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31 July 2008

**Stock Exchange Announcement No. 8/2008 – FIH Interim Report first half-year 2008**

- **Profit after tax for the group amounted to DKK 361 million**
- **Satisfactory profit from net interest income**
- **Capital losses on holdings of bond along with interest rate and FX instruments**
- **Satisfactory liquidity of DKK 20 billion has been maintained**
- **FIH's exposure to the property market constitutes 23.5 per cent distributed between Denmark, Germany and Sweden**
- **Moderate writedowns at a FIH group level**

*Net profit for the period*

Net profit for the first half-year of 2008 was DKK 361 million after tax, a decrease of DKK 283 million compared with the same period of 2007. Profit before tax was DKK 418 million, which is DKK 379 million down compared to the same period last year.

*Activities*

The net interest income generated in the business segments continues to be satisfactory. The past year's turmoil in the financial markets has increased the costs imposed on FIH; however, FIH has managed to raise the interest rate imposed on borrowers in line with the increase in funding costs. The loan portfolio grows satisfactorily and has risen by DKK 1 billion in the first half-year of 2008.

The turbulence in the financial markets and the subsequent interest rate increase has affected FIH's investments and has entailed capital losses, especially related to the bond holdings and thus has had a negative impact on net financials.

FIH PARTNERS A/S and Capital Markets have continued to show satisfactory results and the high expectations to both business segments are maintained.

In H1, FIH has withdrawn DKK 9.2 billion of the DKK 15 billion credit facility agreed to with ATP in connection with the establishment of FIH Kapital Bank in Q1 2007. The establishment of FIH Kapital Bank provides FIH with large flexibility in the liquidity management and the agreement continues to be favourable in the light of the development in the financial markets. FIH retains a solid liquidity position of DKK 20 billion.

**FIH DIREKTION**

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On 1 April, FIH opened a new netbanking facility – FIH Netbank Privat. This initiative is FIH's first move into the retail market in Denmark. After only three months, FIH has attained deposits from retail customers of DKK 868 million which is considered highly satisfactory. FIH expects to further develop its product offerings to this customer segment.

FIH's exposure to the property sector constitutes 23.5 per cent of the total loans and guarantees. Half of the exposure is placed in Denmark and the other half in Germany and Sweden. The portfolio is hedged by first priority pledge and other security.

*Key figures*

Income Statement DKK million	Full year					
	H1 2008	H1 2007	2007	H1 2006	H1 2005	H1 2004
Net interest and fee income	759	617	1,385	554	493	499
Market value adjustments	10	443	510	345	15	33
Other operation income	44	41	86	40	55	3
<b>Profit on net financials</b>	<b>813</b>	<b>1,101</b>	<b>1,981</b>	<b>939</b>	<b>563</b>	<b>535</b>
Expenses and depreciation	385	317	741	259	140	119
Writedowns of loans and receivables etc	28	-10	-19	-11	9	17
Profit/loss from associates and group enterprises	18	3	17	18	3	37
<b>Profit before tax</b>	<b>418</b>	<b>797</b>	<b>1,276</b>	<b>709</b>	<b>417</b>	<b>436</b>
Tax	57	153	153	133	63	121
<b>Profit after tax</b>	<b>361</b>	<b>644</b>	<b>1,123</b>	<b>576</b>	<b>354</b>	<b>315</b>
<b>Allocation of profit</b>						
Shareholders	361	640	1,094	592	354	315
Minority interests	0	4	29	-16	0	0
Loans	76,058	71,462	75,015	64,176	53,924	54,941
Total assets	113,920	112,913	113,357	84,997	72,366	66,079
Equity	7,989	7,298	7,750	6,383	5,433	6,367

Ratios	H1 2008	H1 2007	Full year 2007	H1 2006	H1 2005	H1 2004
Capital base relative to minimum capital adequacy requirement	<b>284.1</b>	272.4	282.4	194.6	177.5	184.9
Solvency ratio, per cent	<b>11.9</b>	11.5	11.5	9.7	10.5	12.1
Core capital ratio, per cent	<b>8.9</b>	8.3	8.4	7.7	8.3	10.6
Return on equity before taxation	<b>10.6</b>	21.9	17.6	24.0	16.0	14.0
Return on equity after taxation	<b>9.2</b>	17.8	15.5	19.4	13.6	10.2
Income/cost ratio	<b>2.02</b>	3.6	2.8	3.9	3.8	4.2
Interest rate risk	<b>2.0</b>	4.9	4.0	3.7	3.3	2.9
Foreign exchange position	<b>10.2</b>	25.7	9.0	5.0	9.5	1.8
Foreign exchange risk as a percentage of core capital	<b>0.0</b>	0.1	0.1	0.1	0.1	0.0
Loans as a percentage of deposits	<b>352.7</b>	358.2	7.1	1,116.5	3,226.4	10,344.4
Gearing of loans	<b>9.5</b>	9.8	9.6	10.0	9.9	8.6
Growth in loans, per cent	<b>1.4</b>	5.7	11.0	8.8	-0.6	-1.4
Excess cover relative to statutory liquidity requirements	<b>36.9</b>	275.5	36.7	92.8	140.3	42.0
Total amount of large exposures	<b>422.7</b>	370.3	155.7	517.3	454.0	426.9
Impairment ratio	<b>0.1</b>	0.1	0.0	0.1	0.2	0.0

*Net interest and fee income*

Net interest and fee income amounted to DKK 759 million, up 23 per cent from the same period of 2007.

Interest income from loans and other receivables rose by 23 per cent to DKK 2,350.3 million. The rise is mainly attributable to a higher average nominal interest rate on the loan portfolio as well as a higher loan portfolio compared with the first six months of 2007.

Interest on bonds came to DKK 470.9 million, up from DKK 347.7 million in the first six months of 2007. The rise is mainly attributable to higher bond holdings in the first half-year of 2008 compared to the same period of 2007.

Interest on derivative financial instruments, mainly interest income and interest expenses linked to swaps, amounted to DKK 5.8 million against DKK 12.9 million in the first half-year of 2007. FIH uses swaps to hedge interest rate risks in the general management of interest rate risks, and for trading with customers.

Overall, interest income increased by DKK 401.1 million, to DKK 2,942.3 million, compared with the first half-year of 2007.

Interest expenses increased by a total of DKK 306.9 million, to DKK 2,313.7 million compared with the first half-year of 2007.

Fee and commission income increased by DKK 34.3 million, compared with the first half-year of 2007, to a total of DKK 137.6 million. The increase in earnings is attributed to the activities established in the investment banking area, as well as activities in Capital Markets and the banking areas.

DKK million	H1 2008	H1 2007
<b>Net interest and fee income</b>		
Interest income:		
Due from credit institutions and central banks	107.6	260.5
Loans and other receivables	2,350.3	1,916.4
Contributions	2.3	3.0
Bonds	470.9	347.4
Total derivative financial instruments	5.8	12.9
Other interest income	5.4	1.0
<b>Total interest income</b>	<b>2,942.3</b>	<b>2,541.2</b>
Interest expense:		
Credit institutions and central banks	685.6	278.8
Deposits and other debt	343.6	265.1
Bonds issued	1,210.4	1,406.7
Subordinated debt	73.7	52.0
Other interest expense	0.4	4.2
<b>Total interest expense</b>	<b>2,313.7</b>	<b>2,006.8</b>
<b>Net interest income</b>	<b>628.6</b>	<b>534.4</b>
Dividend from shares etc,	10.4	9.3
Fees and commission income	137.6	103.3
Fees and commissions paid	17.8	29.9
<b>Net interest and fee income</b>	<b>758.8</b>	<b>617.1</b>
<b>Average interest-bearing assets and liabilities</b>		
Interest-bearing assets	101,488.8	98,250.1
Interest-bearing liabilities	98,215.0	94,743.3
<b>Average interest rate, per cent p.a.</b>		
Total interest income/interest-bearing assets	5.8 %	5.2 %
Total interest income/interest-bearing liabilities	4.7 %	4.2 %
<b>Average interest rate margin</b>	<b>1.1 %</b>	<b>0.9 %</b>
<b>Net interest income/interest-bearing assets</b>	<b>1.5 %</b>	<b>1.2 %</b>
<b>Loans to customers – average interest rate</b>		
Interest income on loans to customers	2,350.3	1,916.4
Average loan outstanding before provision for impairments	74,854.5	69,841.0
<b>Average interest rate p.a.</b>	<b>6.3 %</b>	<b>5.5 %</b>

*Market value  
Adjustments*

Market value adjustments were DKK 10.4 million against DKK 442.6 million in the first half-year of 2007.

Market value adjustments of mortgage loans were DKK -15.5 million, which is offset by corresponding income under market value adjustments of issued mortgage bonds. Market value adjustments of loans etc. were negative by DKK 132.5 million in respect of loans hedged by financial instruments. Market value adjustments of bonds totalled a negative DKK 274.9 million against a negative DKK 241.0 million

in the first half-year of 2007. Shares were value adjusted by DKK 46.5 million against DKK 392.4 million in the half-year of 2007, while market value adjustments of foreign currencies amounted to a negative of DKK 25.1 million against DKK 15.5 million in the same period of 2007.

Investment properties (operational leasing) was fair value adjusted by a negative of DKK 21.3 million, which is largely equivalent to the repayment proportion of the lease payment recognised under "Other operating income". Market value adjustment of derivative financial instruments came to DKK 194.5 million. Bonds issued refer to issued mortgage bonds as well as bonds issued and hedged using financial instruments. The market value adjustments totalled DKK 238.7 million.

DKK million	H1 2008	H1 2007
<b>Market value adjustments</b>		
Mortgage loans	-15.5	-13.7
Other loans and receivables at fair value	-132.5	-340.6
Bonds	-274.9	- 241.0
Shares, etc.	46.5	392.4
Investment property	-21.3	-28.6
Foreign currency	-25.1	15.5
Derivative financial instruments	194.5	369.4
Bonds issued	238.7	289.2
<b>Total market value adjustments</b>	<b>10.4</b>	<b>442.6</b>

The return on the bank's portfolio of shares has been satisfactory in the first half-year of 2008. The market value adjustments are shown in the table below.

DKK million	H1 2008	H1 2007
<b>Market value adjustments on shares</b>		
Unrealised market value adjustments	54.3	12.0
Realised market value adjustments	-7.8	380.4
<b>Total market value adjustments on shares</b>	<b>46.5</b>	<b>392.4</b>

#### *Other operating income*

Other operating income totalled DKK 43.6 million against DKK 41.0 million in the same period of 2007.

#### *Expenses*

Expenses rose by DKK 67.8 million to DKK 384.4 million in the first half-year of 2008. The average number of employees was 382.5, up from 314.6 in the first half-year of 2007.

DKK million	H1 2008	H1 2007
<b>Expenses</b>		
Staff costs and administration expenses	358.9	297.9
Depreciation, amortisation and impairment losses for tangible and intangible assets	24.6	18.1
Other operating expenses	0.9	0.6
<b>Total expenses</b>	<b>384.4</b>	<b>316.6</b>

*Losses and  
Writedowns*

Writedowns during the period amounted to DKK 79.9 million compared to 79.8 million in the same period of 2007. Reversal of previous year's write-downs amounted to DKK 49.5 million, a decrease of DKK 35.5 million compared with the same period of 2007. Losses recorded for the period were DKK 8.2 million against DKK 0.4 million in the first half-year of 2007.

DKK million	H1 2008	H1 2007
<b>Writedowns of loans and guarantee debtors, individual writedowns</b>		
Writedown balance, beginning of period	201.4	253.5
Reversal of previous writedowns	49.5	85.0
Writedowns during the period	66.8	67.5
Losses recorded	8.2	0.4
<b>Writedown balance, end of period individual write-downs</b>	<b>210.5</b>	<b>235.6</b>
<b>Writedowns of loans and guarantee debtors, group writedowns</b>		
Writedown balance, beginning of period	15.6	30.4
Reversal of previous writedowns	0.0	0.0
Writedowns during the period	13.1	12.3
Losses recorded	0.0	0.0
<b>Writedown balance, end of period, group write-downs</b>	<b>28.7</b>	<b>42.7</b>
<b>Writedowns of loans and guarantee debtors,</b>		
Writedown balance, beginning of period	217.0	283.9
Reversal of previous writedowns	49.5	85.0
Writedowns during the period	79.9	79.8
Losses recorded	8.2	0.4
<b>Writedown balance, end of period</b>	<b>239.2</b>	<b>278.3</b>
Total loans and guarantee debtors for which an objective indication for impairment has occurred before writedown	698.8	647.1
Total loans and guarantee debtors for which an objective indication for impairment has occurred after writedown	459.6	368.9
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 %
Losses recorded, as a percentage of the writedown balance, beginning of year	2.5 %	-1.6 %

*Balance sheet*

Before writedowns, total loans to customers including investment properties increased by DKK 1,024 million, or by 1.3 per cent, to a total of DKK 77,169 million.

Bond holdings were DKK 24,602 million, up from DKK 13,639 million at the beginning of the year.

Holdings of shares and investments in associates amounted to DKK 1,241 million up from DKK 1,016 million at the end of 2007.

Bonds issued totalled DKK 39,846 million against DKK 53,632 million at the beginning of 2008.

DKK million	H1 2008	H1 2007
<b>Funding</b>		
Due to credit institution and central banks	32,428	13,869
Deposits	21,628	20,016
Bonds issued	39,298	62,553
Mortgage bonds issued	548	757

#### *Equity and solvency*

Equity totalled DKK 8.0 billion at the end of June 2008 inclusive of the period's profits to which DKK 2.8 billion of subordinated capital can be added. The bank's capital thereby amounted to DKK 10.8 billion.

The solvency ratio for the group was 11.9 per cent at the end of June 2008 and the core capital ratio was 8.9 per cent. For 2008, the solvency ratio is determined by the standard approach under the new Basel II-rules and is therefore not directly comparable to historical solvency figures.

At the end of 2007 the same figures were 11.5 per cent and 8.4 per cent respectively.

#### *Basel II*

FIH Erhvervsbank reports the solvency ratios in accordance with the standard approach under the Capital Requirement Directive, Pillar 1. The standard approach is also used for assessing market risk, while the standard indicator approach is used for the assessment of operational risk. The applied methods are unchanged compared to the first quarter of 2008. The solvency ratios are reported in parallel by using the internal ratings-based approach (Foundation) for credit risks to the Danish FSA.

The bank has applied for permission to use the internal ratings-based approach (Foundation) for the assessment of credit risks and has also applied for permission to use internal models for assessing market risks. The application is expected to be approved shortly. The changes in methods are not expected to affect the solvency ratios.

As FIH Erhvervsbank is owned by Kaupthing Bank in Iceland the formal approval of the use of internal models for assessing credit risks and market risks lies with the Icelandic FSA. FIH Erhvervsbank is currently negotiating with the Danish FSA, managing the actual evaluation of the bank's models for credit ratings on behalf of the Icelandic FSA.

Under Pillar II, the bank continues to work intensively with the development of the ICAAP. Especially in the light of last year's turbulence in the financial markets, the bank is highly focused on holding the adequate capital amount to accommodate

potential current and future risk elements.

#### *Credit risk*

At least twice 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.

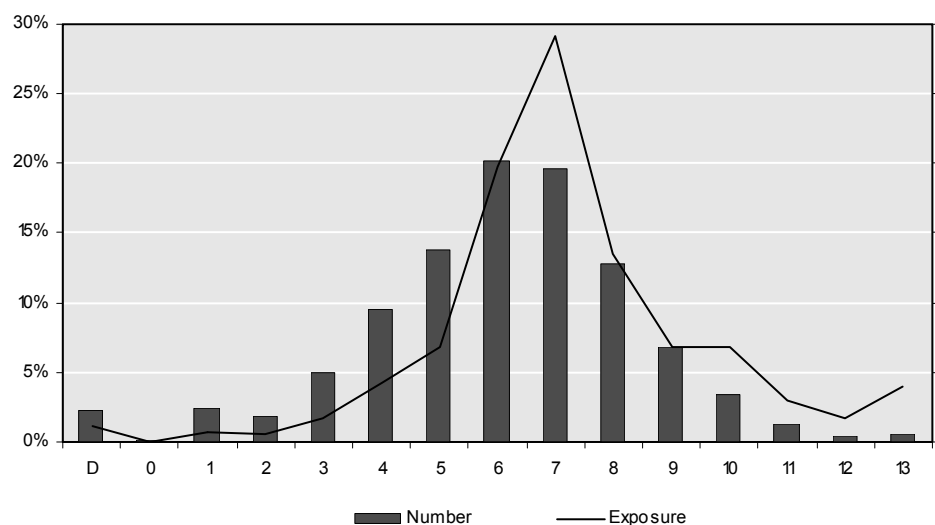
The Risk & Legal department continuously monitors the scope, diversification and quality of the loan portfolio, reporting its findings on an ongoing basis to the Executive Board and periodically to the Board of Directors.

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 1-3 comprise customers with increased risk, corresponding to the single B segment defined by the rating agencies. Rating 0 comprises the weakest and most risky customers, corresponding to the C segment as defined by the rating agencies.

As shown in the table below the loan portfolio's average rating is increasing.

Average rating, excluding public companies, financial institutions as well as customers in default				
30/6 2007	30/9 2007	31/12 2007	31/3 2008	30/6 2008
6.0	6.0	6.0	6.1	6.2
Average rating, weighted by engagement, excluding public companies, financial institutions as well as customers in default				
30/6 2007	30/9 2007	31/12 2007	31/3 2008	30/6 2008
7.2	7.2	7.1	7.1	7.2

As stated in the stock exchange announcement of 16 July 2008, FIH's exposures to the property sector amount to 23.5 per cent of which half is placed in Denmark and the other half in Germany, primarily in Hamburg and Berlin, and Sweden. At the regular portfolio assessments, FIH has obtained assurance that the current portfolio is sound, and furthermore a large part of the exposures are covered by first priority pledge on the properties.

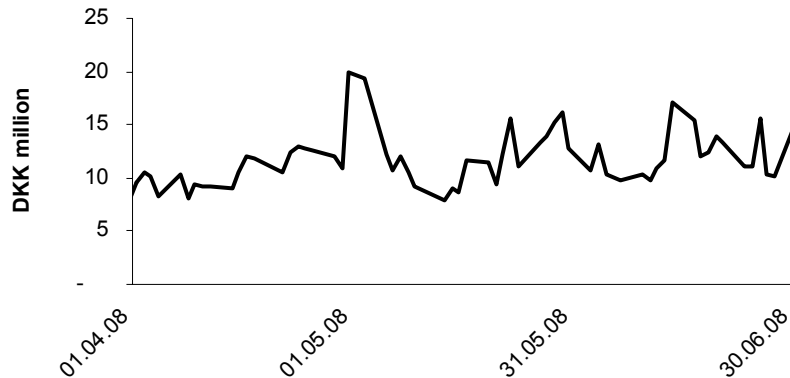
#### *Market risk*

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 15 million at the end of June 2008.

The Value at Risk method looks at the whole portfolio in the calculation of market 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*

FIH continues to hold substantial liquidity resources. The holding of bonds, short-term deposits with other banks and undrawn committed loan facilities came to DKK 20 billion at the end of June.

The diversification of funding resources initiated last year is still being pursued. The most recent initiative being the launch of FIH Netbank Privat. To date, customers have deposited DKK 868 million as at the end of June 2008.

To meet its funding objectives, in pursuance of the diversified funding strategy, activities are focused on several markets, debt instruments and various investor groups. FIH has not applied its EMTN programme in 2008, but instead has obtained funding by using other instruments on the international capital markets, private placements, bilateral loans and committed loan facilities. This policy will also be pursued in the third quarter of 2008.

*Return on equity*

At the end of June 2008 return on equity before tax amounted to 10.6 per cent p.a. compared to 21.9 per cent p.a. at the end of June 2007. Return on equity after tax was 9.2 per cent p.a. at the end of June 2008 compared to 17.8 per cent p.a. at the end of June 2007.

*Other remarks*

The half-year financial report is unaudited.

No particular uncertainty has affected the recognition and measurement in the preparation of the interim report for the first half-year of 2008.

*Expectations for FIH  
result 2008*

Business line performance continues to develop satisfactorily. FIH Netbank Privat has come off to a good start and contributes positively to the bank's funding potential.

The expectations for the 2008 full-year profit are maintained in the range of DKK 800 million to DKK 1,000 million, as announced at the end of March 2008.

Copenhagen, 31 July 2008 at 8:40 am

For the Board of Directors

Hans Skov Christensen  
Chairman

For additional information please contact  
Lars Johansen, tel +45 7222 5004

**Appendices**

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

## Statement by the Executive Board

We have today discussed and adopted the interim report for FIH Erhvervsbank A/S for January – June 2008.

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 2008 as well as of the results of their operations and the consolidated cash flows for the first half-year of 2008.

Copenhagen, 31 June 2008

## EXECUTIVE BOARD

Lars Johansen	Henrik Sjøgreen
Managing director and CEO	Director

## 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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## FINANCIAL STATEMENTS FOR THE FIH GROUP

DKK million Income statement	Q2 2008	H1 2008	Q2 2007	H1 2007	2007
Net interest and fee income	373	759	313	617	1,385
Market value adjustments	33	10	230	443	510
Other operating income	19	44	20	41	86
<b>Profit on net financials</b>	<b>425</b>	<b>813</b>	563	1,101	1,981
Expenses and depreciation	195	385	161	317	741
Writedowns of loans and receivables etc, Profit/loss from associates and group enter- prises	41 10	28 18	-14 -2	-10 3	-19 17
<b>Profit before tax</b>	<b>199</b>	<b>418</b>	414	797	1,276
Tax	34	57	43	153	153
<b>Profit after tax</b>	<b>165</b>	<b>361</b>	371	644	1,123
<b>Allocation of profit</b>					
Shareholders	165	361	369	640	1,094
Minority interests	0	0	2	4	29

DKK million Balance sheet (key figures)	30/6 2008	30/6 2007	31/12 2007
Cash and cash equivalents	3,614	13,000	5,013
Bonds	24,602	20,447	13,639
Shares	1,241	1,460	1,017
Loans	76,058	71,462	75,015
Other assets	8,405	6,544	18,673
<b>Total assets</b>	<b>113,920</b>	112,913	113,357
Deposits	21,628	20,016	10,533
Due to credit institutions and central banks	72,273	77,179	85,496
Other liabilities	8,889	5,102	6,217
Provisions	295	296	323
Subordinated loan capital	2,846	2,994	3,011
Shareholders' equity interest	7,989	7,298	7,750
Minority interests	0	28	27
Total equity	7,989	7,326	7,777
<b>Total Liabilities and Equity</b>	<b>113,920</b>	112,913	113,357
<b>Ratios</b>	<b>30/6 2008</b>	<b>30/6 2007</b>	<b>31/12 2007</b>
Return on equity before tax	10.6	21.9	17.6
Return on equity after tax	9.2	17.8	15.5

**INCOME STATEMENT FOR THE FIH GROUP**

DKK million	Note	H1 2008	H1 2007	2007
Interest income	2	<b>2,942.3</b>	2,541.2	5,409.0
Interest expense	3	<b>2,313.7</b>	2,006.8	4,290.1
<b>Net interest income</b>		<b>628.6</b>	534.4	1,118.9
Dividends from shares etc,		<b>10.4</b>	9.3	9.4
Fee and commission income		<b>137.6</b>	103.3	304.8
Fees and commissions paid		<b>17.8</b>	29.9	48.2
<b>Net interest and fee income</b>		<b>758.8</b>	617.1	1,384.9
Market value adjustments	4	<b>10.4</b>	442.6	510.0
Other operating income		<b>43.6</b>	41.2	85.9
Staff costs and administrative expenses	5	<b>358.9</b>	297.9	700.3
Amortisation, depreciation and write-downs, intangible and tangible assets		<b>24.6</b>	18.1	37.7
Other operating expenses		<b>0.9</b>	0.6	3.4
Writedowns of loans and receivables etc,	6	<b>27.7</b>	-10.1	-19.4
Profit from investments in associates and group enterprises		<b>17.7</b>	2.4	17.4
<b>Profit before tax</b>		<b>418.4</b>	796.8	1,276.2
Tax		<b>57.1</b>	152.5	152.9
<b>Profit after tax</b>		<b>361.3</b>	644.3	1,123.3

<b>Allocation of profit</b>				
Shareholders		<b>361.3</b>	640.7	1,094.5
Minority interests		<b>0.0</b>	3.6	28.8

**BALANCE SHEET FOR THE FIH GROUP**

DKK million	Note	30/6 2008	30/6 2007	31/12 2007
<b>ASSETS</b>				
Cash in hand and demand deposits with central banks		164.9	216.2	308.7
Debt instruments eligible for refinancing with central banks		449.6	5,395.5	0.0
Due from credit institutions and central banks		2,999.2	7,388.0	4,704.3
Loans and other receivables at fair value	7	571.6	731.3	643.5
Loans and other receivables at amortised cost	7	75,486.4	70,731.1	74,371.7
Bonds at fair value		24,602.3	20,446.8	13,639.3
Shares etc,		1,192.7	1,396.6	943.1
Investments in associates		48.4	63.5	73.4
Intangible assets		50.8	38.7	46.7
Land and buildings:				
Investment property		1,110.6	1,096.5	1,129.8
Domicile property		2.3	1.9	1.9
Other tangible assets		17.2	39.2	25.7
Current tax assets		137.0	0.0	191.9
Other assets		7,018.0	5,286.1	17,199.7
Prepayments		68.8	81.7	76.8
<b>Total assets</b>		<b>113,919.8</b>	<b>112,913.1</b>	<b>113,356.5</b>

**LIABILITIES AND EQUITY FOR THE FIH GROUP**

DKK million		30/6 2008	30/6 2007	31/12 2007
<b>LIABILITIES AND EQUITY</b>				
<b>Debt</b>				
Due to credit institutions and central banks		32,427.6	13,868.9	31,863.7
Deposits and other debt		21,628.4	20,016.4	10,533.3
Bonds issued at amortised cost	8	39,297.7	62,552.9	53,015.2
Other non-derivative financial commitments at fair value	8	547.5	756.7	616.9
Current tax liabilities		0.0	286.4	0.0
Other liabilities		8,871.0	4,794.5	6,198.7
Accruals and deferred income		17.1	21.2	18.5
<b>Total debt</b>		<b>102,789.3</b>	<b>102,297.0</b>	<b>102,246.3</b>
<b>Provisions</b>				
Provisions for pensions and similar commitments		3.2	3.5	3.2
Provisions for deferred tax		287.1	272.9	314.6
Provisions for losses and guaranties		5.0	19.9	5.0
<b>Total provisions</b>		<b>295.3</b>	<b>296.3</b>	<b>322.8</b>
<b>Subordinated debt</b>	9	<b>2,846.3</b>	<b>2,993.7</b>	<b>3,010.6</b>
<b>Shareholders' equity interest</b>		<b>7,988.9</b>	<b>7,298.4</b>	<b>7,750.1</b>
<b>Minority interests</b>		<b>0.0</b>	<b>27.7</b>	<b>26.7</b>
<b>Total equity</b>		<b>7,988.9</b>	<b>7,326.1</b>	<b>7,776.8</b>
<b>Total liabilities and equity</b>		<b>113,919.8</b>	<b>112,913.1</b>	<b>113,356.5</b>
<b>Off-balance-sheet items</b>				
Guarantees etc,	10	3,914.3	2,360.6	2,837.5
Other contingent liabilities	10	5,662.4	9,705.2	11,356.9
<b>Total off-balance-sheet items</b>		<b>9,576.7</b>	<b>12,065.8</b>	<b>14,194.4</b>



**EQUITY STATEMENT FOR THE FIH GROUP**

DKK million	H1 2008	H1 2007	2007
<b>Equity at the beginning of the period</b>	<b>7,750.1</b>	6,697.2	6,697.2
Net profit for the year	<b>361.3</b>	644.3	1,123.3
Merger-related additions	<b>0.0</b>	0.0	0.1
Share option plan	<b>0.5</b>	0.5	1.1
Revaluation, domicile property	<b>0.4</b>	0.5	0.5
Total comprehensive income	<b>362.2</b>	645.3	1,125.0
Dividends distributed	<b>0.0</b>	0.0	0.0
Adjustments, minority interests	<b>-123.4</b>	-40.5	-43.3
Minority interests	<b>0.0</b>	-3.6	-28.8
Total changes in equity	<b>238.8</b>	601.2	1,052.9
<b>Total shareholder's equity end of period</b>	<b>7,988.9</b>	7,298.4	7,750.1
Minority interests' equity interest primo	<b>26.7</b>	39.3	39.3
Minority interests' share of dividend	<b>0.0</b>	0.0	-28.3
Addition/outflow, minority interests	<b>-26.7</b>	-15.2	-13.1
Minority interests' share of net profit	<b>0.0</b>	3.6	28.8
Minority interests' equity interest ultimo	<b>0.0</b>	27.7	26.7
<b>Total equity end of period</b>	<b>7,988.9</b>	7,326.1	7,776.8

**SPECIFICATION OF CHANGES IN EQUITY**

Share capital, beginning of period	<b>513.6</b>	513.6	513.6
<b>Share capital, end of period</b>	<b>513.6</b>	513.6	513.6
Share option plan, beginning of period	<b>1.9</b>	0.8	0.8
Changes for the period	<b>0.5</b>	0.5	1.1
<b>Share option plan, end of period</b>	<b>2.4</b>	1.3	1.9
Revaluation reserve property, beginning of period	<b>1.0</b>	0.5	0.5
Revaluation for the period	<b>0.4</b>	0.5	0.5
<b>Revaluation reserve property, end of period</b>	<b>1.4</b>	1.0	1.0
Net revaluation reserve according to the equity method, beginning of period	<b>0.0</b>	0.0	0.0
Transferred	<b>12.1</b>	0.0	0.0
Other disposals, transferred to retained earnings	<b>0.0</b>	0.0	0.0
<b>Net revaluation reserve according to the equity method, end of period</b>	<b>12.1</b>	0.0	0.0
Retained earnings, beginning of period	<b>7,233.6</b>	6,182.3	6,182.3
Dividends	<b>0.0</b>	0.0	0.0
Transferred	<b>349.2</b>	644.3	1,123.3
Merger-related additions	<b>0.0</b>	0.0	0.1
Other additions, transferred from reserve for net revaluation by the equity method	<b>0.0</b>	0.0	0.0
Adjustment of minority interests	<b>-123.4</b>	-40.5	-43.3
Minority interests' share of net profit	<b>0.0</b>	-3.6	-28.8
<b>Retained earnings, end of period</b>	<b>7,459.4</b>	6,782.5	7,233.6
<b>Total shareholder's equity end of period</b>	<b>7,988.9</b>	7,298.4	7,750.1
Minority interests' share of equity, beginning of period	<b>26.7</b>	39.3	39.3
Minority interests' share of dividends	<b>0.0</b>	0.0	-28.3
Disposal/addition minority interests	<b>-26.7</b>	-15.2	-13.1
Minority interests' share of net profit	<b>0.0</b>	3.6	28.8
<b>Total minority interests' share of equity, end of period</b>	<b>0.0</b>	27.7	26.7
<b>Total equity end of period</b>	<b>7,988.9</b>	7,326.1	7,776.8

**CASH FLOW STATEMENT FOR THE FIH GROUP**

DKK million	H1 2008	H1 2007	2007
<b>Cash flow from operating activities</b>			
Interest received	2,986.2	2,484.3	5,404.1
Interest paid	-2,348.9	-1,573.2	-3,782.7
Fees received and paid	130.1	99.3	266.0
Expenses paid	-426.3	-381.9	-731.7
Other operating income	43.7	40.9	85.2
Received on claims previously impaired	2.7	4.8	-12.5
Loans disbursed	-12,500.8	-14,628.0	-27,805.0
Repayments on loans	11,075.9	10,168.3	19,489.5
Securities, purchase	-13,111.7	-9,061.3	-11,778.6
Securities, sale	76.2	77.2	1,026.1
Dividend from shares and investments	0.4	24.8	70.4
Taxes paid	-26.0	-62.2	-471.6
<b>Total</b>	<b>-14,098.5</b>	<b>-12,807.0</b>	<b>-18,240.8</b>
<b>Cash flow from investments activities</b>			
Net investment intangible and tangible assets	2.6	-30.5	-59.9
Sundry assets	11,444.0	5,668.2	3,262.1
<b>Total</b>	<b>11,446.6</b>	<b>5,637.7</b>	<b>3,202.2</b>
<b>Cash flow from financing activities</b>			
New bank loans and bonds	17,432.2	42,045.2	75,837.4
Repayments on bank loans and bonds	-29,080.6	-37,914.3	-62,918.6
Change in short-term funding	11,091.3	13,161.5	3,983.1
New subordinated debt	0.0	1,487.1	1,487.1
Repayment on subordinated debt	-141.7	-17.9	-17.9
Adjustments, minority interests	-123.3	-43.6	-69.6
Changes of minority interests	-26.7	-11.6	-12.6
Sundry liabilities	402.0	-5,375.4	-3,225.5
<b>Total</b>	<b>-446.8</b>	<b>13,331.0</b>	<b>15,063.4</b>
<b>Net cash flow</b>	<b>-3,098.7</b>	<b>6,161.7</b>	<b>24.8</b>
Cash balances, beginning of period	6,813.0	6,895.2	6,895.2
Value adjustments of liquid funds	-99.7	-52.4	-107.0
<b>Cash balances, end of period</b>	<b>3,614.6</b>	<b>13,004.5</b>	<b>6,813.0</b>
<b>Cash balances, end of period</b>			
Cash in hand and demand deposits with central banks, etc,	614.5	5,611.7	308.7
Due from credit institutions, etc,	2,999.2	7,388.0	4,704.3
Bonds	0.9	4.8	1,800.0
<b>Cash balances, end of period</b>	<b>3,614.6</b>	<b>13,004.5</b>	<b>6,813.0</b>

**Accounting policies:**

The financial statements as at 30 June 2008, which have not been audited, are presented in accordance with IFRS. The accounting policies have not been changed since the publication of the 2007 annual report. The financial statements for H1 2008 is also presented in compliance with IAS 34, and thus comprise a condensed version of the financial statements as part of the interim financial report as apposed to the full version presented as part of the annual financial statements. All transactions with related parties are settled on market terms or on a cost reimbursement basis. No essential post balance sheet events have taken place.

**QUARTERLY INCOME STATEMENT FOR THE FIH GROUP**

DKK million	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Interest income	1,474.5	1,467.8	1,455.2	1,412.6	1,321.2	1,220.0
Interest expense	1,157.8	1,155.9	1,153.6	1,129.7	1,063.7	943.1
<b>Net interest income</b>	<b>316.7</b>	<b>311.9</b>	301.6	282.9	257.5	276.9
Dividends from shares etc,	10.1	0.3	0.0	0.1	9.3	0.0
Fee and commission income	56.2	81.4	47.1	154.4	61.6	41.7
Fees and commissions paid	9.9	7.9	9.2	9.0	15.1	14.9
<b>Net interest and fee income</b>	<b>373.1</b>	<b>385.7</b>	339.5	428.4	313.3	303.7
Market value adjustments	32.9	-22.5	36.5	30.8	230.1	212.6
Other operating income	19.5	24.1	22.3	22.3	19.9	21.4
Staff costs and administrative expenses	179.8	179.1	206.5	195.8	152.3	145.7
Amortisation, depreciation and impairments, in- tangible and tangible assets	15.4	9.2	9.1	10.5	8.1	10.0
Other operating expenses	0.0	0.9	2.7	0.2	0.4	0.1
Writedowns of loans and receivables etc,	40.9	-13.2	-22.0	12.6	-14.2	4.2
Profit from investments in associates and group enterprises	9.8	7.9	0.0	15.0	-2.8	5.2
<b>Profit before tax</b>	<b>199.2</b>	<b>219.2</b>	202.0	277.4	413.9	382.9
Tax	34.2	22.9	-34.7	35.2	43.2	109.3
<b>Profit after tax</b>	<b>165.0</b>	<b>196.3</b>	236.7	242.2	370.7	273.6

<b>Allocation of profit</b>						
Shareholders	165.0	196.3	236.0	217.8	368.4	272.2
Minority interests	0.0	0.0	0.7	24.4	2.3	1.4

**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:

<b>1/1-30/6 2008</b>	<b>Corpo- rate Banking</b>	<b>SME Banking</b>	<b>Property Finance</b>	<b>Struc- tured Finance</b>	<b>Private Equity</b>	<b>Invest- ment Banking</b>	<b>Capital Markets</b>	<b>Other activi- ties</b>	<b>Total</b>
<b>Income statement</b>									
Net interest and fee in- come	90.8	176.5	141.0	247.4	-11.8	78.0	23.0	13.9	758.8
Market value adjustments	-9.8	7.6	11.0	0.0	58.2	0.0	81.0	-137.6	10.4
Other operating income	3.3	1.1	1.8	0.4	0.0	0.0	0.0	37.0	43.6
Writedowns and losses of loans and other receivables etc,	-12.1	29.9	12.9	-3.0	0.0	0.0	0.0	0.0	27.7
Operating costs	14.0	84.6	46.3	16.7	1.2	48.1	139.3	34.2	384.4
Profit/loss on equity investments	0.0	0.0	0.0	0.0	17.7	0.0	0.0	0.0	17.7
<b>Profit before tax</b>	<b>82.4</b>	<b>70.7</b>	<b>94.6</b>	<b>234.1</b>	<b>62.9</b>	<b>29.9</b>	<b>-35.3</b>	<b>-120.9</b>	<b>418.4</b>
<b>Tax</b>	<b>21.0</b>	<b>18.1</b>	<b>24.2</b>	<b>59.9</b>	<b>-34.2</b>	<b>7.9</b>	<b>-9.0</b>	<b>-30.8</b>	<b>57.1</b>
<b>Net profit for the period</b>	<b>61.4</b>	<b>52.6</b>	<b>70.4</b>	<b>174.2</b>	<b>97.1</b>	<b>22.0</b>	<b>-26.3</b>	<b>-90.1</b>	<b>361.3</b>
<b>Balance sheet</b>									
Loans	17,443.0	20,627.0	20,931.8	16,947.2	0.0	0.0	69.4	39.6	76,058.0
Bonds	1,307.1	0.0	0.0	0.0	0.0	0.0	5,551.2	17,744.0	24,602.3
Shares	0.0	0.0	0.0	0.0	1,148.6	0.0	44.1	0.0	1,192.7
Investment in associates	0.0	0.0	0.0	0.0	48.4	0.0	0.0	0.0	48.4
Other assets	566.0	41.7	105.5	207.5	0.0	0.0	2,571.9	8,525.8	12,018.4
<b>Total assets</b>	<b>19,316.1</b>	<b>20,668.7</b>	<b>21,037.3</b>	<b>17,154.7</b>	<b>1,197.0</b>	<b>0.0</b>	<b>8,236.5</b>	<b>26,309.4</b>	<b>113,919.8</b>

**Note 1 – Segment information**

**DKK million**

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

<b>1/1-30/6 2007</b>	<b>Corpo- rate Banking</b>	<b>SME Banking</b>	<b>Property Finance</b>	<b>Struc- tured Finance</b>	<b>Private Equity</b>	<b>Invest- ment Banking</b>	<b>Capital Markets</b>	<b>Other activi- ties</b>	<b>Total</b>
<b>Income statement</b>									
Net interest and fee in- come	115.2	178.8	135.8	209.9	-9.9	40.6	18.3	-71.6	617.1
Market value adjust- ments	10.9	0.0	0.0	0.0	392.0	0.0	36.7	3.0	442.6
Other operating income	3.8	1.3	2.3	0.5	0.0	0.0	0.0	33.3	41.2
Writedowns and losses of loans and other re- ceivables etc,	0.3	15.2	11.8	-37.4	0.0	0.0	0.0	0.0	-10.1
Operating costs	15.0	81.7	38.2	12.8	1.5	35.2	112.5	19.7	316.6
Profit/loss on equity in- vestments	0.0	0.0	0.0	0.0	2.4	0.0	0.0	0.0	2.4
<b>Profit before tax</b>	<b>114.6</b>	<b>83.2</b>	<b>88.1</b>	<b>235.0</b>	<b>383.0</b>	<b>5.4</b>	<b>-57.5</b>	<b>-55.0</b>	<b>796.8</b>
<b>Tax</b>	<b>23.4</b>	<b>16.8</b>	<b>17.9</b>	<b>47.8</b>	<b>68.3</b>	<b>1.2</b>	<b>-11.7</b>	<b>-11.2</b>	<b>152.5</b>
<b>Net profit for the period</b>	<b>91.2</b>	<b>66.4</b>	<b>70.2</b>	<b>187.2</b>	<b>314.7</b>	<b>4.2</b>	<b>-45.8</b>	<b>-43.8</b>	<b>644.3</b>
<b>Allocation of profit</b>									
Shareholders									640.7
Minority interests									3.6
<b>Balance sheet</b>									
Loans	18,573.9	20,191.7	19,260.8	13,381.2	0.0	0.0	25.0	29.8	71,462.4
Bonds	1,515.9	0.0	0.0	0.0	0.0	0.0	-1,204.6	20,135.5	20,446.8
Shares	0.0	0.0	0.0	0.0	1,134.7	0.0	-13.9	275.8	1,396.6
Investment in associates	0.0	0.0	0.0	0.0	63.5	0.0	0.0	0.0	63.5
Other assets	569.5	129.7	309.7	87.6	0.0	0.0	2,571.9	15,875.4	19,543.8
<b>Total assets</b>	<b>20,659.3</b>	<b>20,321.4</b>	<b>19,570.6</b>	<b>13,468.8</b>	<b>1,198.2</b>	<b>0.0</b>	<b>1,378.4</b>	<b>36,316.4</b>	<b>112,913.1</b>

**NOTES FOR THE FIH GROUP**

DKK million	H1 2008	H1 2007	2007
<b>Note 2 – Interest income</b>			
Due from credit institutions and central banks	107.6	260.5	458.6
Loans and other receivables	2,350.3	1,916.4	4,126.8
Contributions	2.3	3.0	5.7
Bonds	470.9	347.4	790.8
Derivative financial instruments	5.8	12.9	25.6
Other interest income	5.4	1.0	1.5
<b>Total</b>	<b>2,942.3</b>	<b>2,541.2</b>	<b>5,409.0</b>
<b>Note 3 – Interest expenses</b>			
Credit institutions and central banks	685.6	278.8	690.1
Deposits and other debt	343.6	265.1	633.6
Bonds issued	1,210.4	1,406.7	2,824.8
Subordinated debt	73.7	52.0	125.6
Other interest expenses	0.4	4.2	16.0
<b>Total</b>	<b>2,313.7</b>	<b>2,006.8</b>	<b>4,290.1</b>
<b>Note 4 – Market value adjustments</b>			
Mortgage loans	-15.5	-13.7	-14.4
Other loans and receivables at amortised cost	-132.5	-340.6	-246.7
Bonds	-274.9	-241.0	-234.3
Shares, etc.	45.5	392.4	632.2
Investment property	-21.3	-28.6	-33.5
Foreign currency	-25.1	15.5	-6.0
Derivative financial instruments	194.5	369.4	363.3
Bonds issued	18.8	216.6	49.4
Liabilities	219.9	72.6	0.0
<b>Total</b>	<b>10.4</b>	<b>442.6</b>	<b>510.0</b>
<b>Note 5 – Staff costs and administrative expenses</b>			
Salaries and remuneration of Board of Directors and Executive Board	10.8	7.6	23.2
Staff costs:			
Salaries	172.2	143.1	384.6
Pensions	11.1	8.9	19.3
Social security costs	15.8	15.8	33.0
Share-based payments	8.3	9.6	15.6
<b>Total</b>	<b>207.4</b>	<b>177.4</b>	<b>452.5</b>
Other administrative expenses	140.7	112.9	224.6
<b>Total</b>	<b>358.9</b>	<b>297.9</b>	<b>700.3</b>
<b>Share and option plans</b>			
<b>Employee shares</b>			
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 were allocated over a period of three years, with three tranches of a nominal value of DKK 6 million. Allocations were 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 were allotted over a three-year period in the form of three tranches of a nominal value of DKK 1.6 million. Options were 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 2008	H1 2007	2007
<b>Writedowns of loans and guarantee debtors, individual writedowns</b>			
Writedown balance, beginning of period	201.4	253.5	253.5
Reversal of previous writedowns	49.5	85.0	101.5
Writedowns during the period	66.8	67.5	102.2
Losses recorded	8.2	0.4	52.8
<b>Writedown balance, end of period individual writedowns</b>	<b>210.5</b>	<b>235.6</b>	<b>201.4</b>
<b>Writedowns of loans and guarantee debtors, group writedowns</b>			
Writedown balance, beginning of period	15.6	30.4	30.4
Reversal of previous writedowns	0.0	0.0	0.0
Writedowns during the period	13.1	12.3	-14.8
Losses recorded	0.0	0.0	0.0
<b>Writedown balance, end of period group writedowns</b>	<b>28.7</b>	<b>42.7</b>	<b>15.6</b>
<b>Writedowns of loans and guarantee debtors</b>			
Writedown balance, beginning of period	217.0	283.9	283.9
Reversal of previous writedowns	49.5	85.0	101.5
Writedowns during the period	79.9	79.8	87.4
Losses recorded	8.2	0.4	52.8
<b>Writedown balance, end of period</b>	<b>239.2</b>	<b>278.3</b>	<b>217.0</b>
<b>Writedowns allocated to net income</b>			
Reversal of previous writedowns	49.5	85.0	101.5
Writedowns during the period	79.9	79.8	87.4
Amounts received on claims previously written off	2.7	4.9	5.3
<b>Writedowns of loans and guarantees allocated to net income</b>	<b>27.7</b>	<b>-10.1</b>	<b>-19.4</b>

DKK million	H1 2008	H1 2007	2007
Total loans and guarantee debtors for which an objective indication for impairment has occurred before writedown	<b>698.8</b>	647.1	597.0
Total loans and guarantee debtors for which an objective indication for impairment has occurred after writedown	<b>459.6</b>	368.9	380.0
Accumulated writedowns of loans and guarantee debtors, as a percentage of loans and guarantees, end of year	<b>0.3 %</b>	0.4 %	0.3 %
Losses and writedowns of receivables as a percentage of loans and guarantees, end of year	<b>0.0 %</b>	0.0 %	0.0 %
Net losses recorded, as a percentage of the writedown balance, beginning year	<b>2.5 %</b>	-1.6 %	16.7 %
<b>Note 7 – Loans</b>			
Mortgage loans	<b>571.6</b>	731.3	643.5
Other loans	<b>75,486.4</b>	70,731.1	74,371.7
Total	<b>76,058.0</b>	71,462.4	75,015.2
<b>Note 8 – Bonds issued</b>			
Other bonds at amortised cost	<b>39,297.7</b>	62,552.9	53,015.2
Mortgage bonds at fair value	<b>547.5</b>	756.7	616.9
Total	<b>39,845.2</b>	63,309.6	53,632.1
<b>Note 9 – Subordinated debt</b>			
4,80 % JPY 10-bn maturity 31.03.2032	<b>527.1</b>	533.3	546.8
Var. % EUR 30-m maturity 03.08.2009	<b>226.0</b>	230.6	229.5
Var. % EUR 200-m maturity 26.03.2013	<b>1,347.4</b>	1,485.6	1,488.6
Var. % EUR 100-m maturity 22.09.2012	<b>745.8</b>	744.2	745.7
Total subordinated debt	<b>2,846.3</b>	2,993.7	3,010.6
Subordinated debt that may be included in the calculation of the capital base	<b>2,767.4</b>	2,847.7	2,798.6
<b>Note 10 – Off-balance sheet-items</b>			
<b>Guarantees etc,</b>			
Financial guarantees	<b>993,4</b>	849,7	1,094.1
Guarantees against losses for mortgage loans	<b>2,806,2</b>	1,321,3	1,444.1
Other guarantees	<b>114,7</b>	189,6	299.3
Total	<b>3,914,3</b>	2,360,6	2,837.5
<b>Other liabilities</b>			
Irrevocable loan commitments	<b>4,925,5</b>	8,877,3	10,696.3
Other liabilities	<b>736,9</b>	827,9	660.6
Total	<b>5,662,4</b>	9,705,2	11,356.9



**INCOME STATEMENT FOR FIH ERHVERVSBANK A/S**

DKK million	Note	H1 2008	H1 2007	2007
Interest income	1	<b>2,765.9</b>	2,444.7	5,197.2
Interest expense	2	<b>2,251.0</b>	2,014.3	4,300.9
<b>Net interest income</b>		<b>514.9</b>	430.4	896.3
Dividends from shares etc,		<b>0.9</b>	9.2	9.4
Fee and commission income		<b>60.9</b>	74.8	129.5
Fees and commissions paid		<b>10.6</b>	31.5	43.2
<b>Net interest and fee income</b>		<b>566.1</b>	482.9	992.0
Market value adjustments	3	<b>-58.9</b>	55.9	-102.1
Other operating income		<b>80.4</b>	74.1	156.7
Staff costs and administrative expenses	4	<b>326.3</b>	270.2	622.7
Amortisation, depreciation and impairments, intangible and tangible assets		<b>24.5</b>	17.2	37.5
Other operating expenses		<b>22.2</b>	-9.6	-11.3
Writedowns of loans and receivables etc,		<b>184.1</b>	353.4	764.7
<b>Profit before tax</b>		<b>398.7</b>	688.5	1,162.4
Tax		<b>37.4</b>	47.9	68.0
<b>Profit after tax</b>		<b>361.3</b>	640.6	1,094.4

**BALANCE FOR FIH EHVERVSBANK A/S**

DKK million	Note	30/6 2008	30/6 2007	31/12 2007
<b>ASSETS</b>				
Cash in hand and demand deposits with central banks		<b>164.9</b>	216.2	308.7
Debt instruments eligible for refinancing with central banks		<b>449.6</b>	5,395.5	0.0
Due from credit institutions and central banks		<b>6,790.3</b>	21,929.2	18,078.5
Loans and other receivables at amortised cost	5	<b>62,526.5</b>	57,430.7	60,992.6
Bonds at fair value		<b>23,352.2</b>	18,156.9	11,739.7
Shares etc,		<b>92.1</b>	322.9	90.2
Investments in associates		<b>28.3</b>	63.3	63.3
Investments in group enterprises		<b>4,329.6</b>	3,651.8	4,001.2
Intangible assets		<b>50.6</b>	38.7	46.7
Investment property		<b>1,110.6</b>	1,096.5	1,129.8
Domicile property		<b>2.3</b>	1.9	1.9
Other tangible assets		<b>16.9</b>	39.1	25.5
Current tax assets		<b>93.2</b>	0.0	124.9
Other assets		<b>6,922.1</b>	5,313.8	17,001.7
Prepayments		<b>43.9</b>	52.9	50.0
<b>Total assets</b>		<b>105,973.1</b>	113,709.4	113,654.7

**LIABILITIES AND EQUITY FOR FIH ERHVERVSBANK A/S**

DKK million		30/6 2008	30/6 2007	31/12 2007
<b>LIABILITIES AND EQUITY</b>				
<b>Debt</b>				
Due to credit institutions and central banks		33,090.8	14,913.0	31,941.6
Deposits and other debt		13,390.1	20,501.7	11,483.2
Bonds issued at amortised cost	6	39,297.7	62,552.9	53,015.2
Current tax liabilities		0.0	170.6	0.0
Other liabilities		8,821.1	4,839.9	6,018.1
Accruals and deferred income		16.3	19.5	17.0
<b>Total debt</b>		<b>94,616.0</b>	<b>102,997.6</b>	<b>102,475.1</b>
<b>Provisions</b>				
Provisions for pensions and similar commitments		3.2	3.5	3.2
Provisions for deferred tax		270.8	260.4	287.0
Provisions for losses and guaranties		25.5	59.6	29.7
<b>Total provisions</b>		<b>299.5</b>	<b>323.5</b>	<b>319.9</b>
<b>Subordinated debt</b>	7	<b>2,846.3</b>	<b>2,993.7</b>	<b>3,010.6</b>
<b>Total equity</b>	8	<b>8,211.3</b>	<b>7,394.6</b>	<b>7,849.1</b>
<b>Total liabilities and equity</b>		<b>105,973.1</b>	<b>113,709.4</b>	<b>113,654.7</b>
<b>Off-balance-sheet items</b>				
Guarantees etc,	9	4,165.2	2,733.6	3,115.1
Other contingent liabilities	9	4,816.0	8,929.4	10,564.6
<b>Total off-balance-sheet items</b>		<b>8,981.2</b>	<b>11,663.0</b>	<b>13,679.7</b>

Ratios	H1 2008	H1 2007	2007	H1 2006	H1 2005	H1 2004
Capital base relative to minimum capital adequacy requirement	290.1	274.1	284.3	194.1	177.5	184.9
Solvency ratio, per cent	14.0	12.8	12.9	9.7	10.9	12.4
Core capital ratio, per cent	10.6	9.2	9.5	7.7	8.4	10.9
Return on equity before taxation	9.9	19.5	15.9	23.5	15.7	13.5
Return on equity after taxation	9.0	18.1	15.0	19.4	13.5	10.2
Income/cost ratio	2.07	3.5	2.70	4.4	3.8	3.8
Interest rate risk	1.9	4.0	3.8	3.6	3.2	2.9
Foreign exchange position	10.9	28.6	8.4	6.9	10.2	4.0
Foreign exchange risk as a percentage of core capital	0.1	0.1	0.1	0.1	0.1	0.0
Loans as a percentage of deposits	468.5	281.2	533.7	1,002.8	3,124.0	9,697.5
Gearing of loans	7.6	7.8	7.8	9.9	9.6	8.1
Growth in loans, per cent	2.5	-14.1	-8.7	9.7	1.4	-0.5
Excess cover relative to statutory liquidity requirements	34.8	250.5	18.0	89.8	128.1	26.5
Total amount of large exposures	386.3	452.6	124.4	495.2	442.5	393.1
Impairment ratio	0.1	274.1	0.0	194.1	177.5	184.9

**EQUITY STATEMENT FOR THE FIH ERHVERVSBANK A/S**

DKK million	30/6 2008	30/6 2007	31/12 2007
<b>Equity at the beginning of the year</b>	<b>7,849.1</b>	6,752.9	6,752.9
Net profit for the year	361.3	640.6	1,094.4
Merger related additions	0.0	0.0	0.1
Share option plan	0.5	0.6	1.2
Revaluation, domicile property	0.4	0.5	0.5
Total comprehensive income	362.2	641.7	1,096.2
Dividends distributed	0.0	0.0	0.0
Total changes in equity	362.2	641.7	1,096.2
<b>Total equity end of year</b>	<b>8,211.3</b>	7,394.6	7,849.1

**SPECIFICATION OF CHANGES IN EQUITY**

Share capital, beginning of period	513.6	513.6	513.6
<b>Share capital, end of period</b>	<b>513.6</b>	513.6	513.6
Share option plan, beginning of period	2.0	0.8	0.8
Share option plan, during the period	0.5	0.6	1.2
<b>Share option plan, end of period</b>	<b>2.5</b>	1.4	2.0
Revaluation reserve property, beginning of period	1.0	0.5	0.5
Revaluation for the period	0.4	0.5	0.5
<b>Revaluation reserve property, end of period</b>	<b>1.4</b>	1.0	1.0
Net revaluation reserve according to the equity method, beginning of period	245.0	1.9	1.9
Transferred	179.9	0.0	367.0
Merger-related additions	0.0	0.0	0.1
Other disposals, transferred to retained earnings	5.1	-1.9	-124.0
<b>Net revaluation reserve according to the equity method, end of period</b>	<b>430.0</b>	0.0	245.0
Retained earnings, beginning of period	7,087.5	6,236.1	6,236.1
Dividends	0.0	0.0	0.0
Transferred	181.4	640.6	727.4
Other additions, transferred from reserve for net revaluation by the equity method	-5.1	1.9	124.0
<b>Retained earnings, end of period</b>	<b>7,263.8</b>	6,878.6	7,087.5
<b>Total equity end of period</b>	<b>8,211.3</b>	7,394.6	7,849.1

**NOTES FOR FIH ERHVERVSBANK A/S**

DKK million	H1 2008	H1 2007	2007
<b>Note 1 – Interest income</b>			
Due from credit institutions and central banks	372.0	533.5	1,056.2
Loans and other receivables	1,955.1	1,585.4	3,402.0
Bonds	438.9	309.1	713.9
Derivative financial instruments	-2.3	15.7	24.1
Other interest income	2.2	1.0	1.0
<b>Total</b>	<b>2,765.9</b>	<b>2,444.7</b>	<b>5,197.2</b>
<b>Note 2 – Interest expenses</b>			
Credit institutions and central banks	694.2	295.1	714.6
Deposits and other debt	287.4	275.1	656.1
Bonds issued	1,195.5	1,387.1	2,788.1
Subordinated debt	73.7	52.0	125.6
Other interest expenses	0.2	5.0	16.5
<b>Total</b>	<b>2,251.0</b>	<b>2,014.3</b>	<b>4,300.9</b>
<b>Note 3 – Market value adjustments</b>			
Other loans and receivables at amortised cost	-93.4	-296.4	-217.6
Bonds	-276.8	-238.7	-236.4
Shares, etc.	-22.3	5.8	21.4
Investment property	-21.3	-28.6	-33.5
Foreign currency	-23.7	16.5	-3.6
Derivative financial instruments	154.8	321.8	332.7
Bonds issued	3.9	202.8	34.9
Liabilities	219.9	72.7	0
<b>Total</b>	<b>-58.9</b>	<b>55.9</b>	<b>-102.1</b>
<b>Note 4 – Staff costs and administrative expenses</b>			
Salaries and remuneration of Board of Directors and Executive Board	10.8	6.8	21.8
Staff costs:			
Salaries	146.8	125.7	327.6
Pensions	10.9	8.7	18.7
Social security costs	13.4	13.7	28.5
Share-based payments	8.3	9.6	15.6
<b>Total</b>	<b>179.4</b>	<b>157.7</b>	<b>390.4</b>
Other administrative expenses	136.1	105.7	210.5
<b>Total</b>	<b>326.3</b>	<b>270.2</b>	<b>622.7</b>
<b>Note 5 – Loans</b>			
Loans	62,526.5	57,430.7	60,992.6
<b>Total</b>	<b>62,526.5</b>	<b>57,430.7</b>	<b>60,992.6</b>

DKK million	H1 2008	H1 2007	2007
<b>Note 6 – Bonds issued</b>			
Other bonds at amortised cost	39,297.6	62,552.9	53,015.2
Total	39,267.6	62,552.9	53,015.2
<b>Note 7 – Subordinated debt</b>			
4,80 % JPY 10-bn maturity 31.03.2032	527.1	533.3	546.8
Var. % EUR 30-m maturity 03.08.2009	226.0	230.6	229.5
Var. % EUR 200-m maturity 26.03.2013	1,347.4	1,485.6	1,488.6
Var. % EUR 100-m maturity 22.09.2012	745.8	744.2	745.7
Total subordinated debt	2,846.3	2,993.7	3,010.6
Subordinated debt that may be included in the calculation of the capital base	2,767.4	2,847.7	2,798.6
<b>Note 8 – Equity</b>			
<b>Share capital</b>			
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			
<b>Own shares:</b>			
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 %
<b>Note 9 – Off-balance sheet-items</b>			
<b>Guarantees etc,</b>			
Financial guarantees	1,010.2	940.7	1,110.8
Guarantees against losses for mortgage loans	3,040.4	1,603.4	1,705.1
Other guarantees	114.6	189.5	299.2
Total	4,165.2	2,733.6	3,115.1
<b>Other liabilities</b>			
Irrevocable loan commitments	4,761.0	8,877.3	10,506.8
Other liabilities	55.0	52.1	57.8
Total	4,816.0	8,929.4	10,564.6

**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
<b>Consolidated</b>						
<b>subsidiaries:</b>						
FIH Realkredit A/S, Copenhagen	Mortgage loans	100 %	718.8	108.9	4.2	0.5
FIH Leasing og Finans A/S, Copenhagen	Leasing and financing	100 %	451.6	419.0	9.3	6.4
FIH Finance A/S, Copenhagen	Financing and investment	100 %	1,738.3	1,576.8	10.8	100.3
FIH PARTNERS A/S, Copenhagen	Investment banking	100 %	137.0	113.6	78.0	33.5
FIH Kapital Bank A/S, Copenhagen	Financing and investment	100 %	15,045.2	1,906.0	82.2	35.8
FIH Aztec Holding ApS, København	Investment	100 %	517.2	513.8	8.1	6.1
Capital Markets Technologies (CMT) A/S	IT	90 %	0.5	0.5	0.0	0.0

FIH Aztec Holding Aps is a subsidiary of FIH Finance A/S.