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25 July 2007

Stock Exchange Announcement No. 10/2007 – FIH Interim Report January-June 2007

- **Best ever net profit for the period of DKK 644.3 million**
- **Satisfactory business segment growth**
- **Excellent return on unlisted shares**
- **Writedowns of loans continually modest**

Net profit for the period

Net profit for the period amounted to DKK 644.3 million, an increase of DKK 68.3 million compared with the same period last year.

Return on equity before tax came to 21.9 per cent against 24.0 per cent in the first half of 2006, and 17.8 per cent after tax against 19.4 per cent for the same period of 2006.

Activities

Lending activities continue to grow, and all lending segments meet or exceed expectations and thus reported an increase of 6 per cent in total lending volume since the beginning of the year. Especially the new business segment Property Finance has shown a better-than-expected growth rate compared with the target for the first half of 2007. All lending units have benefited from the opportunity to offer even broader services to FIH customers as a result of the added synergies with the new FIH business segments.

The volume of deposits has developed favourably for the first half of 2007 and has reached DKK 20 billion against DKK 6.6 billion at the beginning of the year.

Within Capital Markets especially the Financial Solutions and Sales & Trading departments show positive earnings development.

FIH Partners A/S performed well in the first six months and has carried out 12 transactions this year, which is above expectations.

FIH DIREKTION

FIH ERHVERVS BANK A/S | Langelinie Allé 43 | 2100 København Ø
Tel 72 22 50 00 | Fax 72 22 50 01 | CVR 17 02 93 12 | www.fih.dk | fih@fih.dk

Key figures

Income Statement DKK million	H1 2007	H2 2006	Full-year 2006	H1 2005	H1 2004	H1 2003
Net interest and fee income	617	554	1,098	493	499	520
Market value adjustments	443	345	508	15	33	-22
Other operation income	41	40	89	55	3	3
Profit on net financials	1,101	939	1,695	563	535	501
Expenses and depreciation	317	259	540	140	119	105
Writedowns of loans and receivables etc.	-10	-11	-17	9	17	48
Profit/loss from associates and group enterprises	3	18	6	3	37	41
Profit before tax	797	709	1,178	417	436	389
Tax	153	133	243	63	121	110
Profit after tax	644	576	935	354	315	279
Allocation of profit						
Shareholders	640	592	959	354	315	279
Minority interests	4	-16	-24	0	0	0
Loans	71,462	64,176	67,579	53,924	54,941	56,825
Total assets	112,913	84,997	95,998	72,366	66,079	69,124
Equity	7,296	6,383	6,695	5,433	6,367	5,917

Net interest and fee income

Net interest and fee income amounted to DKK 617.1 million, up 11 per cent from the figure for the same period of 2006.

Interest income from loans and other receivables rose by 33 per cent to DKK 1,916.4 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 347.4 million, up from DKK 206.4 million for the first half of 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 12.9 million against a negative DKK 69.0 million for the first half of 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 875.5 million, to DKK 2,541.2 million, compared with the same period in 2006.

Interest expenses increased by a total of DKK 838.8 million, to DKK 2,006.8 mil-

lion, compared with the first half of 2006.

Fee and commission income increased by DKK 26 million, to a total of DKK 103.4 million, compared with the same period of last year. The increase in earnings may be attributed to the activities established in the investment banking area, as well as to higher commission income from credit approvals, etc.

Overall, net interest and fee income rose by DKK 62.8 million to a total of DKK 617.1 million for the first half of 2007.

DKK million	H1 2007	H1 2006
Net interest and fee income		
Interest income:		
Due from credit institutions and central banks	260.5	85.6
Loans and other receivables	1,916.4	1,436.5
Contributions	3.0	4.2
Bonds	347.4	206.4
Total derivative financial instruments	12.9	-69.0
Other interest income	1.0	2.0
Total interest income	2,541.2	1,665.7
Interest expense:		
Credit institutions and central banks	278.8	159.5
Deposits and other debt	265.1	67.9
Bonds issued	1,406.7	909.2
Subordinated debt	52.0	31.4
Other interest expense	4.2	0.1
Total interest expense	2,006.8	1,168.1
Net interest income	534.4	497.6
Dividend from shares etc.	9.3	0.1
Fees and commission income	103.4	77.4
Fees and commissions paid	29.9	20.9
Net interest and fee income	617.1	554.2
Average interest-bearing assets and liabilities		
Interest-bearing assets	98,250.1	78,809.3
Interest-bearing liabilities	94,743.3	74,988.7
Average interest rate, per cent p.a.		
Total interest income/interest-bearing assets	5.2 %	4.2 %
Total interest income/interest-bearing liabilities	4.2 %	3.1 %
Average interest rate margin	0.9 %	1.1 %
Net interest income/interest-bearing assets	1.2 %	1.4 %
Loans to customers – interest rate margin		
Interest income on loans to customers	1,916.4	1,436.5
Average loan outstanding before provision for impairments	69,841.0	60,957.4
Average interest rate margin p.a.	5.5 %	4.7 %

Market value adjustments

Market value adjustments were DKK 442.6 million against DKK 344.9 million for the first half of 2006.

Market value adjustments of mortgage loans were negative by DKK 13.7 million, which was off set by corresponding income under market value adjustments of

mortgage bonds issued. Market value adjustments of loans etc. were negative by DKK 340.6 million in respect of loans hedged by financial instruments. There was a negative market value adjustment of bonds totalling DKK 241.0 million against negative DKK 135.4 million for the first half of 2006. Shares were value adjusted by DKK 392.4 million against DKK 277.9 million for the first half of 2006, while market value adjustments of foreign currencies amounted to DKK 15.5 million against DKK 5.8 million for the same period of 2006.

Investment properties (operating leasing) was fair value adjusted by minus DKK 28.6 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 369.4 million. Bonds issued refer to mortgage bonds issued as well as bonds issued and hedged using financial instruments. The market value adjustments totalled DKK 289.2 million.

DKK million	H1 2007	H1 2006
Market value adjustments		
Mortgage loans	-13.7	-21.9
Other loans and receivables at fair value	-340.6	-626.5
Bonds	-241.0	-135.4
Shares, etc.	392.4	277.9
Investment property	-28.6	-37.9
Foreign currency	15.5	5.8
Derivative financial instruments	369.4	692.8
Bunds issued	289.2	190.1
Total market value adjustments	442.6	344.9

Other operating income

Other operating income totalled DKK 41.2 million against DKK 39.7 million for the first half of 2006.

Expenses

Expenses rose by DKK 57.9 million to DKK 316.6 million. The increase in expenses should be seen in the context of the further development of the business segments Investment Banking and Capital Markets.

The average number of employees was 314.6, up from 214.9 in the first half of 2006.

DKK million	H1 2007	H1 2006
Expenses		
Staff costs and administration expenses	297.9	241.1
Depreciation, amortisation and impairment losses for tangible and intangible assets	18.1	17.6
Other operating expenses	0.6	0
Total	316.6	258.7

Losses and Writedowns

DKK 10.1 million has been recognised as income under the item "writedowns of loans and other receivables, etc.".

New writedowns totalled DKK 79.7 million for the first half of 2007, compared with

DKK 71.0 million for the same period of 2006. Reversal of previous years' write-downs amounted to DKK 85.0 million, an increase of DKK 7.8 million compared with the first half of 2006.

Net losses recorded for the period were DKK 0.4 million against DKK 7.2 million for the same period in 2006.

DKK million	H1 2007	H1 2006
Writedowns of loans and guarantee debtors		
Writedown balance, beginning of period	283.9	346.5
Writedowns, net	85.0	77.2
Writedowns during the period	79.7	71.0
Losses recorded	0.4	7.2
Writedown balance, end of period	278.2	333.1
Writedowns of loans and guarantee debtors	-10.1	-10.8
Losses recorded	0.4	7.2
Amounts received on claims previously written off	4.8	4.5
Net losses recorded	-4.4	2.7
Writedowns of loans and guarantee debtors as a percentage of loans to customers and guarantees, end of year	0.0	0.0
Writedown balance as a percentage of loans to customers and guarantees, end of year	0.4	0.5
Net losses recorded as a percentage of the writedown balance, beginning of year	-1.6	0.8

Investments in associates

Investments in associates generated a gain of DKK 2.4 million compared with DKK 17.8 million for the first half of 2006.

Balance sheet

Before writedowns, total loans to customers including investment properties increased by DKK 3,879 million, or by 6 per cent, to a total of DKK 72,559 million.

Bond holdings were DKK 20,447 million, up from DKK 12,139 million at the beginning of the year.

Holdings of shares and investments in associates amounted to DKK 1,460 million up from DKK 1,068 million at the end of 2006.

Under the item "intangible assets", development projects were capitalised by DKK 16.0 million in 2007 compared with DKK 3.0 million for the first half of 2006, taking the balance after amortisation for the period to DKK 39.7 million.

Bonds issued totalled DKK 62,553 million against DKK 55,704 million at the beginning of the year.

DKK million	H1 2007	H1 2006
Funding		
Due to credit institution and central banks	13,869	16,653
Deposits	20,018	6,597
Bonds issued	62,553	55,704
Mortgage bonds issued	757	888

Equity and solvency

Equity totalled DKK 7,324 million at the end of June 2007 compared to DKK 6,735 million at the end of 2006.

Subordinated debt amounted to DKK 2,994 million, an increase of DKK 1,412 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 June 2007 relative to 10.0 per cent at the end of 2006. Similarly, the core capital ratio (tier 1) was 8.3 per cent which is the same as at the end of 2006.

Credit risk

Credit risk means the risk of loans or other claims not being paid off because the borrower is unwilling or unable to pay at the agreed time.

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.

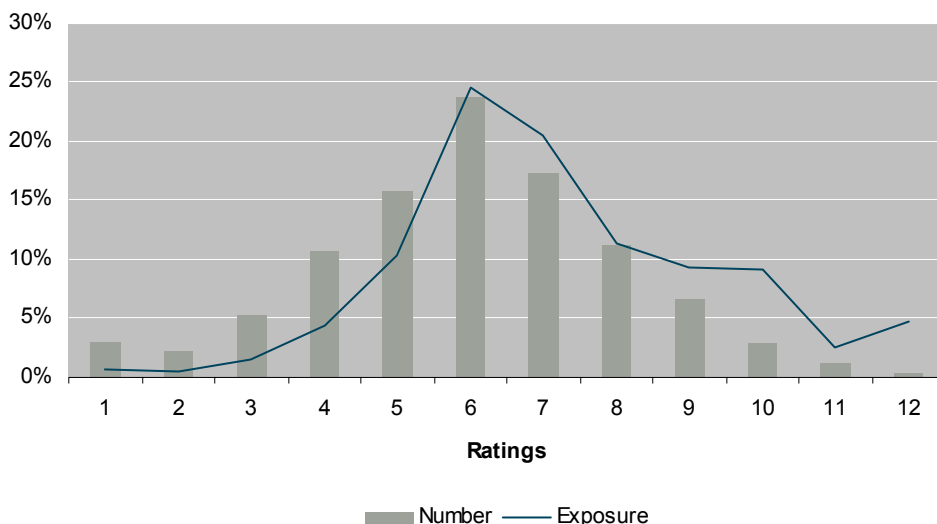
Rating models are used, along with individual customer credit ratings.

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.

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

Distribution of ratings



Rating classes 9-12 correspond to investment grade as defined by the credit rating agencies, while rating classes 4-8 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. The chart below shows that the credit quality has decreased slightly for the first half of 2007.

Average rating exclusive of loans to the public sector and banks (number of customers)

31/12 2006	31/03 2007	30/06 2007
5.95	5.96	6.01

Average rating, commitment weighted exclusive of public enterprises and banks (size)

31/12 2006	31/03 2007	30/06 2007
7.11	7.10	7.21

Market risk

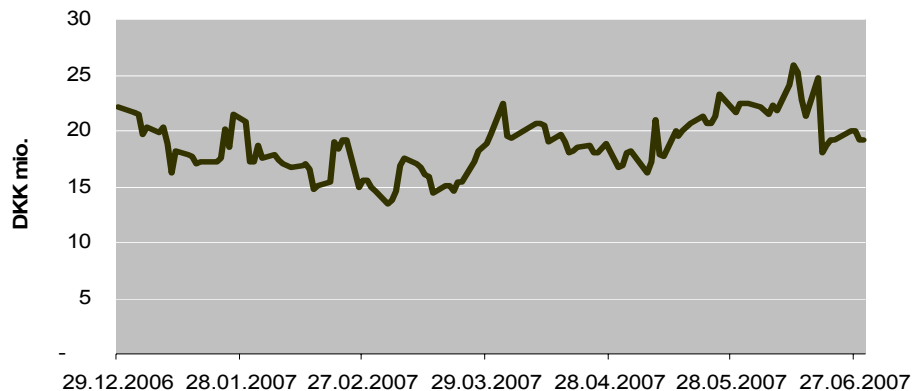
Market risk is the risk of a loss as a result of changes in market value of FIH's assets and liabilities and off-balance sheet transactions due to changes in market conditions. Market risk includes interest rate and exchange rate risks and risk related to equity trading.

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 19 million at the end of June 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. Thus, Value at Risk

indicates the maximum loss that FIH may be expected to suffer in a single day, at a 99 per cent probability.

**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.

This activity has proven successful for the first half of 2007 tripling deposits from DKK 7 billion to DKK 20 billion. Deposits now account for approximately 21 per cent of FIH's total funding.

While traditionally FIH has based long-term funding on Euro Market EMTN issues, the majority of the funding has been raised on new markets 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, which for the first half amounted to DKK 15.5 billion, corresponding to two-thirds of the required level for the entire 2007.

Liquidity has also been increased considerably during the first half of 2007. The bond holdings and short-term deposits in other banks amounted to DKK 33 billion at the end of June 2007. The liquidity also consists of committed loan facilities of DKK 20 billion, including a newly established facility with ATP, the largest pension fund in Denmark. Thus the total liquidity resources amount to DKK 53 billion.

Merger

It has been decided to merge FI Holding A/S (parent company) with FIH Erhvervsbank A/S in the second half year with effective date 1 January 2007. 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.

Other remarks

The financial report for the first half of 2007 is unaudited.

No particular uncertainty has effected the recognition and measurement in the interim report first half 2007.

Expectations for FIH result full-year 2007.

Earnings and the development of the bank's business activities have exceeded expectations for the first half of the year.

The new business segments Investment Banking and Capital Markets develop favourably. The number of business transactions is high and FIH Partners A/S has seen a high growth rate in business volume. The high level of activity is expected to continue.

The return on the bank's portfolio of unlisted shares has been significant for the first half of the year, and this development is expected to continue in the second half of the year, thus the performance of unlisted shares for the year will exceed 2006 earnings.

Expenses have risen for the first six months as a result of increased activity and the continued development of new business segments. The expenses for the full year 2007 are expected to exceed the 2006 level considerably.

The Danish economy continues to perform well, which impacts the bank positively. At the same time the bank's loan portfolio develops as expected. In the first half of the year, FIH has reversed DKK 10 million worth of net writedowns and due to the favourable economic climate; losses and writedowns for 2007 are expected to be modest.

As a consequence of the positive result for the first half of 2007 and above expectations for the second half of the year, FIH Erhvervsbank A/S expects a profit for the full year of approximately DKK 1.2 billion, which is an upward adjustment of DKK 200 million compared with the announcement after the first quarter of 2007.

Copenhagen, 25 July 2007

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 Income statement	Q2 2007	H1 2007	Q2 2006	H1 2006	Full-year 2006
Net interest and fee income	313	617	268	554	1,098
Market value adjustments	230	443	186	345	508
Other operating income	20	41	21	40	89
Profit on net financials	563	1,101	475	939	1,695
Expenses and depreciation	161	317	167	259	540
Writedowns of loans and receivables etc.	-14	-10	4	-11	-17
Profit/loss from associates and group enterprises	-2	3	-7	18	6
Profit before tax	414	797	297	709	1,178
Tax	43	153	39	133	243
Profit after tax	371	644	258	576	935
Allocation of profit					
Shareholders	368.4	640.7	273.6	591.7	958.9
Minority interests	2.3	3.6	-15.7	-15.7	-23.4

DKK million Balance sheet (key figures)	H1 2007	H1 2006	Full-year 2006
Cash and cash equivalents	13,000	4,204	6,660
Bonds	20,447	11,141	12,139
Shares	1,460	1,495	1,068
Loans	71,462	64,176	67,579
Other assets	6,544	3,981	8,552
Total assets	112,913	84,997	95,998
Deposits	20,018	5,778	6,598
Due to credit institutions and central banks	77,179	68,429	73,244
Other liabilities	5,102	2,294	7,486
Provisions	296	463	354
Subordinated loan capital	2,994	1,601	1,582
Minority interests	28	49	39
Equity	7,296	6,383	6,695
Total Liabilities and Equity	112,913	84,997	95,998

Ratios	H1 2007	H1 2006	Full-year 2006
Return on equity before tax	21.9	24.0	18.9
Return on equity after tax	17.8	19.4	15.0

Statement by the Executive Board

We have today discussed and adopted the interim report for FIH Erhvervsbank A/S for January – June 2007.

The interim report have been prepared in accordance with IAS 34, Presentation of interim reports as regards the Group's financial statements, the International Financial Reporting Standards as adopted by the EU as regards the parent financial statements and the interim report has been prepared in accordance with additional Danish disclosure requirements for interim reports of financial companies that are listed.

We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Group's and the Parent's financial position at 30 June 2007 as well as of the results of their operations and the consolidated cash flows for the first half of 2007.

Copenhagen, 25 July 2007

Executive Board

Lars Johansen
Managing director and CEO

Henrik Sjøgreen

Board of Directors

Hans Skov Christensen
Chairman

INCOME STATEMENT FOR THE FIH GROUP

DKK million	Note	Q2 2007	H1 2007	Q2 2006	H1 2006	Full-year 2006
Interest income	2	1,321.2	2,541.2	858.3	1,665.7	3,689.1
Interest expense	3	1,063.7	2,006.8	607.0	1,168.1	2,687.3
Net interest income		257.5	534.4	251.3	497.6	1,001.8
Dividends from shares etc.		9.3	9.3	0.1	0.1	0.2
Fee and commission income		61.6	103.3	19.5	77.4	130.2
Fees and commissions paid		15.0	29.9	3.1	20.9	34.2
Net interest and fee income		313.4	617.1	267.8	554.2	1,098.0
Market value adjustments	4	230.0	442.6	185.7	344.9	508.6
Other operating income		19.9	41.2	21.4	39.7	89.6
Staff costs and administrative expenses	5	152.3	297.9	156.8	241.1	497.8
Amortisation, depreciation and write-downs, intangible and tangible assets		8.1	18.1	10.3	17.6	42.3
Other operating expenses		0.4	0.6	0.0	0.0	0.2
Writedowns of loans and receivables etc.	6	-14.2	-10.1	4.0	-10.6	-16.8
Profit from investments in associates and group enterprises		-2.8	2.4	-7.2	17.8	5.8
Profit before tax		413.9	796.8	296.6	708.5	1,178.5
Tax		43.2	152.5	38.7	132.5	243.0
Profit after tax		370.7	644.3	257.9	576.0	935.5

Allocation of profit						
Shareholders		368.4	640.7	273.6	591.7	958.9
Minority interests		2.3	3.6	-15.7	-15.7	-23.4

QUARTERLY INCOME STATEMENT FOR THE FIH GROUP

DKK million	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Interest income	1,321.2	1,220.0	1,089.3	934.1	858.3	807.4
Interest expense	1,063.7	943.1	835.8	683.5	607.0	561.1
Net interest income	257.5	276.9	253.5	250.6	251.3	246.3
Dividends from shares etc.	9.3	0.0	0.1	0.0	0.1	0.0
Fee and commission income	61.6	41.7	32.7	20.2	19.5	57.9
Fees and commissions paid	15.0	14.9	6.3	7.0	3.1	17.8
Net interest and fee income	313.4	303.7	280.0	263.8	267.8	286.4
Market value adjustments	230.0	212.6	108.4	55.3	185.7	159.2
Other operating income	19.9	21.3	29.0	21.0	21.4	18.3
Staff costs and administrative expenses	152.3	145.6	150.9	105.8	156.8	84.3
Amortisation, depreciation and impairments, intangible and tangible assets	8.1	10.0	14.9	9.8	10.3	7.3
Other operating expenses	0.4	0.2	0.3	0.0	0.0	0.0
Writedowns of loans and receivables etc.	-14.2	4.1	-13.3	7.1	4.0	-14.6
Profit from investments in associates and group enterprises	-2.8	5.2	0.3	-12.3	-7.2	25.0
Profit before tax	413.9	382.9	264.9	205.1	296.6	411.9
Tax	43.2	109.3	64.4	46.1	38.7	93.8
Profit after tax	370.7	273.6	200.5	159.0	257.9	318.1
Allocation of profit						
Shareholders	368.4	272.3	201.0	166.2	273.6	318.1
Minority interests	2.3	1.3	-0.5	-7.2	-15.7	0.0

BALANCE SHEET FOR THE FIH GROUP

DKK million	Note	H1 2007	H1 2006	Full-year 2006
ASSETS				
Cash in hand and demand deposits with central banks		216.2	197.3	124.4
Debt instruments eligible for refinancing with central banks		5,395.5	0.0	2,596.2
Due from credit institutions and central banks		7,388.0	4,007.0	3,939.6
Loans and other receivables at fair value	7	731.3	975.6	828.3
Loans and other receivables at amortised cost	7	70,731.1	63,200.5	66,750.6
Bonds at fair value		20,446.8	11,140.5	12,138.6
Shares etc.		1,396.6	1,209.4	978.3
Investments in associates		63.5	285.8	89.6
Intangible assets		38.7	78.5	27.6
Land and buildings:				
Investment property		1,096.5	1,258.6	1,100.3
Domicile property		1.9	1.4	1.4
Other tangible assets		39.2	32.2	39.7
Current tax assets		0.0	127.4	0.0
Other assets		5,286.1	2,447.9	7,330.7
Prepayments		81.7	34.5	52.3
Total assets		112,913.1	84,996.6	95,997.6

LIABILITIES AND EQUITY FOR THE FIH GROUP

DKK million		H1 2007	H1 2006	Full-year 2006
LIABILITIES AND EQUITY				
Debt				
Due to credit institutions and central banks		13,868.9	15,738.6	16,653.2
Deposits and other debt		20,018.4	5,777.9	6,597.4
Bonds issued at amortised cost	8	62,552.9	51,661.8	55,703.6
Other non-derivative financial commitments at fair value	8	756.7	1,028.4	887.5
Current tax liabilities		286.4	107.6	103.5
Other liabilities		4,794.5	2,155.5	7,356.8
Accruals and deferred income		21.2	31.0	25.8
Total debt		102,299.0	76,500.8	87,327.8
Provisions				
Provisions for pensions and similar commitments		3.5	3.5	3.5
Provisions for deferred tax		272.9	458.8	329.4
Provisions for losses and guaranties		19.9	0.8	20.7
Total provisions		296.3	463.1	353.6
Subordinated debt	9	2,993.7	1,601.2	1,581.7
Shareholders' equity interest		7,296.4	6,383.0	6,695.2
Minority interests		27.7	48.5	39.3
Total equity		7,324.1	6,431.5	6,734.5
Total liabilities and equity		112,913.1	84,996.6	95,997.6
Off-balance-sheet items				
Guarantees etc.	10	2,360.6	2,444.6	2,314.8
Other contingent liabilities	10	9,705.2	9,214.9	10,100.7
Total off-balance-sheet items		12,065.8	26,66	12,415.5

EQUITY STATEMENT FOR THE FIH GROUP

DKK million	H1 2007	H1 2006	Full-year 2006
Equity at 1 January	6,695.2	5,791.3	5,791.3
Net profit for the period	644.3	576.0	935.5
Share-based compensation	0.5	0.0	0.8
Revaluation, property	0.5	0.0	0.0
Total comprehensive income	645.3	576.0	936.3
Dividends distributed	0.0	0.0	0.0
Adjustments, minority interests	-40.5	0.0	-55.7
Minority interests	-3.6	15.7	23.3
Total changes in equity	601.2	591.7	903.9
Total shareholder's equity interest at 30 June	7,296.4	6,383.0	6,695.2
Minority interests' equity interest primo	39.3	0.0	0.0
Addition, minority interests	-15.2	64.2	62.6
Minority interests' share of net profit	3.6	-15.7	-23.3
Minority interests' equity interest ultimo	27.7	48.5	39.3
Total equity at 30 June	7,324.1	6,431.5	6,734.5

SPECIFICATION OF CHANGES IN EQUITY

Share capital, beginning of period	513.6	513.6	513.6
Share capital, end of period	513.6	513.6	513.6
Share option plan, beginning of period	0.8	0.0	0.0
Share option plan, during the period	0.5	0.0	0.8
Share option plan, end of period	1.3	0.0	0.8
Revaluation reserve property, beginning of period	0.5	0.5	0.5
Reserve for the period	0.5	0.0	0.0
Revaluation reserve property, end of period	1.0	0.5	0.5
Reserve for net revaluation by the equity method, beginning of period	0.0	8.2	8.2
Transferred	0.0	17.8	5.8
Other disposals, transferred to profit brought forward	0.0	-7.3	-14.0
Reserve for net revaluation by the equity method, end of period	0.0	18.7	0.0
Profit brought forward, beginning of period	6,180.3	5,269.0	5,269.0
Dividend	0.0	0.0	0.0
Transferred	644.3	573.9	929.7
Other additions, transferred from reserve for net revaluation by the equity method	0.0	7.3	14.0
Adjustment of minority interests	-40.5	0.0	-55.7
Minority interests	-3.6	0.0	23.3
Profit brought forward, end of period	6,780.5	5,850.2	6,180.3
Total shareholder's equity interest at 30 June	7,296.4	6,383.0	6,695.2
Minority interests' equity interest primo	39.3	0.0	0.0
Addition, minority interests	-15.2	64.2	62.6
Minority interests' share of net profit	3.6	-15.7	-23.3
Minority interests' equity interest ultimo	27.7	48.5	39.3
Total equity at 30 June	7,324.1	6,431.5	6,734.5

CASH FLOW STATEMENT FOR THE FIH GROUP

DKK million	H1 2007	H1 2006	Full-year 2006
Cash flow from operating activities			
Interest received	2,484.3	1,789.7	3,583.9
Interest paid	-1,573.2	-1,039.1	-2,341.9
Fees received and paid	99.3	63.9	100.7
Expenses paid	-381.9	-271.1	-509.2
Other operating income	40.9	39.3	89.0
Received on claims previously impaired	4.8	4.5	7.4
Loans disbursed	-14,628.0	-16,149.2	-29,385.4
Repayments on loans	10,168.3	10,461.0	20,215.5
Securities, purchase	-9,061.3	-251.6	-5,323.6
Securities, sale	77.2	48.2	689.1
Dividend from shares and investments	24.8	105.5	535.9
Taxes paid	-62.2	5.1	-107.5
Total	-12,807.0	-5,193.8	-12,446.1
Cash flow from investments activities			
Net investment intangible and tangible assets	-30.5	-70.3	121.3
Sundry assets	5,668.2	243.8	620.4
Total	5,637.7	173.5	741.7
Cash flow from financing activities			
New bank loans and bonds	42,045.2	37,644.9	77,270.9
Repayments on bank loans and bonds	-37,914.3	-37,902.3	-69,148.6
Change in short-term funding	13,161.5	2,627.8	4,098.6
New subordinated debt	1,487.1		
Repayment on subordinated debt	-17.9	0.0	0.0
Adjustments, minority interests	-43.6	0.0	-57.2
Changes of minority interests	-11.6	48.5	39.3
Sundry liabilities	-5,375.4	117.0	-243.6
Total	13,331.0	2,535.9	11,940.4
Net cash flow	6,161.7	-2,484.4	236.0
Cash balances, beginning of period	6,895.2	6,709.6	6,709.6
Value adjustments of liquid funds	-52.4	-21.0	-50.4
Cash balances, end of period	13,004.5	4,204.2	6,895.2
Cash balances, end of period			
Cash in hand and demand deposits with central banks, etc.	5,611.8	197.3	2,720.6
Due from credit institutions, etc.	7,388.0	4,007.0	3,939.6
Bonds	4.8	0.0	235.0
Cash balances, end of period	13,004.6	4,204.3	6,895.2

Accounting policies:

The financial statements as of 30 June 2007, which have not been audited, have been prepared in accordance with the IFRS accounting standards in force as at 30 June 2007. The accounting policies are unchanged from the last annual report. The financial report for the first half of 2007 is prepared in accordance with the IAS 34 Presentation of Interim Financial Reports, which entails that the presentation is limited compared to a full annual report. All related party transactions are made on an arm's length basis or on a cost recovery basis. Adjusting events have not occurred after the balance sheet date.

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:

1/1-30/6 2007	Banking	Structured Finance	Private Equity	Other	Group total
Income statement					
Net interest and fee income	429.8	209.9	-9.9	-12.7	617.1
Market value adjustments	17.3	0.0	392.0	33.3	442.6
Other operating income	7.4	0.5	0.0	33.3	41.2
Writedowns and losses of loans and other receivables etc.	27.3	-37.4	0.0	0.0	-10.1
Operating costs	134.8	12.8	1.5	167.5	316.6
Profit/loss on equity investments	0.0	0.0	2.4	0.0	2.4
Profit before tax	286.0	235.0	383.0	-107.2	796.8
Tax	58.1	47.8	68.3	-21.7	152.5
Net profit for the period after minority interests	227.9	187.2	314.7	-85.5	644.3
Minority interests					3.6
Net profit for the period after minority interests					640.7
Balance sheet					
Loans	58,026.5	13,381.2	0.0	54.7	71,462.4
Bonds	1,516.0	0.0	0.0	18,930.8	20,446.8
Shares	0.0	0.0	1,134.7	261.9	1,396.6
Other assets	0.0	0.0	63.5	0.0	63.5
Total assets	1,008.8	87.6	0.0	18,447.4	19,543.8
Total liabilities	60,551.3	13,468.8	1,198.2	37,694.8	112,913.1
1/1-30/6 2006					
Income statement					
Net interest and fee income	368.8	162.4	-13.3	36.3	554.2
Market value adjustments	22.6	0.0	277.7	44.6	344.9
Other operation income	8.3	0.5	0.0	30.9	39.7
Writedowns and losses of loans and other receivables etc.	-0.2	-10.4	0.0	0.0	-10.6
Operating costs	123.1	8.8	0.4	126.4	258.7
Profit/loss on equity investments	0.0	0.0	17.8	0.0	17.8
Profit before tax	276.8	164.5	281.8	-14.6	708.5
Tax	76.6	47.0	12.1	-3.1	132.6
Net profit for the period	200.2	117.5	269.7	-11.5	575.9
Minority interests					-15.7
Net profit for the period after minority inter- ests					591.6
Balance sheet					
Loans	53,068.0	11,089.4	0.0	18.8	64,176.2
Bonds	1,906.4	0.0	0.0	9,234.1	11,140.5
Shares	0.0	0.0	940.4	269.0	1,209.4
Investment in associates	0.0	0.0	285.8	0.0	285.8
Other assets	1,167.1	91.5	0.0	6,926.1	8,184.7
Total liabilities	56,141.5	11,180.9	1,226.2	16,448.0	84,996.6

Denmark is the main focus of the FIH Group's activities – approximately 85 per cent of all FIH loans are granted to customers in Denmark. Other activities are distributed between customers in the rest of the world. None of these geographical segments exceed the 10 per cent limit, cf. IAS 14.

NOTES

DKK million	H1 2007	H1 2006	Full-year 2006
Note 2 – Interest income			
Due from credit institutions and central banks	260.5	85.6	247.0
Loans and other receivables	1,916.4	1,436.5	3,100.1
Contributions	3.0	4.2	7.6
Bonds	347.4	206.4	423.5
Derivative financial instruments	12.9	-69.0	-97.2
Other interest income	1.0	2.0	8.1
Total	2,541.2	1,665.7	3,689.1
Note 3 – Interest expenses			
Credit institutions and central banks	278.8	159.5	507.2
Deposits and other debt	265.1	67.9	183.8
Bonds issued	1,406.7	909.2	1,930.5
Subordinated debt	52.0	31.4	64.8
Other interest expenses	4.2	0.1	1.0
Total	2,006.8	1,168.1	2,687.3
Note 4 – Market value adjustments			
Mortgage loans	-13.7	-21.9	-19.6
Other loans and receivables at amortised cost	-340.6	-626.5	-605.6
Bonds	-241.0	-135.4	-66.9
Shares, etc.	392.4	277.9	385.7
Investment property	-28.6	-37.9	-49.4
Foreign currency	15.5	5.8	9.2
Derivative financial instruments	369.4	692.8	721.6
Liabilities	289.2	190.1	133.6
Total	442.6	344.9	508.6
Note 5 – Staff costs and administrative expenses			
Salaries and remuneration of Board of Directors and Executive Board	7.6	6.3	16.6
Staff costs:			
Salaries	143.1	132.3	252.1
Pensions	8.9	5.7	13.4
Social security costs	15.8	7.9	17.8
Share-based payments	9.6	3.9	7.8
Total	177.4	149.8	291.1
Other administrative expenses	112.9	85.0	190.1
Total	297.9	241.1	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 including 2010. A shareholders' agreement has been concluded with the parent company of FIH Erhvervsbank A/S, FI-Holding A/S, governing the right, respectively the obligation, of employees to sell the shares to FI-Holding A/S. FIH Erhvervsbank A/S is subject to no further obligations under the plan.			
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, 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.

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.

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.

DKK million	H1 2007	H1 2006	Full-year 2006
Note 6 – Writedowns of loans and guarantee debtors			
Writedown balance, beginning of period	283.9	346.5	346.5
Writedowns, net	85.0	77.2	100.8
Writedowns during the period	79.7	71.0	91.5
Losses recorded	0.4	7.2	53.3
Writedown balance, end of period	278.2	333.1	283.3
Writedowns of loans and guarantee debtors			
Losses recorded	0.4	7.2	53.3
Amounts received on claims previously written off	4.8	4.5	7.4
Net losses recorded	-4.4	2.7	45.9
Writedowns of loans and guarantee debtors as a percentage of loans to customers and guarantees, end of year	0.0	0.0	0.0
Writedown balance as a percentage of loans to customers and guarantees, end of year	0.4	0.5	0.4
Net losses recorded as a percentage of the writedown balance, beginning of year	-1.6	0.8	13.2
Note 7 – Loans			
Mortgage loans	731.3	975.6	828.3
Other loans	70,731.1	63,200.5	66,750.6
Total	71,462.4	64,176.1	67,578.9
Note 8 – Bonds issued			
Other bonds at amortised cost	62,552.9	51,661.8	55,703.6
Mortgage bonds at fair value	756.7	1,028.4	887.5
Total	63,309.6	52,690.2	56,591.1
Note 9 – Subordinated debt			
4.80 % JPY 10-bn maturity 31.03.2032	533.3	578.6	582.2
Var. % EUR 30-m maturity 03.08.2009	230.6	239.8	236.0
Var. % EUR 100-m maturity 20.12.2012	744.2	745.9	745.6
Var. % EUR 200-m maturity 26.03.2013	1,485.6	0.0	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	36.9	17.9
Total subordinated debt	2,993.7	1,601.2	1,581.7
Subordinated debt that may be included in the calculation of the capital base	2,847.7	1,495.6	1,392.9

DKK million	H1 2007	H1 2006	Full-year 2006
Note 10 – Off-balance sheet-items			
Guarantees etc.			
Financial guarantees	849.7	473.9	722.0
Guarantees against losses for mortgage loans	1,321.3	1,232.2	1,223.6
Other guarantees	189.6	738.5	189.2
Total	2,360.6	2,444.6	2,314.8
Other liabilities			
Irrevocable loan commitments	8,877.3	8,587.0	9,301.8
Other liabilities	827.9	627.9	798.9
Total	9,705.2	9,214.9	10,100.7

INCOME STATEMENT FOR FIH ERHVERVSBANK A/S

DKK million	Note	H1 2007	H1 2006	Full-year 2006
Interest income	1	2,444.7	1,628.5	3,616.4
Interest expense	2	2,014.3	1,150.9	2,656.5
Net interest income		430.4	477.6	959.9
Dividends from shares etc.		9.2	0.1	0.1
Fee and commission income		74.8	79.1	121.8
Fees and commissions paid		31.5	24.7	41.6
Net interest and fee income		482.9	532.1	1,040.2
Market value adjustments	3	55.9	264.7	333.4
Other operating income		74.1	41.5	131.6
Staff costs and administrative expenses	4	270.2	200.8	430.3
Amortisation, depreciation and impairments, intangible and tangible assets		17.2	17.7	42.3
Other operating expenses		-9.6	-7.8	-13.6
Writedowns of loans and receivables etc.		353.4	88.6	151.6
Profit before tax		688.5	716.2	1,197.8
Tax		47.9	124.5	239.0
Profit after tax		640.6	591.7	958.8

BALANCE FOR FIH EHVVERVSBANK A/S

DKK million	Note	H1 2007	H1 2006	Full-year 2006
ASSETS				
Cash in hand and demand deposits with central banks		216.2	197.3	124.4
Debt instruments eligible for refinancing with central banks		5,395.5	0.0	2,596.2
Due from credit institutions and central banks		21,929.2	3,976.5	3,910.6
Loans and other receivables at amortised cost	5	57,430.7	63,427.3	66,833.4
Bonds at fair value		18,156.9	10,926.3	11,925.5
Shares etc.		322.9	573.2	336.4
Investments in associates		63.3	93.3	66.2
Investments in group enterprises		3,651.8	1,384.9	1,505.1
Intangible assets		38.7	48.5	27.6
Land and buildings:				
Investment property		1,096.5	1,258.6	1,100.3
Domicile property		1.9	1.4	1.4
Other tangible assets		39.1	32.2	39.5
Current tax assets		0.0	139.2	0.0
Other assets		5,313.8	2,401.5	7,324.2
Prepayments		52.9	34.0	51.9
Total assets		113,709.4	84,494.2	95,842.7

LIABILITIES AND EQUITY FOR FIH ERHVERVSBANK A/S

DKK million		H1 2007	H1 2006	Full-year 2006
LIABILITIES AND EQUITY				
Debt				
Due to credit institutions and central banks		14,913.0	15,738.6	16,653.2
Deposits and other debt		20,503.7	6,353.0	7,288.7
Bonds issued at amortised cost	6	62,552.9	51,661.8	55,703.6
Current tax liabilities		170.6	99.8	107.9
Other liabilities		4,839.9	2,158.5	7,367.4
Accruals and deferred income		19.5	31.0	25.8
Total debt		102,999.6	76,042.7	87,146.6
Provisions				
Provisions for pensions and similar commitments		3.5	3.5	3.5
Provisions for deferred tax		260.4	427.8	299.4
Provisions for losses and guaranties		59.6	36.1	60.6
Total provisions		323.5	467.4	363.5
Subordinated debt	7	2,993.7	1,601.2	1,581.7
Total equity	8	7,392.6	6,383.0	6,750.9
Total liabilities and equity		113,709.4	84,494.3	95,842.7
Off-balance-sheet items				
Guarantees etc.	9	2,733.6	2,867.4	2,721.8
Other contingent liabilities	9	8,929.4	8,621.1	9,335.7
Total off-balance-sheet items		11,663.0	11,488.5	12,057.5

EQUITY STATEMENT FOR FIH ERHVERVSBANK A/S

DKK million	H1 2007	H1 2006	Full-year 2006
Equity at 1 January	6,750.9	5,791.3	5,791.3
Net profit for the period	640.6	591.7	958.8
Share-based compensation	0.6	0.0	0.8
Revaluation, property	0.5	0.0	0.0
Total comprehensive income	641.7	591.7	959.6
Dividends distributed	0.0	0.0	0.0
Total changes in equity	641.7	591.7	959.6
Total equity at 30 June	7,392.6	6,383.0	6,750.9

SPECIFICATION OF CHANGES IN EQUITY

Share capital, beginning of period	513.6	513.6	513.6
Share capital, end of period	513.6	513.6	513.6
Share option plan, beginning of period	0.8	0.0	0.0
Share option plan, during the period	0.6	0.0	0.8
Share option plan, end of period	1.4	0.0	0.8
Revaluation reserve property, beginning of period	0.5	0.5	0.5
Reserve for the period	0.5	0.0	0.0
Revaluation reserve property, end of period	1.0	0.5	0.5
Reserve for net revaluation by the equity method, beginning of period	1.9	1.6	1.6
Transferred	0.0	4.3	4.8
Other disposals, transferred to profit brought forward	-1.9	0.0	-4.5
Reserve for net revaluation by the equity method, end of period	0.0	5.9	1.9
Profit brought forward, beginning of period	6,234.1	5,275.6	5,275.6
Dividend	0.0	0.0	0.0
Transferred	640.6	587.4	954.1
Other additions, transferred from reserve for net revaluation by the equity method	1.9	0.0	4.4
Profit brought forward, end of period	6,876.6	5,863.0	6,234.1
Total equity at 30 June	7,392.6	6,383.0	6,750.9

NOTES FOR FIH ERHVERVSBANK A/S

DKK million	H1 2007	H1 2006	Full-year 2006
Note 1 – Interest income			
Due from credit institutions and central banks	533.5	85.7	247.9
Loans and other receivables	1,585.4	1,407.1	3,041.7
Bonds	309.1	204.1	417.8
Derivative financial instruments	15.7	-69.0	-97.2
Other interest income	1.0	0.6	6.2
Total	2,444.7	1,628.5	3,616.4
Note 2 – Interest expenses			
Credit institutions and central banks	295.1	159.7	507.4
Deposits and other debt	275.1	74.3	199.4
Bonds issued	1,387.1	885.1	1,883.4
Subordinated debt	52.0	31.4	64.8
Other interest expenses	5.0	0.4	1.5
Total	2,014.3	1,150.9	2,656.5
Note 3 – Market value adjustments			
Mortgage loans	-296.4	-626.5	-605.6
Other loans and receivables at amortised cost	-238.7	-135.7	-67.1
Bonds	5.8	197.1	209.0
Shares, etc.	-28.6	-37.9	-49.4
Investment property	16.5	6.6	10.7
Foreign currency	321.8	692.8	721.6
Derivative financial instruments	275.5	168.3	114.2
Liabilities	55.9	264.7	333.4
Note 4 – Staff costs and administrative expenses			
Salaries and remuneration of Board of Directors and Executive Board	6.8	5.6	15.2
Staff costs:			
Salaries	125.7	95.6	195.1
Pensions	8.7	5.5	13.0
Social security costs	13.7	7.4	15.8
Share-based payments	9.6	3.9	7.8
Total	157.7	112.4	231.7
Other administrative expenses	105.7	82.9	183.4
Total	270.2	200.8	430.3
Note 5 – Loans			
Loans	57,430.7	63,427.3	66,833.4
Total	57,430.7	63,427.3	66,833.4

DKK million	H1 2007	H1 2006	Full-year 2006
Note 6 – Bonds issued			
Other bonds at amortised cost	62,552.9	51,661.8	55,703.6
Total	62,552.9	51,661.8	55,703.6
Note 7 – Subordinated debt			
4.80 % JPY 10-bn maturity 31.03.2032	533.3	578.6	582.2
Var. % EUR 30-m maturity 03.08.2009	230.6	239.8	236.0
Var. % EUR 100-m maturity 20.12.2012	744.2	745.9	745.6
Var. % EUR 200-m maturity 26.03.2013	1,485.6	0.0	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	36.9	17.9
Total subordinated debt	2,993.7	1,601.2	1,581.7
Subordinated debt that may be included in the calculation of the capital base	2,847.7	1,495.6	1,392.9
Note 8 – Equity			
Share capital			
Share capital, number of shares of DKK 20 each	25,678,625	25,678,625	25,678,625
Share capital, beginning of period	513.6	513.6	513.6
Share capital, end of period	513.6	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	2,342
Sale to employees, number of shares	0	0	0
Holding of own shares, end of period, number of shares	2,342	2,342	2,342
Carrying amount, end of period, DKK '000	0	0	0
Nominal value, end of period, DKK '000	47	47	47
Percentage of shareholding	0 %	0 %	0 %
Note 9 – Off-balance sheet-items			
Guarantees etc.			
Financial guarantees	940.7	526.0	991.6
Guarantees against losses for mortgage loans	1,603.4	1,603.1	1,540.9
Other guarantees	189.5	738.3	189.1
Total	2,733.6	2,867.4	2,721.8
Other liabilities			
Irrevocable loan commitments	8,877.3	8,587.1	9,301.8
Other liabilities	52.1	34.0	33.9
Total	8,924.4	8,621.1	9,335.7

Information about Parent Company and subsidiaries:

Kaupthing Bank | Swift: KAUPISRE | Borgartún 19 | IS-105 Reykjavik, Iceland
Tel (+354) 444 6000 | Fax (+354) 444 6009 | info@kaupthing.net | Server 4

Is the Parent Company of:

FI-Holding A/S, Langelinie Allé 43, 2100 København O, Denmark.

Which is 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 %	893.7	106.8	4.5	1.6
FIH Leasing og Finans A/S, Copenhagen	Leasing and financing	100 %	445.8	400.8	9.0	10.3
FIH Finance A/S, Copenhagen	Financing and investment	100 %	1,272.1	1,179.8	4.2	302.8
FIH PARTNERS A/S, Copenhagen ¹	Investment Banking	65 %	109.2	80.2	40.7	10.6
FIH Kapital Bank A/S, Copenhagen	Financing and investment	100 %	16,597.4	1,834.6	75.7	34.6

¹FIH PARTNERS A/S is consolidated into the results of the FIH Group as FIH PARTNERS A/S is controlled by FIH Erhvervsbank A/S.