associates and group enterprises		0.0	17.4	0.3	5.8
Profit before tax		202.0	1,276.2	264.8	1,177.9
Tax		-34.7	152.9	64.3	242.8
Profit after tax		236.7	1,123.3	200.5	935.1
Allocation of profit					
Shareholders		236.0	1,094.5	201.0	958.5
Minority interests		0.7	28.8	-0.5	-23.4

QUARTERLY INCOME STATEMENT FOR THE FIH GROUP

DKK million	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006*	Q3 2006*	Q2 2006*	Q1 2006*
Interest income	1,455.2	1,412.6	1,321.2	1,220.0	1,089.3	934.1	858.3	807.4
Interest expense	1,153.6	1,129.7	1,063.7	943.1	835.9	683.5	607.0	561.1
Net interest income	301.6	282.9	257.5	276.9	253.4	250.6	251.3	246.3
Dividends from shares etc.	0.0	0.1	9.3	0.0	0.0	0.0	0.2	0.0
Fee and commission income	47.1	154.4	61.6	41.7	32.5	20.2	19.5	58.0
Fees and commissions paid	9.2	9.0	15.1	14.9	6.3	7.0	3.1	17.8
Net interest and fee income	339.5	428.4	313.3	303.7	279.6	263.8	267.9	286.5
Market value adjustments	36.5	30.8	230.1	212.6	108.4	55.3	185.7	159.2
Other operating income	22.3	22.3	19.9	21.4	28.8	21.0	21.3	18.4
Staff costs and administrative expenses	206.5	195.8	152.3	145.7	151.0	105.8	156.8	84.3
Amortisation, depreciation and impairments, intangible and tangible assets	9.1	10.5	8.1	10.0	14.8	9.8	10.3	7.5
Other operating expenses	2.7	0.2	0.4	0.1	0.3	0.0	0.0	0.0
Writedowns of loans and receivables etc.	-22.0	12.6	-14.2	4.2	-13.2	7.1	3.9	-14.6
Profit from investments in associates and group enterprises	0.0	15.0	-2.8	5.2	0.3	-12.3	-7.2	25.0
Profit before tax	202.0	277.4	413.9	382.9	264.2	205.1	296.7	411.9
Tax	-34.7	35.2	43.2	109.3	64.1	46.1	38.8	93.8
Profit after tax	236.7	242.2	370.7	273.6	200.1	159.0	257.9	318.1
Allocation of profit								
Shareholders	236.0	217.8	368.4	272.2	200.6	166.2	273.6	318.1
Minority interests	0.7	24.4	2.3	1.4	-0.5	-7.2	-15.7	0.0

BALANCE SHEET FOR THE FIH GROUP

DKK million	Note	31/12 2007	31/12 2006*
ASSETS			
Cash in hand and demand deposits with central banks		308.7	124.4
Debt instruments eligible for refinancing with central banks		0.0	2,596.2
Due from credit institutions and central banks		4,704.3	3,939.6
Loans and other receivables at fair value	7	643.5	828.3
Loans and other receivables at amortised cost	7	74,371.7	66,750.6
Bonds at fair value		13,639.3	12,138.6
Shares etc.		943.1	978.3
Investments in associates		73.4	89.6
Intangible assets		46.7	27.6
Land and buildings:			
Investment property		1,129.8	1,100.3
Domicile property		1.9	1.4
Other tangible assets		25.7	39.7
Current tax assets		191.9	0.3
Other assets		17,199.7	7,330.7
Prepayments		76.8	52.3
Total assets		113,356.5	95,997.9

LIABILITIES AND EQUITY FOR THE FIH GROUP

DKK million		31/12 2007	31/12 2006*
LIABILITIES AND EQUITY			
Debt			
Due to credit institutions and central banks		31,863.7	16,653.2
Deposits and other debt		10,533.3	6,595.6
Bonds issued at amortised cost	8	53,015.2	55,703.6
Other non-derivative financial commitments at fair value	8	616.9	887.5
Current tax liabilities		0.0	103.5
Other liabilities		6,198.7	7,356.9
Accruals and deferred income		18.5	25.8
Total debt		102,246.3	87,326.1
Provisions			
Provisions for pensions and similar commitments		3.2	3.5
Provisions for deferred tax		314.6	329.4
Provisions for losses and guaranties		5.0	20.7
Total provisions		322.8	353.6
Subordinated debt	9	3,010.6	1,581.7
Shareholders' equity interest		7,750.1	6,697.2
Minority interests		26.7	39.3
Total equity		7,776.8	6,736.5
Total liabilities and equity		113,356.5	95,997.9
Off-balance-sheet items			
Guarantees etc.	10	2,837.5	2,314.8
Other contingent liabilities	10	11,356.9	10,100.7
Total off-balance-sheet items		14,194.4	12,415.5

EQUITY STATEMENT FOR THE FIH GROUP

DKK million	2007	2006*
Equity at the beginning of the year	6,697.2	5,791.3
Net profit for the year	1,123.3	935.1
Addition, merger	0.1	2.4
Share-based compensation	1.1	0.8
Revaluation, property	0.5	0.0
Total comprehensive income	1,125.0	938.3
Dividends distributed	0.0	0.0
Adjustments, minority interests	-43.3	-55.7
Minority interests	-28.8	23.3
Total changes in equity	1,052.9	905.9
Total shareholder's equity interest end of year	7,750.1	6,697.2
Minority interests' equity interest primo	39.3	0.0
Minority interests' share of dividend	-28.3	0.0
Addition/outflow, minority interests	-13.1	62.6
Minority interests' share of net profit	28.8	-23.3
Minority interests' equity interest ultimo	26.7	39.3
Total equity end of year	7,776.8	6,736.5

SPECIFICATION OF CHANGES IN EQUITY

Share capital, beginning of period	513.6	513.6
Share capital, end of year	513.6	513.6
Share option plan, beginning of period	0.8	0.0
Share option plan, during the period	1.1	0.8
Share option plan, end of year	1.9	0.8
Revaluation reserve property, beginning of period	0.5	0.5
Reserve for the period	0.5	0.0
Revaluation reserve property, end of year	1.0	0.5
Reserve for net revaluation by the equity method, beginning of period	0.0	8.2
Transferred	0.0	5.8
Other disposals, transferred to profit brought forward	0.0	-14.0
Reserve for net revaluation by the equity method, end of year	0.0	0.0
Profit brought forward, beginning of period	6,182.3	5,269.0
Dividend	0.0	0.0
Transferred	1,123.3	929.3
Addition, merger	0.1	2.4
Other additions, transferred from reserve for net revaluation by the equity method	0.0	14.0
Adjustment of minority interests	-43.3	-55.7
Minority interests	-28.8	23.3
Profit brought forward, end of period	7,233.6	6,182.3
Total shareholder's equity end of year	7,750.1	6,697.2
Minority interests' equity interest primo	39.3	0.0
Addition, minority interests	-28.3	0.0
Minority interests' share of net profit	-13.1	62.6
Minority interests' equity interest ultimo	28.8	-23.3
Minority interests' equity interest end of period	26.7	39.3
Total equity end of year	7,776.8	6,736.5

CASH FLOW STATEMENT FOR THE FIH GROUP

DKK million	2007	2006*
Cash flow from operating activities		
Interest received	5,404.1	3,583.9
Interest paid	-3,782.7	-2,341.9
Fees received and paid	266.0	100.7
Expenses paid	-731.7	-509.2
Other operating income	85.2	89.0
Received on claims previously impaired	-12.5	7.4
Loans disbursed	-27,805.0	-29,385.4
Repayments on loans	19,489.5	20,215.5
Securities, purchase	-11,778.6	-5,323.6
Securities, sale	1,026.1	689.1
Dividend from shares and investments	70.4	535.9
Taxes paid	-471.6	-107.5
Total	-18,240.8	-12,446.1
Cash flow from investments activities		
Net investment intangible and tangible assets	-59.9	121.3
Sundry assets	3,262.1	620.4
Total	3,202.2	741.7
Cash flow from financing activities		
New bank loans and bonds	75,837.4	77,270.9
Repayments on bank loans and bonds	-62,918.6	-69,148.6
Change in short-term funding	3,983.1	4,098.6
New subordinated debt	1,487.1	0.0
Repayment on subordinated debt	-17.9	-19.0
Adjustments, minority interests	-69.6	-57.2
Changes of minority interests	-12.6	39.3
Sundry liabilities	-3,225.5	-243.6
Total	15,063.4	11,940.4
Net cash flow	24.8	236.0
Cash balances, beginning of period	6,895.2	6,709.6
Value adjustments of liquid funds	-107.0	-50.4
Cash balances, end of period	6,813.0	6,895.2
Cash balances, end of period		
Cash in hand and demand deposits with central banks, etc.	308.7	2,720.6
Due from credit institutions, etc.	4,704.3	3,939.6
Bonds	1,800.0	235.0
Cash balances, end of period	6,813.0	6,895.2

Accounting policies:

The annual report for 2007 contains a full description of the applied accounting policies. All transactions with related parties are settled on market terms or on a cost reimbursement basis. Adjusting events have not occurred after the balance sheet date. As a consequence of the merger between FI-Holding A/S and FIH Erhvervsbank A/S (continuing company) with effect from 1 January 2007 the comparative figures have been adjusted. Comparative figures of the balance sheet constitute the joint balance sheet of the merged enterprises as of 1 January 2007 in which intra-group balances and equity has been eliminated. Comparative figures of the income statement constitute the income statement for the merged enterprises for 2006 eliminating intra-group transactions. The merger has been accounted for using the pooling of interest method.

NOTES FOR THE FIH GROUP

Note 1 – Segment information

DKK million

Segment financial statements based on the primary activities of the FIH Group are presented below:

1/1-31/12 2007	Corpo- rate Banking	SME Banking	Property Finance	Struc- tured Finance	Private Equity	Invest- ment Banking	Capital Markets	Other activi- ties	Total
Income statement									
Net interest and fee in- come	264.1	371.0	269.0	408.9	-41.1	191.4	25.7	-104.1	1,384.9
Market value adjust- ments	-6.2	5.1	4.3	0.0	631.8	0.0	127.3	-252.3	510.0
Other operating income	7.7	2.5	4.7	1.0	0.0	0.0	0.0	70.0	85.9
Writedowns and losses of loans and other re- ceivables etc.	-0.6	-13.6	-0.3	-4.9	0.0	0.0	0.0	0.0	-19.4
Operating costs	30.7	169.8	81.9	28.6	3.1	93.0	291.0	43.3	741.4
Profit/loss on equity in- vestments	0.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	17.4
Profit before tax	235.5	222.4	196.4	386.2	605.0	98.4	-138.0	-329.7	1,276.2
Tax	48.9	46.0	40.8	80.1	13.4	20.5	-28.7	-68.1	152.9
Net profit for the pe- riod	186.6	176.4	155.6	306.1	591.6	77.9	-109.3	-261.6	1,123.3
Allocation of profit									
Shareholders									1,094.5
Minority interests									28.8
									1,094.4
Balance sheet									
Loans	17,838.3	20,751.5	20,267.6	16,100.7	0.0	0.0	24.9	32.3	75,015.3
Bonds	1,383.4	0.0	0.0	0.0	0.0	0.0	207.7	12,048.2	13,639.3
Shares	0.0	0.0	0.0	0.0	906.9	0.0	36.2	0.0	943.1
Other assets	0.0	0.0	0.0	0.0	73.4	0.0	0.0	0.0	73.4
Total assets	576.8	44.2	109.3	211.7	0.0	0.0	2,571.9	20,171.5	23,685.4
Total assets	19,798.5	20,795.7	20,376.9	16,312.4	980.3	0.0	2,840.7	32,252.0	113,356.5

Note 1 – Segment information
DKK million

Segment financial statements based on the primary activities of the FIH Group are presented below:

1/1-31/12 2006 *	Corpo- rate Banking	SME Banking	Property Finance	Struc- tured Finance	Private Equity	Invest- ment Banking	Capital Markets	Other activi- ties	Total
Income statement									
Net interest and fee in- come	225.2	291.2	260.4	344.7	-28.9	32.8	0.6	-28.0	1,097.8
Market value adjust- ments	28.5	0.0	0.0	0.0	383.4	0.0	21.6	75.1	508.6
Other operating income	5.4	10.5	8.3	3.3	0.0	0.0	0.0	62.0	89.5
Writedowns and losses of loans and other re- ceivables etc.	0.0	-2.7	-2.2	-11.9	0.0	0.0	0.0	0.0	-16.8
Operating costs	37.8	114.4	91.4	18.6	0.7	96.4	115.2	66.1	540.4
Profit/loss on equity in- vestments	0.0	0.0	0.0	0.0	5.8	0.0	0.0	0.0	5.8
Profit before tax	221.3	190.0	179.5	341.3	359.6	-63.6	-93.0	42.8	1,177.9
Tax	61.8	53.2	50.2	95.8	12.6	-17.8	-26.0	13.0	242.8
Net profit for the pe- riod	159.5	136.8	129.3	245.5	347.0	-45.8	-67.0	29.8	935.1
Allocation of profit									958.5
Shareholders									-23.4
Minority interests									
Balance sheet									
Loans	19,082.4	18,707.3	17,297.4	12,470.5	0.0	0.0	0.0	21.3	67,578.9
Bonds	1,752.9	0.0	0.0	0.0	0.0	0.0	2,114.5	8,271.2	12,138.6
Shares	0.0	0.0	0.0	0.0	686.8	0.0	6.4	285.1	978.3
Other assets	0.0	0.0	0.0	0.0	89.6	0.0	0.0	0.0	89.6
Total assets	579.9	114.1	316.0	90.4	0.0	0.0	1,291.9	12,820.2	15,212.5
Total assets	21,415.2	18,821.4	17,613.4	12,560.9	776.4	0.0	3,412.8	21,397.8	95,997.9

NOTES

DKK million	2007	2006*
Note 2 – Interest income		
Due from credit institutions and central banks	458.6	247.0
Loans and other receivables	4,126.8	3,100.1
Contributions	5.7	7.6
Bonds	790.8	423.5
Derivative financial instruments	25.6	-97.2
Other interest income	1.5	8.1
Total	5,409.0	3,689.1
Note 3 – Interest expenses		
Credit institutions and central banks	690.1	507.2
Deposits and other debt	633.6	183.9
Bonds issued	2,824.8	1,930.5
Subordinated debt	125.6	64.8
Other interest expenses	16.0	1.1
Total	4,290.1	2,687.5
Note 4 – Market value adjustments		
Mortgage loans	-14.4	-19.6
Other loans and receivables at amortised cost	-246.7	-605.6
Bonds	-234.3	-66.9
Shares, etc.	632.2	385.7
Investment property	-33.5	-49.4
Foreign currency	-6.0	9.2
Derivative financial instruments	363.3	721.6
Liabilities	49.4	133.6
Total	510.0	508.6
Note 5 – Staff costs and administrative expenses		
Salaries and remuneration of Board of Directors and Executive Board	23.2	16.6
Staff costs:		
Salaries	384.6	252.1
Pensions	19.3	13.4
Social security costs	33.0	17.8
Share-based payments	15.6	7.8
Total	452.5	291.1
Other administrative expenses	224.6	190.1
Total	700.3	497.8
Share and option plans		
Employee shares		
In February 2005, FIH launched a share plan for all employees. The shares were allocated in proportion to salaries and will be held in trust until and including 2010.		
Option plans		
Plan 1		
In 2004, FIH Erhvervsbank A/S launched a share option plan for a broad group of employees. The options are allocated over a period of three years, with three tranches of a nominal value of DKK 6 million. Allocations are made individually for each employee in 2004, 2005 and 2006. The options may be executed as follows: tranche 1 may be converted in the years 2008–2010, tranche 2 in the years 2009–2010 and tranche 3 in the year 2010. In the years in question, options may be executed only during a 30-day period following the publication of the company's annual report. The conversion price will be revalued by 7 per cent a year starting in 2008.		
Plan 2		
A supplementary plan was launched in 2006 for employees that were hired subsequently. Options under this plan are allotted over a three-year period in the form of three tranches of a nominal value of DKK 1.6 million. Options are allotted individually for each employee in 2006, 2007 and 2008. Options may be exercised in the following way: tranche 1 may be converted during the years 2010–2012,		

<p>tranche 2 during the years 2011–2012 and tranche 3 in the year 2012. The conversion price is revalued by 7 per cent a year starting in 2008.</p> <p>Kaupthing Bank hf. launched an option plan for all employees of the Kaupthing Bank Group in 2005. This plan covers the period 2005–2009 and includes 3.9 million options, all of which were allotted in 2005. Option holders may exercise up to one-third of the options allotted during the period 20 January – 25 February in each of the years 2007, 2008 and 2009.</p> <p>At year-end 2006, Kaupthing Bank hf. launched a supplementary option plan for employees subsequently hired by the Group. This plan covers the period 2006–2010 and includes 1.1 million options, all of which were allotted in 2006. Option holders may exercise up to one-third of the options allotted during the period 20 January – 20 February in each of the years 2008, 2009 and 2010.</p>		
DKK million	2007	2006*
Writedowns of loans and guarantee debtors, individual writedowns		
Writedown balance, beginning of period	253.5	317.6
Reversal of previous writedowns	101.5	100.8
Writedowns during the period	102.2	90.0
Losses recorded	52.8	53.3
Writedown balance, end of period individual writedowns	201.4	253.5
Writedowns of loans and guarantee debtors, group writedowns		
Writedown balance, beginning of period	30.4	28.9
Reversal of previous writedowns	0.0	0.0
Writedowns during the period	-14.8	1.5
Losses recorded	0.0	0.0
Writedown balance, end of period group writedowns	15.6	30.4
Writedowns of loans and guarantee debtors		
Writedown balance, beginning of period	283.9	346.5
Reversal of previous writedowns	101.5	100.8
Writedowns during the period	87.4	91.5
Losses recorded	52.8	53.3
Writedown balance, end of period	217.0	283.9
Total loans and guarantee debtors for which an objective indication for impairment has occurred before writedown	597.0	812.2
Total loans and guarantee debtors for which an objective indication for impairment has occurred after writedown	380.0	528.3
Accumulated writedowns of loans and guarantee debtors, as a percentage of loans and guarantees, end of year	0.3 %	0.4 %
Losses and writedowns of receivables as a percentage of loans and guarantees, end of year	0.0 %	0.0 %
Net losses recorded, as a percentage of the writedown balance, beginning year	16,7 %	13.2 %
Note 7 – Loans		
Mortgage loans	643.5	828.3
Other loans	74,371.7	66,750.6
Total	75,015.2	67,578.9
Note 8 – Bonds issued		
Other bonds at amortised cost	53,015.2	55,703.6
Mortgage bonds at fair value	616.9	887.5
Total	53,632.1	56,591.1

DKK million	2007	2006*
Note 9 – Subordinated debt		
4.80 % JPY 10-bn maturity 31.03.2032	546.8	582.2
Var. % EUR 30-m maturity 03.08.2009	229.5	236.0
Var. % EUR 200-m maturity 26.03.2013	1,488.6	745.6
Var. % EUR 100-m maturity 22.09.2012	745.7	0.0
Interest-free deposits from the Danish Ministry of Economic and Business Affairs in connection with Production, EM and HMI loan schemes. The deposits will be repaid in full in 2007	0.0	17.9
Total subordinated debt	3,010.6	1,581.7
Subordinated debt that may be included in the calculation of the capital base	2,798.6	1,392.9
Note 10 – Off-balance sheet-items		
Guarantees etc.		
Financial guarantees	1,094.1	902.0
Guarantees against losses for mortgage loans	1,444.1	1,223.6
Other guarantees	299.3	189.2
Total	2,837.5	2,314.8
Other liabilities		
Irrevocable loan commitments	10,696.3	9,301.8
Other liabilities	660.6	798.9
Total	11,356.9	10,100.7

INCOME STATEMENT FOR FIH ERHVERVSBANK A/S

DKK million	Note	2007	2006*
Interest income	1	5,197.2	3,616.4
Interest expense	2	4,300.9	2,656.7
Net interest income		896.3	959.7
Dividends from shares etc.		9.4	0.1
Fee and commission income		129.5	121.8
Fees and commissions paid		43.2	41.6
Net interest and fee income		992.0	1,040.0
Market value adjustments	3	-102.1	333.4
Other operating income		156.7	131.5
Staff costs and administrative expenses	4	622.7	430.5
Amortisation, depreciation and impairments, intangible and tangible assets		37.5	42.3
Other operating expenses		-11.3	-13.6
Writedowns of loans and receivables etc.		764.7	151.6
Profit before tax		1,162.4	1,197.3
Tax		68.0	238.8
Profit after tax		1,094.4	958.5

BALANCE FOR FIH EHVVERVSBANK A/S

DKK million	Note	2007	2006*
ASSETS			
Cash in hand and demand deposits with central banks		308.7	124.4
Debt instruments eligible for refinancing with central banks		0.0	2,596.2
Due from credit institutions and central banks		18,078.5	3,910.6
Loans and other receivables at amortised cost	5	60,992.6	66,833.4
Bonds at fair value		11,739.7	11,925.5
Shares etc.		90.2	336.4
Investments in associates		63.3	66.2
Investments in group enterprises		4,001.2	1,505.1
Intangible assets		46.7	27.6
Land and buildings:			
Investment property		1,129.8	1,100.3
Domicile property		1.9	1.4
Other tangible assets		25.5	39.5
Current tax assets		124.9	0.2
Other assets		17,001.7	7,324.2
Prepayments		50.0	51.9
Total assets		113,654.7	95,842.9

LIABILITIES AND EQUITY FOR FIH ERHVERVSBANK A/S

DKK million		2007	2006*
LIABILITIES AND EQUITY			
Debt			
Due to credit institutions and central banks		31,941.6	16,653.2
Deposits and other debt		11,483.2	7,286.9
Bonds issued at amortised cost	6	53,015.2	55,703.6
Current tax liabilities		0.0	107.9
Other liabilities		6,018.1	7,367.5
Accruals and deferred income		17.0	25.8
Total debt		102,475.1	87,144.5
Provisions			
Provisions for pensions and similar commitments		3.2	3.5
Provisions for deferred tax		287.0	299.4
Provisions for losses and guaranties		29.7	60.6
Total provisions		319.9	363.5
Subordinated debt	7	3,010.6	1,581.7
Total equity	8	7,849.1	6,752.9
Total liabilities and equity		113,654.7	95,842.9
Off-balance-sheet items			
Guarantees etc.	9	3,115.1	2,721.8
Other contingent liabilities	9	10,564.6	9,335.7
Total off-balance-sheet items		13,679.7	12,057.5

Ratios *	2007	2006	2005	2004	2003
Capital base relative to minimum capital adequacy requirement	284.3	217.7	195.5	174.6	210.3
Solvency ratio, per cent	12.9	10.1	10.7	11.8	14.0
Core capital ratio, per cent	9.5	8.4	8.5	9.1	10.8
Return on equity before taxation	15.9	19.1	16.4	13.6	13.1
Return on equity after taxation	15.0	15.3	13.2	10.1	9.7
Income/cost ratio	2.70	3.61	4.18	4.62	3.59
Interest rate risk	3.8	5.1	5.1	2.5	3.2
Foreign exchange position	8.4	5.9	3.6	5.2	2.6
Foreign exchange risk as a percentage of core capital	0.1	0.1	0.1	0.1	0.0
Loans as a percentage of deposits	5.3	9.2	14.8	34.5	76.3
Gearing of loans	7.7	9.9	10.0	10.1	8.6
Growth in loans, per cent	-8.7	15.6	15.0	-3.1	0.1
Excess cover relative to statutory liquidity requirements	18.0	71.0	90.4	17.6	22.5
Total amount of large exposures	124.4	275.4	320.0	446.3	335.4
Impairment ratio	0.3	0.4	0.5	1.3	1.2

EQUITY STATEMENT FOR THE FIH ERHVERVSBANK A/S

DKK million	2007	2006*
Equity at the beginning of the year	6,752.9	5,791.3
Net profit for the year	1,094.4	958.4
Addition, merger	0.0	2.4
Share-based compensation	1.2	0.8
Revaluation, property	0.5	0.0
Total comprehensive income	1,096.2	961.6
Dividends distributed	0.0	0.0
Total changes in equity	1,096.2	961.6
Total equity end of year	7,849.1	6,752.9

SPECIFICATION OF CHANGES IN EQUITY

Share capital, beginning of period	513.6	513.6
Share capital, end of year	513.6	513.6
Share option plan, beginning of period	0.8	0.0
Share option plan, during the period	1.2	0.8
Share option plan, end of year	2.0	0.8
Revaluation reserve property, beginning of period	0.5	0.5
Reserve for the period	0.5	0.0
Revaluation reserve property, end of year	1.0	0.5
Reserve for net revaluation by the equity method, beginning of period	1.9	1.6
Transferred	367.0	4.8
Addition, merger	0.1	0.0
Other disposals, transferred to profit brought forward	-124.0	-4.5
Reserve for net revaluation by the equity method, end of year	245.0	1.9
Profit brought forward, beginning of period	6,236.1	5,275.6
Dividend	0.0	0.0
Transferred	727.4	953.7
Addition, merger	0.0	2.4
Other additions, transferred from reserve for net revaluation by the equity method	124.0	4.4
Profit brought forward, end of period	7,087.5	6,236.1
Total equity end of year	7,849.1	6,752.9

NOTES FOR FIH ERHVERVSBANK A/S

DKK million	2007	2006*
Note 1 – Interest income		
Due from credit institutions and central banks	1,056.2	247.9
Loans and other receivables	3,402.0	3,041.7
Bonds	713.9	417.8
Derivative financial instruments	24.1	-97.2
Other interest income	1.0	6.2
Total	5,197.2	3,616.4
Note 2 – Interest expenses		
Credit institutions and central banks	714.6	507.4
Deposits and other debt	656.1	199.4
Bonds issued	2,788.1	1,883.4
Subordinated debt	125.6	64.8
Other interest expenses	16.5	1.7
Total	4,300.9	2,656.7
Note 3 – Market value adjustments		
Mortgage loans	-217.6	-605.6
Other loans and receivables at amortised cost	-236.4	-67.1
Bonds	21.4	209.0
Shares, etc.	-33.5	-49.4
Investment property	-3.6	10.7
Foreign currency	332.7	721.6
Derivative financial instruments	34.9	114.2
Liabilities	-102.1	333.4
Note 4 – Staff costs and administrative expenses		
Salaries and remuneration of Board of Directors and Executive Board	21.8	15.2
Staff costs:		
Salaries	327.6	195.1
Pensions	18.7	13.0
Social security costs	28.5	15.8
Share-based payments	15.6	7.8
Total	390.4	231.7
Other administrative expenses	210.5	183.4
Total	622.7	430.3
Note 5 – Loans		
Loans	60,992.6	66,833.4
Total	60,992.6	66,833.4

DKK million	2007	2006*
Note 6 – Bonds issued		
Other bonds at amortised cost	53,015.2	55,703.6
Total	53,015.2	55,703.6
Note 7 – Subordinated debt		
4.80 % JPY 10-bn maturity 31.03.2032	546.8	582.2
Var. % EUR 30-m maturity 03.08.2009	229.5	236.0
Var. % EUR 200-m maturity 26.03.2013	1,488.6	745.6
Var. % EUR 100-m maturity 22.09.2012	745.7	0.0
Interest-free deposits from the Danish Ministry of Economic and Business Affairs in connection with Production, EM and HMI loan schemes. The deposits will be repaid in full in 2007	0.0	17.9
Total subordinated debt	3,010.6	1,581.7
Subordinated debt that may be included in the calculation of the capital base	2,798.6	1,392.9
Note 8 – Equity		
Share capital		
Share capital, number of shares of DKK 20 each	25,678,625	25,678,625
Share capital, beginning of period	513.6	513.6
Share capital, end of period	513.6	513.6
No shares have special rights attached and there have been no movements in share capital in the past five years		
Own shares:		
Holding of own shares, beginning of period, number of shares	2,342	2,342
Sale to employees, number of shares	0	0
Holding of own shares, end of period, number of shares	2,342	2,342
Carrying amount, end of period, DKK '000	0	0
Nominal value, end of period, DKK '000	47	47
Percentage of shareholding	0 %	0 %
Note 9 – Off-balance sheet-items		
Guarantees etc.		
Financial guarantees	1,110.8	991.8
Guarantees against losses for mortgage loans	1,705.1	1,540.9
Other guarantees	299.2	189.1
Total	3,115.1	2,721.8
Other liabilities		
Irrevocable loan commitments	10,506.8	9,301.8
Other liabilities	57.8	33.9
Total	10,564.6	9,335.7

Information about Parent Company and subsidiaries:

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Tel (+354) 444 6000 | Fax (+354) 444 6009 | info@kaupthing.net

Is the Parent Company of:

FIH Erhvervsbank A/S, Langelinie Allé 43, 2100 København O, Denmark.

FIH Erhvervsbank A/S is included in the consolidated accounts for both companies.

FIH Erhvervsbank A/S owns the following subsidiaries:

DKK million	Activity	Holding	Assets	Equity	Turnover	Results
Consolidated subsidiaries:						
FIH Realkredit A/S, Copenhagen	Mortgage loans	100 %	920.3	108.5	9.6	3.3
FIH Leasing og Finans A/S, Copenhagen	Leasing and financing	100 %	444.5	412.5	19.0	22.0
FIH Finance A/S, Copenhagen	Financing and investment	100 %	1,493.4	1,476.5	15.0	599.5
FIH PARTNERS A/S, Copenhagen	Investment Banking	65 %	128.1	80.1	191.0	86.5
FIH Kapital Bank A/S, Copenhagen	Financing and investment	100 %	15,368.2	1,870.1	157.9	70.1
FIH Aztec Holding ApS, København	Investment	100 %	509.1	507.7	0.5	0.3