

capinordic

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2007 ANNUAL REPORT

## Contents

<b>MANAGEMENT'S REVIEW</b>	2
2007: Earnings doubled and growth potential strengthened	2
Group key figures and ratios	4
Objective and business concept	5
Growth strategy	6
Outlook for 2008	8
Results of the Capinordic Group	9
Business areas – Results and activities	10
Denmark	10
Sweden	12
Post-period activities	14
Acquisition of Bio Fund Management Oy	14
The Capinordic Arena and men's handball	14
Shareholder information	15
Corporate governance	18
Risk management	20
Employees and knowledge resources	23
Environment, and research and development activities	23
<b>MANAGEMENT STATEMENT AND AUDITORS' REPORT</b>	24
Management statement	24
Report by independent auditors	25
<b>CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007</b>	
Accounting policies	26
Income statement for the period ended 31 December 2007	35
Balance sheet at 31 December 2007	36
Cash flow statement	38
Statement of changes in equity (Group)	40
Statement of changes in equity (Parent Company)	41
Notes	42
<b>COMPANY INFORMATION</b>	76
<b>MANAGEMENT OF CAPINORDIC A/S</b>	77
<b>ADDRESS LIST AND CONTACTS</b>	81
<b>SHARES AND OPTIONS HELD BY MANAGEMENT</b>	83
<b>COMPANY ANNOUNCEMENTS PUBLISHED IN 2007</b>	84



## 2007: Earnings doubled and growth potential strengthened

The Capinordic Group recorded a profit before amortisation, depreciation, impairment and tax (EBTDA) of DKK 155m for the financial year 2007, thereby fulfilling the Company's announced expectations in the order of DKK 150m. In 2006, the Capinordic Group recorded an EBTDA of DKK 75m.

In 2007, the profile of the Capinordic Group was sharpened and the growth strategy started paying back. Accordingly, the net interest and fee income of the Group doubled compared to 2006.

Today, the Capinordic Group has more than 200,000 customer agreements and assets under management of more than DKK 20bn. The Group is a Scandinavian market leader within fund-of-funds management and advisory services in connection with IPOs. Particularly in Sweden, the Group saw a very satisfactory inflow of new customers and assets under management. The effect of this inflow is expected to impact on the consolidated results as from 2008.

At the same time, the organisational development of the Capinordic Group continued. Through the acquisition of Monetar Pensionsförvaltning AB and Nordisk Fondservice AB, the Group's market position was substantially strengthened in Sweden. In Denmark, the strategic platform was anchored through the acquisition of Steffen Rønn Fondsmæglerselskab A/S and Dansk O.T.C. Fondsmæglerselskab A/S. Sweden saw the launch of Capinordic Asset Management AB, a Swedish asset management company currently managing seven different funds.

In 2007, the Group increased its share capital seven times with total gross proceeds of DKK 900m, cash accounting for DKK 390m thereof. The total acquisition price for the companies acquired was DKK 788m.

The results of the Capinordic Group were not directly affected by the otherwise negative trend in the markets, nor did the Group have any investments in or otherwise suffer any losses from subprime-related financial products, although the Capinordic share was affected by the current negative financial market trends.

The level of activities and results achieved of the Capinordic Group for 2007 were satisfactory.

### OPERATING ACTIVITIES

- The Capinordic Group realised an EBTDA of DKK 155m for 2007. Particularly the Group's Investment Banking activities made a positive contribution to Group earnings.
- The Group's net interest and fee income for 2007 amounted to DKK 298m, as against DKK 156m for 2006.
- The net profit for the year was DKK 80m, as against DKK 47m for 2006.
- The balance-sheet total for 2007 was DKK 3,850m, as against DKK 1,792m for 2006.
- The equity for 2007 totalled DKK 2,304m, as against DKK 1,400m for 2006.

### BUSINESS ACTIVITIES

Generally, the Group produced satisfactory returns for both its Danish and Swedish customers compared with the market development, and Capinordic Bank A/S carried out three IPOs on the OMX Nordic Exchange Copenhagen in 2007. Moreover, the Group's portfolio investments, such as

Euroinvestor.com A/S and Renewagy A/S (previously ITH Industri Invest A/S), performed satisfactorily.

#### **INVESTOR RELATIONS – GREATER DIVERSIFICATION AND NEW INVESTORS**

In 2007, Capinordic A/S welcomed many new investors and achieved greater diversification in its group of shareholders. Keops A/S held 31 per cent of the share capital at the beginning of the year, corresponding to 28 million shares. These shares were sold through Capinordic Bank A/S. One of the Company's new investors is the Belgian Verlinvest S.A., which now owns 7.51 per cent of the share capital. Verlinvest S.A. has activities in Europe and the USA and mainly invests in recognised brands with a large growth potential or with stable cash flows through majority or minority items. Examples of other investments of the company are: Remy Cointreau, Vita CocoCarrières du Hainaut, Jean d'Estrées, licensee of Dove Spa and Pond's Institute and Restel Residences. Verlinvest S.A. takes an active part in its investments and consequently Frédéric de Mevius, CEO of Verlinvest S.A., offers himself for election at the upcoming Annual General Meeting of Capinordic A/S.

#### **POST-BALANCE SHEET EVENTS**

After the end of the period, Capinordic A/S has acquired Bio Fund Management Oy and concluded a contract with PARKEN about a name sponsorship of the new multi arena as well as the FCK Handball Club's men's team. Moreover, Steen Bryde, Manager, has resigned from the Executive Board of the Company.

##### *Acquisition of Bio Fund Management Oy*

The acquisition became final as at 27 February 2008, and the company will be included in the Capinordic Group as a subsidiary. The company contributes considerable experience in management of, investments in and supply of life science products. The acquisition price is composed of a fixed part and a variable part. The fixed part of the acquisition price was DKK 25m at the date of closing, DKK 19m of which was payable in cash and the rest in 419,739 shares in Capinordic A/S. The variable part of the acquisition price depends on future earnings. It is payable partly in shares and partly in cash and is expected to be in the order of DKK 40-45m altogether.

##### *The Capinordic Arena and men's handball*

On 6 February 2008, the Capinordic Group entered into a cooperation agreement with the sports stadium PARKEN SPORT & ENTERTAINMENT A/S in Copenhagen concerning the building of the new cultural hall, the

Capinordic Arena, and a sponsorship of the FCK Handball Club's men's team. With the new sponsorship arrangement, Capinordic expects to increase awareness about the Capinordic Group. The new sponsorship arrangement makes it possible for the Capinordic Group to offer both Danish and Swedish customers cultural events of a broad international standard. Accordingly, PARKEN SPORT & ENTERTAINMENT A/S may become the major provider of customer events for the Capinordic Group.

#### **FOCUS IN 2008**

Following a series of strategic acquisitions in 2005-2007, the Capinordic Group now has to render visible the potential of the investments and provide a satisfactory return on equity. We now focus on strengthening the basis, which is to generate our organic growth and support the exploitation of positive synergies.

The Group has a big potential for additional earnings even merely within the Swedish activities of the Group. Today the Capinordic Group has more than 200,000 customer agreements and sees a highly satisfactory inflow every month, the focus in 2008-2009 being on realising the potential of increased earnings.

#### **OUTLOOK FOR 2008**

The Capinordic Group expects an increase in 2008 in net interest and fee income of about 35 per cent to the level of DKK 410m and an increase in EBTDA of about 15 per cent, which corresponds to a level of DKK 175m. The current inflow of customers is expected to continue in 2008, and the Group expects the number of customer agreements to increase by 20-25 per cent, equalling about 250,000 customer agreements by the end of 2008.

The Group bases its expectations on the budgeted higher earnings contribution from Asset Management in Denmark and Sweden and from Private Financial Services. Due to the current developments in the financial markets, Capinordic therefore expects more difficult conditions for the Group's Investment Banking activities.

Consolidated results are furthermore expected to be affected by expenses for strengthening the Group's organic growth, including expenses for setting up an investment management company in Denmark and for launching a bank branch in Sweden. The Group expects that the full effect of the utilisation of positive synergies will only impact on the consolidated financial statements as from the financial years 2009 and 2010.

## Group key figures and ratios

<b>Key figures of the income statement</b>					
(DKK'000)	2007	2006	2005	2004	2003
Net interest income .....	60,081	18,202	(208)	(841)	(2,315)
Fee and commission income .....	261,104	147,609	23,633	20,503	58,516
Net interest and fee income .....	297,779	155,720	16,824	12,778	46,603
Other operating income .....	18,398	8,529	0	0	0
Staff costs and administrative expenses .....	(212,165)	(81,204)	(14,062)	(11,839)	(39,822)
<b>Profit before amortisation, depreciation, impairment and tax (EBTDA) .....</b>	<b>154,512</b>	<b>74,748</b>	<b>3,024</b>	<b>2,792</b>	<b>6,781</b>
Profit before tax .....	102,256	60,231	2,917	2,574	1,310
<b>Net profit for the year .....</b>	<b>80,161</b>	<b>46,885</b>	<b>1,794</b>	<b>871</b>	<b>(982)</b>

<b>Key figures of the balance sheet</b>					
(DKK'000)	31.12.2007	31.12.2006	31.12.2005	31.12.2004	31.12.2003
Receivables from credit institutions and central banks .....	475,744	566,844	13,621	5,022	2,798
Loans and advances .....	1,262,407	440,289	0	0	0
Intangible assets .....	1,285,722	541,897	19,078	19,808	27,055
<b>Total assets .....</b>	<b>3,849,670</b>	<b>1,792,032</b>	<b>61,961</b>	<b>28,565</b>	<b>41,764</b>
Payables to credit institutions and central banks .....	539,172	46,663	4,495	4,678	17,674
Deposits .....	720,670	203,382	0	0	0
Share capital .....	59,445	42,467	14,296	11,801	101,507
Total equity .....	2,304,150	1,399,561	47,968	13,474	(4,042)
<b>Total liabilities and equity .....</b>	<b>3,849,670</b>	<b>1,792,032</b>	<b>61,961</b>	<b>28,565</b>	<b>41,764</b>

<b>Ratios</b>					
	2007	2006	2005	2004	2003
Equity ratio .....	59.85%	78.10%	77.42%	47.17%	Neg.
Return on equity after tax .....	4.09%	6.48%	5.84%	18.47%	Neg.
Capital base * .....	1,015,400	856,672	28,890		
Capital adequacy ratio * .....	47.80%	114.07%	90.30%		

Average number of employees .....	146	44	15	12	95
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<b>Per share ratios</b>					
	2007	2006	2005	2004	2003
Average number of shares ('000) .....	105,471	61,299	26,098	23,601	20,301
Share options issued ('000) .....	5,106	1,992	793	0	0
Earnings per share basic (EPS Basic) .....	0.77	0.77	0.07	0.04	(0.05)
Diluted earnings per share (EPS-D) .....	0.76	0.77	0.07	0.04	(0.05)
Cash flow per share (CFPS) .....	1.24	(2.61)	(0.14)	(0.07)	(0.02)
Dividends per share .....	0.00	0.00	0.00	0.00	0.00
Equity value per share, year-end (DKK) .....	19.38	15.63	1.68	0.57	(0.20)
Share price, year-end, cf. OMX Nordic Exchange Copenhagen .....	21.30	30.10	23.67	3.93	4.10

\* Capinordic A/S became subject to the supervision of the Danish Financial Supervisory Authority upon the acquisition of G P Børsmæglersekskab A/S and has therefore not published these figures and ratios previously.

# Objective and business concept

## **BUSINESS CONCEPT**

By its business activities, the Capinordic Group wishes to meet the rapidly changing demands of the financial consumer.

The Group caters for two different target groups:

1. Affluent private customers and small and medium-sized companies wanting specialised advisory and other services
2. Less affluent customers who want to invest in more standardised products and who therefore do not require the same specialised advisory services

These target groups give diversification and reduce the non-systematic risk while improving the potential for added sales.

All Group activities are based on four core competencies to ensure focus, profitability and quality:

1. Private financial services
2. Investment banking
3. Markets
4. Asset management

## **OBJECTIVE**

It is the Group's objective to become a visible financial advisor, provider and manager of savings and investment products to a wide segment of Scandinavian customers before 2012.

The financial targets of the Capinordic Group for the next five years are:

- To increase the Group's activity level by a minimum of 25 per cent per year through organic growth and acquisitions.
- To generate a return on equity rising to about 15 per cent per year after tax.

The Group obtained a strong capital base in 2006 and 2007, inter alia through a high degree of equity funding of the acquisitions made. This strategy has resulted in strong capital resources deemed to be advantageous in the context of the volatility of the finance markets and the growth ambitions of the Group.

Due to the capital base, the Group's previous objective of realising a return on equity rising to 15 per cent per year in 2008 is expected not to be realised until 2012.



## Growth strategy

In 2005, new management and shareholders formed the basis for reorganising the Capinordic Group – the goal was to create a Scandinavian finance group.

*The growth strategy was clear:* Acquisitions and strengthening of the capital base. The growth strategy is based on a combination of organic growth, alliances and acquisitions, and it has ensured optimisation of:

- Competencies and knowledge capital within the Group's competence areas
- Licences from the Danish and Swedish Financial Supervisory Authorities to operate relevant financial companies
- Substantial customer base

The Capinordic Group has seen notable growth and, as illustrated, has made a number of essential acquisitions and launched several companies, thereby consolidating its market position. During the same period, the share capital was increased by DKK 1.2bn in cash.

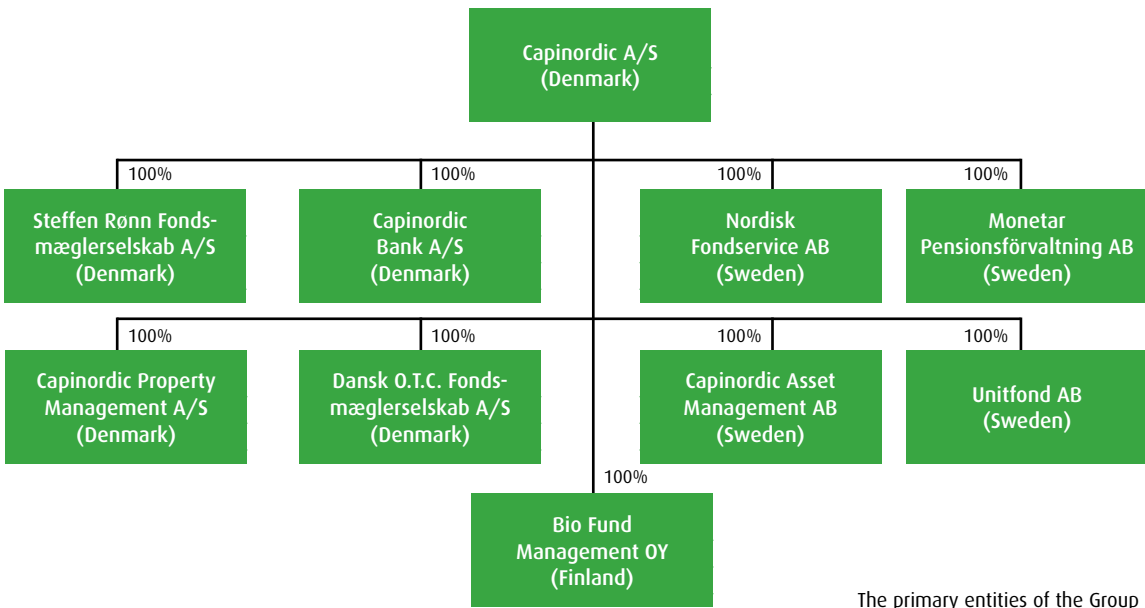
Start-up	Foundation laid	Better positioning and larger market share
<b>2005</b>	<b>2006</b>	<b>2007</b>
<i>New management</i>	<i>3 acquisitions (DKK 580m)</i>	<i>5 acquisitions (DKK 790m)</i>
<i>Capital increase by cash contribution (DKK 75m)</i>	<i>Capital increase by cash contribution (DKK 740m)</i>	<i>Capital increase by cash contribution (DKK 390m)</i>
	<i>Launch of Capinordic Bank</i>	<i>Launch of Capinordic Asset Management</i>

THE DEVELOPMENT OF THE CAPINORDIC GROUP FROM 2005 UNTIL NOW:		
<b>Dec. 2005</b>	Acquisition of G P Børsmæglerselskab A/S, a Danish stockbroking company focusing on Nordic Markets and a member of the OMX.	(The company was converted into Capinordic Bank A/S on 4 October 2006)
<b>May 2006</b>	Acquisition of Proviso Fondsmæglerselskab A/S, a Danish investment company focusing on advising affluent customers on their investments.	(The company merged with Capinordic Bank A/S on 28 August 2007)
<b>Oct. 2006</b>	Launch of Capinordic Bank A/S, with focus on Private Banking and Investment Banking.	<b>capinordic   bank</b>
<b>Oct. 2006</b>	Acquisition of Monetar Pensionsforvaltning AB, advisor within savings in Swedish pension products, particularly PPM (premium pension products), with very positive growth.	<b>Monetar</b> pensionsforvaltning
<b>Jan. 2007</b>	Launch of Capinordic Asset Management AB, with seven investment funds of the 'fund-of-funds' type, interest rate funds and equity funds.	<b>capinordic   asset management</b>
<b>Mar. 2007</b>	Acquisition of Dansk O.T.C. Fondsmæglerselskab A/S, a Danish investment company focusing on advising affluent customers on their investments and on Corporate Finance. The company has its headquarters in Jutland.	<b>DANSK O.T.C. A/S</b> FONDSPÆGLERSELSKAB
<b>May 2007</b>	Acquisition of Nordisk Fondservice AB, advisor within Swedish capital insurance plans, with an innovative IT platform and notable growth. Nordisk Fondservice AB is to merge with Unifond AB in 2008.	<b>NORDISK FONDSERVICE</b>
<b>Jun. 2007</b>	Acquisition of Steffen Rønn Fondsmæglerselskab A/S, which provides investment consultancy to affluent customers with particular focus on equities. Substantial know-how and asset management profiles. The company is expected to be transformed into an investment management company.	<b>STEFFEN RÖNN FONDSPÆGLERSELSKAB A/S</b>
<b>Nov. 2007</b>	Acquisition of Bio Fund Management Oy, a Finnish asset manager focusing on the life sciences.	<b>BioFund</b>





Today Capinordic is an ambitious Scandinavian finance group with 200 employees, more than 200,000 customer agreements and assets under management of DKK 20bn:



The primary entities of the Group

**NEXT STEPS – STRATEGIC GOALS FOR 2008**

Capinordic will continue the Group’s growth strategy, which now focuses on organic growth and has the following goals:

- To maintain and keep the current Swedish activity level with high customer inflow rates and great loyalty among customers and brokers.
- To launch targeted efforts to increase earnings per customer in Sweden, among other things by launching

a branch of Capinordic Bank A/S in Sweden (launch expected in the first six months of 2008).

- To continue controlled growth of the Bank through higher balance sheet total, inflow of customers and investment banking.
- To maintain the high increase in assets under management by the Group.
- To complete the organisational adaptations of the Group.





## Outlook for 2008

The Capinordic Group expects an increase in 2008 in net interest and fee income of about 35 per cent to the level of DKK 410m and an increase in EBTDA of about 15 per cent, which corresponds to a level of DKK 175m. The current inflow of customers is expected to continue in 2008, and the Group expects an increase in the number of customer agreements by 20-25 per cent, equalling about 250,000 customer agreements by the end of 2008.

The expectations of the Group are based on higher earnings contribution from Asset Management in Denmark

and Sweden and from Private Financial Services. Due to the current developments in the financial markets, Capinordic therefore expects more difficult conditions for the Group's Investment Banking activities.

Consolidated results are furthermore expected to be affected by expenses for strengthening the Group's organic growth, including expenses for setting up an investment management company in Denmark and for launching a bank branch in Sweden. The Group expects that the full effect of the utilisation of positive synergies will only impact on the consolidated financial statements as from the financial years 2009 and 2010.

## Results of the Capinordic Group

DKKm	2007	2006	2005
Net interest and fee income	298	156	17
EBTDA	155	75	3
Net loss for the year	80	47	2
Total assets	3,850	1,792	62
Total equity	2,304	1,400	48

The Group experienced a positive development and growth in 2007, and Management is satisfied with the consolidated results.

The Capinordic Group achieved an EBTDA of DKK 155m for the financial year 2007, thereby meeting expectations. The Group thus maintained a high earnings level despite its strong expansion in 2007.

The Group's net interest and fee income rose from DKK 156m in 2006 to DKK 298m, or a 91 per cent growth in

gross income. The Group thereby significantly exceeded its objective for 2007 of an annual growth of 25 per cent.

As was the case in 2006, the Group's Danish activities made the most important contribution to earnings. However, the Group's acquisitions in Sweden in 2007 strengthened the Group's position in the Swedish market, and hence a notable increase was seen in both net interest and fee income and EBTDA for the Group's Swedish activities.

DKKm	Denmark		Sweden	
	2007	2006	2007	2006
Net interest and fee income	240	139	58	17
EBTDA	160	86	9	2
Total assets	3,096	1,700	624	38
Total liabilities	1,318	387	112	6

Pursuant to the current accounting policies, the profit or loss of enterprises acquired is only recognised as from the takeover date, and therefore the full effect of the Group's acquisitions in 2007 will only be fully recognised in the income statement for 2008.

For 2007, the Group realised earnings per share of DKK 0.77, as compared with DKK 0.77 for 2006. The consolidated return on equity for 2007 was 4.09 per cent. Management finds the results achieved to be satisfactory and fully in accordance with the Group's growth strategy; the capital has been successively increased in tandem

with acquisitions made, and a timing difference has been reckoned with to achieve a satisfactory return on invested capital.

### ACQUISITIONS

The Group acquired five enterprises in 2007 at a total acquisition price of DKK 788m. In accordance with the Group's objective, the acquisitions were mainly funded by equity in the form of increases of the share capital. The acquisitions strengthened the Group's position in both Denmark and Sweden.

DKKm	Sweden	
	Consolidation	Acquisition price
Monetar Pensionsförvaltning AB	18.01.2007	197
Nordisk Fondservice AB	07.08.2007	277
DKKm	Denmark	
	Consolidation	Acquisition price
Aktie- & Valutainvest ApS	24.05.2007	87
Steffen Rønn Fondsmæglerselskab A/S	11.10.2007	140
Dansk O.T.C. Fondsmæglerselskab A/S	12.10.2007	87

### EQUITY

In the course of 2007, the Group implemented seven issues with total proceeds of around DKK 900m, cash amounting to DKK 390m.

At year-end 2007, the Group's equity amounted to DKK 2.3bn, corresponding to an equity ratio of 59 per cent. At 31 December 2007, the Group's capital base amounted to DKK 1,015m, and the consolidated capital adequacy ratio was 48 per cent.

## Business areas – Results and activities

The business areas of the Group are Banking Activities and Asset Management in Denmark and Sweden.

The Group's *Banking Activities* comprise Investment Banking and Private Financial Services, although the

### DENMARK

The Danish activities of the Group are currently mainly linked to Capinordic Bank A/S, Steffen Rønn Fondsmæglerselskab A/S, Dansk O.T.C. Fondsmægler-selskab A/S and Capinordic A/S.

DKKm	2007	2006*	2005*
Net interest and fee income	240	139	0
EBTDA	160	86	0
Total assets	3,096	1,700	0
Total liabilities	1,318	387	0

\* All Danish activities of the Group commenced in 2006.

### BANKING ACTIVITIES

Capinordic Bank A/S had its first full year of operation in 2007 and thus focused on building the underlying processes and structures. Concurrently with a number of comprehensive Investment Banking and Corporate Finance activities, the Bank made targeted efforts to build its deposits and loans balance and implement internal procedures as well as MiFID and Basle II. Moreover, Capinordic Bank A/S merged with Proviso Fondsmæglerselskab A/S, which strengthened the Bank's Private Banking activities.

The results of Capinordic Bank A/S were not affected by the otherwise negative trend in the markets, nor does or did Capinordic Bank A/S have any investments in or

Swedish segment only comprises Private Financial Services. The Group expects to launch a bank branch in Sweden in the first six months of 2008.

The *Asset Management* activities were carried out by Capinordic Asset Management AB and were only provided in the Swedish segment in 2007. The Group expects to transform Steffen Rønn Fondsmæglerselskab A/S into an investment management company in 2008.

The Group's activities in Denmark comprise the business areas of Banking and other activities, including property management carried out by Capinordic Property Management A/S. The table below shows the development in the Group's activities in Denmark.

otherwise suffer any losses from subprime-related financial products.

The business area was strengthened by the acquisition of Dansk O.T.C. Fondsmæglerselskab A/S and Steffen Rønn Fondsmæglerselskab A/S in the fourth quarter of 2007. Steffen Rønn Fondsmæglerselskab A/S is expected to be transformed into an investment management company in 2008 and will then constitute the Danish business area within Asset Management.

The table below shows the development in the Group's activities within this segment in Denmark.

DKKm	2007	2006*	2005*
Net interest and fee income	241	139	0
EBTDA	152	73	0
Loans and advances	1,379	438	0
Total assets	3,082	1,631	0
Deposits	715	203	0
Total liabilities	1,374	383	0

\* The Danish banking activities of the Group commenced in 2006.

### Private Banking

The Private Banking activities of the Capinordic Group include wealth planning, loans, advances and credit facilities, specially designed products and investment and savings products. The activities in Denmark cater for affluent customers.

Group activities within Private Banking have developed in a satisfactory manner with a prudent growth in loans and advances. There was particular focus on wealth management, *viz.*, identifying the customer's needs and options so as to provide a designed investment solution matching the customer's specific needs and risk profile.

Examples of Group portfolios offered to Danish customers are SR Thorleif Jackson 10+ and SR Pascal Lasnier Garp. Generally, the return to the Group's customers on the assets under management was satisfactory relative to general market developments.

Wealth management is supplemented by a number of structured financing projects offered to customers with individual portfolio management, including bridge financing and arrangement of capital in connection with property projects. These projects yield a high return while keeping the customer's aggregate risk at a low level.




#### Investment Banking

Activities within Investment Banking in the Capinordic Group include financial advisory services, implementation

of IPOs, advisory services related to the acquisition/divestment of enterprises and the provision and raising of capital.

The Group's activities within Investment Banking developed satisfactorily in 2007. The activities mainly related to the implementation of a number of structured financing projects, portfolio investments and advisory services to companies in connection with admission of their shares to trading on First North or listing on the OMX Nordic Exchange Copenhagen.

Capinordic Bank provided advisory services in connection with three IPOs in 2007. The issues in which Capinordic Bank A/S participated are listed in the table below.

Company	Market	Gross proceeds (DKKm)	Subscription price/Offer price	Price 31.12.2007
	First North	25	13	10
	OMX Nordic Exchange Copenhagen	17.6	10.5	15
	First North	45	5.40	5.30

Capinordic Bank A/S used Capitrader.dk, *inter alia* for carrying out issues. Capitrader.dk is a share purchase platform on which investors can buy shares online in initial public offerings. The purchase is simply paid by means of the "Dankort" payment card. Capitrader.dk currently has 8,400 registered investors.

As part of the Group's Investment Banking activities, targeted portfolio investments are made through limited ownership and with a limited investment horizon. The Group is actively involved in the investees by supplying management expertise, procuring capital or assisting in IPOs. Examples of this type of investments are Renewagy A/S (previously ITH Industri Invest A/S) and Euroinvestor.com A/S. The return on the Group's portfolio investments is recognised in the item 'Market value and translation adjustments'. At 31 December 2007, the aggregate portfolio investments came to DKK 82m, or 8 per cent of the Group's capital base.

#### Markets

The activities of the Capinordic Group within Markets include securities trading, public offerings, share issues, bond issues and market analyses.

The activities of Markets have now been expanded to include foreign currency transactions and interest-rate product transactions. The division now offers a full range of services within securities and foreign currency transactions. In 2007, Markets focused on building and implementing the new business areas and did so to satisfaction.

The proportion of the turnover on the OMX Nordic Exchange Copenhagen was maintained while the equities turnover of Markets on foreign exchanges rose by 300 per cent. The development in the number of new customers, transactions and turnover was satisfactory.

The analysis function was expanded, and 5,000 investors regularly receive analyses of listed companies.

## OTHER BUSINESS ACTIVITIES

Other activities comprise the activities of Capinordic Property Management A/S and CSV Invest ApS. The table below shows the development in the Group's other activities in Denmark.

DKKm	2007	2006*	2005*
Net interest and fee income	1	0	0
Other operating income	16	8	0
EBTDA	7	5	0
Total assets	152	129	0
Total liabilities	91	64	0

\* All Danish activities of the Group commenced in 2006.

Activities mainly comprise property investments and management of property portfolios. During the period, Capinordic Property Management A/S arranged the sale of four property projects at a total value of DKK 2,118m.

The properties were mainly located in Germany and Italy. The properties were sold on behalf of the listed association Capee fmba.

## SWEDEN

In 2007, the Group's main business activities in Sweden were linked to the Group's subsidiaries Monetar

Pensionsförvaltning AB, Nordisk Fondservice AB and Capinordic Asset Management AB. The table below shows the development in the Group's Swedish activities.

DKKm	2007	2006	2005
Net interest and fee income	58	17	17
EBTDA	9	2	3
Total assets	624	38	37
Total liabilities	112	6	13

## BANKING ACTIVITIES

The business area of Banking Activities in Sweden consists of the investment companies Unitfond AB, Monetar Pensionsförvaltning AB and Nordisk Fondservice AB, which all sell investment and savings products to private individuals (Private Financial Services).

The Group expects to launch a bank branch in Sweden in the first six months of 2008.

Monetar Pensionsförvaltning AB and Nordisk Fondservice AB both became part of the Capinordic Group in 2007. These companies represent a substantial proportion of the Group's customers and assets under management in the Swedish market. Both companies saw a very satisfactory inflow of new customers and of assets under management. The effect of this inflow is expected to impact on the consolidated results as from 2008.

DKKm	2007	2006	2005
Net interest and fee income	54	17	17
EBTDA	12	2	3
Total assets	617	38	37
Total liabilities	111	6	13

The primary product of Nordisk Fondservice AB is unit-linked insurance products. Today the company collaborates with a number of providers of insurance products on offering asset management. These providers include SEB, Skandia, Länsförsäkringer, CGU Life, Moderna Försäkringer and SPP.

Nordisk Fondservice AB sells its services through a nationwide distribution network consisting of independent financial advisors (insurance brokers). Nordisk Fondservice AB has concluded cooperation agreements with about 1,000 insurance brokers across Sweden about the distribution of its products. Today, Sweden has about 1,200 insurance brokers.

The main product of Monetar Pensionsförvaltning AB is premium pension products (PPM)<sup>1</sup>. Like Nordisk Fondservice AB, the company has seen a notable inflow of customers since 2005. As opposed to Nordisk Fondservice AB, Monetar Pensionsförvaltning AB distributes its products through advisory services by telephone.

Since 2005, the companies have seen significant growth and today have more than 200,000 management agreements with customers and about DKK 16bn under management. In 2007 alone, there was an inflow of 64,000 new management agreements. The target group comprises affluent customers and enterprises in need of advice in connection with their investments.

The companies work closely together now. Both companies use a specially developed and innovative IT platform to manage their relations with customers, insurance brokers

and alliance partners and for administration. The IT platform materially supports the growth scenario of the companies. This IT platform also provides a great potential for added sales, and the differing product portfolios of the companies form the basis of cross-selling and further product development, particularly in connection with the expected launch of a Swedish branch of Capinordic Bank A/S.

#### ASSET MANAGEMENT

Capinordic Asset Management AB was launched on 25 January 2007. The focus was on implementing a platform that ensures a continuous development of market-adapted products and on centralising the asset management activities in Sweden so as to optimise the exploitation of knowledge capital and administration. The development in the year of foundation was as expected, and the company achieved a negative EBTDA of DKK 3m.

DKKm	2007	2006*	2005*
Net interest and fee income	3	0	0
EBTDA	(3)	0	0
Total assets	8	1	0
Total liabilities	2	0	0

\* The Swedish asset management activities of the Group commenced in 2007.

In general, the return on the portfolios was satisfactory and developed as shown below.

Fund	Return in 2007	Comparable index
Capinordic BRICA	34.10%	- 6.48%
Capinordic FoF Global	-3.65%	2.16%
Capinordic FoF Råntefond (interest-rate fund)	0.29%	- 2.66%
Capinordic Global Opportunities	1.43%	7.15%
Capinordic High Yield	1.40%	- 0.10%
Capinordic MM Global Focus	0.03%	5.75%

In 2008, Capinordic Asset Management AB intends to focus on the launch of further products and strengthen its distribution network. Completion of the amalgamation of the asset management activities in Sweden, which include

the relocation to Stockholm, is expected to take place in the first three months of 2008. A number of the new products are also expected to be launched in the first three months of 2008.

<sup>1</sup>PPM: All Swedish taxpayers are subject to an annual deduction averaging 2.5 per cent of their pre-tax income. The 2.5 per cent deducted is paid to PPM, the state pension scheme, but the Swedish nationals may select the fund manager themselves. Accordingly, they may select to place the funds on [www.ppm.nu](http://www.ppm.nu) (as opposed to [www.folkeborsen.nu](http://www.folkeborsen.nu)) or let the Swedish authorities manage their pension savings or in the alternative let external managers, such as Monetar Pensionsförvaltning AB, manage their pension savings.

## Post-period activities

After the end of the period, Capinordic A/S has acquired Bio Fund Management Oy and concluded a contract with PARKEN SPORT & ENTERTAINMENT A/S about a name sponsorship of the new multi arena as well as the FCK Handball Club's men's team. Moreover, Steen Bryde has resigned from the Executive Board of the Company.

### **ACQUISITION OF BIO FUND MANAGEMENT OY**

The acquisition became final as at 27 February 2008, and the company will be included in the Capinordic Group as a subsidiary. The company contributes considerable experience in management of, investments in and supply of life science products.

Bio Fund Management Oy manages the portfolios of a number of life science venture funds with a total commitment of EUR 200m. Through these venture funds, Bio Fund Management Oy has invested in 47 companies, mainly in the Nordic countries, but also in the rest of Europe and North America. The current portfolio comprises 18 enterprises. Through Bio Fund Management Oy, the existing subsidiaries of the Group will be able to offer investments in the attractive life science market. The Capinordic Group can offer Bio Fund Management Oy a substantial deal flow and corporate finance expertise in connection with their investments and their exit from them.

The acquisition price is composed of a fixed part and a variable part. The fixed part of the acquisition price is DKK 25m at the day's market price, DKK 19m of which is payable in cash and the rest in 419,739 shares in Capinordic A/S of a nominal value of DKK 0.50 each from the Company's portfolio of treasury shares. The variable part of the acquisition price will be determined on the basis of the future earnings of the management company Bio Fund Management Oy as well as funds managed by the Company. The variable part of the acquisition price is payable partly in shares and partly in cash and is expected to be in the order of DKK 40-45m altogether.

### **THE CAPINORDIC ARENA AND MEN'S HANDBALL**

On 6 February 2008, the Capinordic Group entered into a cooperation agreement with PARKEN SPORT & ENTERTAINMENT A/S in Copenhagen concerning the building of the new cultural hall, the Capinordic Arena, and a sponsorship of the FCK Handball Club's men's team,

making Capinordic one of the absolutely biggest sponsors of PARKEN SPORT & ENTERTAINMENT A/S. With the new sponsorship arrangement, the Capinordic Group expects to increase awareness about the Group. The new sponsorship arrangement makes it possible for the Capinordic Group to offer both Danish and Swedish customers cultural events of a broad international standard. Accordingly, PARKEN SPORT & ENTERTAINMENT A/S may become the major provider of customer events for the Capinordic Group.

#### *Main sponsor for the FCK Handball Club's men's team*

As from January 2010, the Capinordic Arena will be the home ground arena for the FCK handball troops of head coaches Anja Andersen and Magnus Andersson. Andersson's men's team has played in Capinordic shirts since 6 February 2008 as Capinordic has signed a two-year main sponsorship contract with the FCK Handball Club's men's team.



[www.sportsagency.dk](http://www.sportsagency.dk)

#### *The Capinordic Arena – Denmark's new multi arena*

The new arena will have a central position in the Danish cultural life. Selected experts are currently working with the architects firm Hou & Partnere Arkitekter to design the Capinordic Arena, which will be ready by the end of 2009. The arena will have:

- Around 4,500 seats for sports events
- Room for around 8,500 people for concerts, etc.
- A total area of around 13,000 m<sup>2</sup>
- Own parking area.



## Shareholder information

### INVESTOR RELATIONS AT CAPINORDIC

Capinordic is listed on the MidCap+ Index of the OMX Nordic Exchange Copenhagen. The OMX Nordic Exchange has established the indices MidCap+ and SmallCap+ to highlight small and medium-sized enterprises that make a special effort to increase the liquidity of their shares. The companies are selected for the segments twice a year – in June and December. Only companies that meet requirements in excess of the general requirements are included in the indices. Capinordic endeavours to conduct an active IR policy with a high level of information and good investor care. For more information on the IR policy of Capinordic A/S, please refer to our website [www.capinordic.com](http://www.capinordic.com).

Queries regarding the Capinordic Group may also be addressed to:

Katrine Hoff Schlichtkrull, Chief Communications and IR Officer

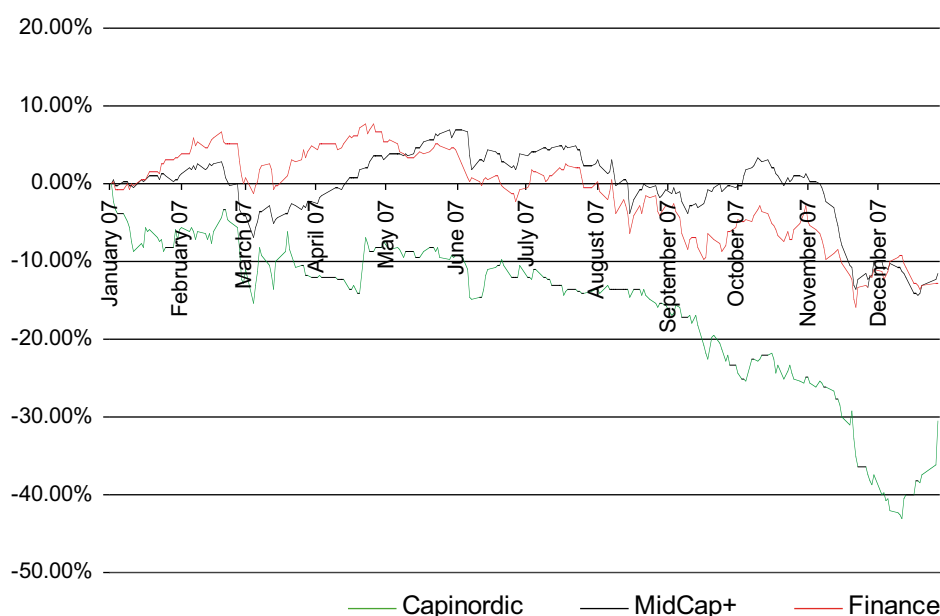
Tel.: +45 8816 3000

Fax: +45 8816 3003

E-mail: [ir@capinordic.com](mailto:ir@capinordic.com)

### PRICE DEVELOPMENT

The share markets were generally characterised by instability and high volatility in 2007. The Capinordic share fell by 30 per cent during 2007. By comparison, the MidCap+ index and the Finance Index both fell by 12 per cent. The chart below shows the development in the share price relative to the various indices.



SHAREHOLDER COMPOSITION	Quantity	%
Verlinvest S.A. (Brussels)*	8,927,270	7.51
SL Nordic Holding ApS (Copenhagen)*	8,728,366	7.34
Erik Damgaard Port. A/S a.o. (Copenhagen)**	8,126,924	6.84
Synerco ApS (Virum)*	7,737,598	6.51
Bryde Gruppen ApS (Hellerup)*	8,989,540	7.56
HFI-Invest A/S (Copenhagen)***	8,765,700	7.37
DKA Consult A/S a.o. (Virum)****	6,611,787	5.56
Others*****	61,003,075	51.31
<b>Total</b>	<b>118,890,260</b>	<b>100.00%</b>

\* According to the most recent notice concerning major shareholders.  
 \*\* Erik Damgaard Nielsen of the Supervisory Board is a shareholder and the CEO of the company. A.o. comprises related persons.  
 \*\*\* Ole Vagner of the Supervisory Board is the CEO of the company.  
 \*\*\*\* The company is owned by Lasse Lindblad, CEO. A.o. covers companies of the DKA group. The DKA Group is owned by Lasse Lindblad.  
 \*\*\*\*\* Shareholders owning less than 5 per cent of the share capital of the Company.

SHARE INFORMATION (DKK)	
Market value, 31 Dec. 2007 (DKKbn)	2.53
Share price, 31 Dec. 2007	21.3
Share price, 31 Dec. 2006	30.1
Shares in circulation, 31 Dec. 2007	117,042,802
Shares in circulation, 31 Dec. 2006	42,454,983
Year's highest share price	30.70
Year's lowest share price	17.50
All time high (16 May 2000)	75.00
Listed on the OMX Nordic Exchange Copenhagen Indices: OMX Copenhagen MidCap+, OMX Copenhagen Financials ISIN code: DK0010212570 Short name: CAPI DKK	

### DEVELOPMENT IN SHARE CAPITAL

As at 28 March 2008, the nominal share capital of Capinordic A/S amounted to DKK 59,445,130,

corresponding to 118,890,260 shares of DKK 0.50 each. The ISIN code of the shares is DK0010212570. Capinordic A/S increased its capital seven times in 2007:

CAPITAL INCREASE	Supervisory Board resolution	Gross proceed (DKK)	Quantity of shares	Nominal value (DKK)	Admitted to trading	Further information
Non-cash contribution (related to the acquisition of Monetar Pensionsforvaltning AB)	18 October 2006	133m	4,630,000	2,315,000	16 February 2007	Company Announcement No. 5/2007 of 12 February 2007
Direct placements of shares (cash payment)	20 March 2007	240m	8,800,000	4,400,000	30 July 2007	Prospectus of 20 July 2007
Direct placements of shares (cash payment)	9 May 2007	150m	5,643,340	2,821,670	30 July 2007	Prospectus of 20 July 2007
Non-cash contribution (related to the acquisition of Aktie- & Valutainvest A/S)	9 May 2007	86m	3,085,026	1,542,513	30 July 2007	Prospectus of 20 July 2007
Non-cash contribution (related to the acquisition of Nordisk Fondservice AB)	22 May 2007	131m	4,931,940	2,465,970	16 August 2007	Company Announcement No. 35/2007 of 9 August 2007
Non-cash contribution (related to the acquisition of Dansk O.T.C. Fondsmæglerselskab A/S)	12 October 2007	65m	2,702,702	1,351,351	4 January 2008	Prospectus of 20 December 2007
Non-cash contribution (related to the acquisition of Steffen Rønn Fondsmæglerselskab A/S)	11 October 2007	99m	4,162,486	2,081,243	4 January 2008	Prospectus of 20 December 2007

The Management of Capinordic A/S estimates that the Company's capital structure and share structure are appropriate and in the interest of the Company and its shareholders. The Company's capital increases have assured the expansion and future growth of the Group, thus increasing the Company's market value for the benefit of the Company and its shareholders.

### DIVIDENDS

It is the dividend policy of Capinordic A/S to give the shareholders a return on their investment in the form of a price increase and dividends that exceed a risk-free

investment in bonds. Payment of dividends must be made with due consideration of the requisite consolidation of equity as a basis for the continued expansion of the Group at all times.

### POLICY REGARDING TREASURY SHARES

Capinordic A/S holds treasury shares for market making reasons. As at 31 December 2007, the trading portfolio amounted to 1.8 million shares. Capinordic A/S has prepared internal policies regarding market making and trading in treasury shares.

## INCENTIVE PROGRAMMES

The following share option programmes have been implemented since 2005:

Year	Options awarded	Exercise period
2005	492,500 for employees	24 October 2008 - 23 October 2010
2005	300,000 for Supervisory Board members	Until 23 October 2008
2006	1,333,334	27 October 2009 - 27 October 2011
2007	2,960,000	20 November 2010 - 20 November 2013

The share option programmes have been implemented to increase the employee incentive relative to the achievement of Group objectives.

Reference is made to the section 'Shares and options held

by Management' on page 83 for detailed information on Management holdings of share options. For further information on the incentive programmes, please see note 10.

## ANNUAL GENERAL MEETING 2008

The Annual General Meeting will be held at 2 p.m. on 17 April 2008 at Bojesen A/S at Axelborg, Vesterbrogade 4A, 1620 Copenhagen V, Denmark.

The agenda will be as stated below. The complete proposals with annexes will be available on the Company website not later than eight days before the Annual General Meeting:

1. Presentation of chairman of the meeting
2. Submission of the audited 2007 Annual Report for approval, including discharge of the Company's Management from liability
3. Resolution on distribution of profit or cover of loss
4. Proposals from the Supervisory Board
  - a. Authority to increase the share capital
  - b. Authority to issue share options
  - c. Authority to buy back treasury shares
  - d. Authority to distribute dividends on account
5. Adoption of general guidelines for incentive programmes for Management
6. Election of Supervisory Board
7. Election of auditors
8. Any other business

# Corporate governance

The Management of Capinordic A/S applies the recommendations for corporate governance actively in its work of operating the Company.

Capinordic A/S finds corporate governance to be an important element in achieving the Group's strategy and objectives. Similarly, good communications with stakeholders in the Group are a prerequisite for making the valuation of the Capinordic share reflect the value of the Company.

The OMX Nordic Exchange Copenhagen has prepared a set of recommendations for corporate governance on the basis of the Nørby Committee's report on corporate governance. The recommendations are divided into eight main fields. These eight main fields are reviewed below according to the 'comply-or-explain' principle so that Capinordic A/S describes the elements where the Company is non-compliant. Please see the Company's website for further information on the corporate governance of Capinordic A/S.

## I. SHAREHOLDERS' ROLE AND INTERACTION WITH COMPANY MANAGEMENT

Capinordic A/S complies with the recommendations related to the role of the shareholders and their interaction with the Management of the Company.

## II. ROLE OF STAKEHOLDERS AND THEIR IMPORTANCE TO THE COMPANY

Capinordic A/S complies with the recommendations related to the role of the stakeholders and their importance to the Company.

## III. OPENNESS AND TRANSPARENCY

Capinordic A/S complies with the recommendations related to openness and transparency.

Publication in Danish and English:

Capinordic A/S publishes announcements to the market in Danish and English.

The Company's website is accessible in both Danish and English. If possible and relevant, the website contents on the Danish and English pages are identical. Capinordic thus does not fully comply with the recommendation.

## IV. TASKS AND RESPONSIBILITIES OF THE SUPERVISORY BOARD

Capinordic A/S complies with the recommendations on the tasks and responsibilities of the Supervisory Board.

These matters are provided for by the rules of procedure of the Supervisory Board as is the self-assessment of the Supervisory Board.

## V. COMPOSITION OF THE BOARD OF DIRECTORS

According to the Company's Articles of Association, the Supervisory Board of Capinordic A/S may have up to seven members. Capinordic has fixed an age limit of 70 for Supervisory Board members. The Supervisory Board has set out the following knowledge areas as important qualifications for its members:

- Operation of a financial enterprise
- Financing and financial products
- Law, particularly stock exchange law and the Financial Business Act
- IT
- Audit and accounting
- Operation of a listed company

All Supervisory Board members of Capinordic A/S are deemed to be independent, see below. To be considered independent in this context, a member of the Supervisory Board elected by the General Meeting may not:

- Be an employee of the Company or have been employed by the Company within the past five years.
- Be a professional consultant to the Company or be employed by, or have a financial interest in, a company which is a professional consultant to the Company.
- Have some other essential strategic interest in the Company other than that of a shareholder.

Capinordic A/S has no staff-elected members on the Supervisory Board of the Company. Section 49(2) to (8) of the Danish Public Companies Act lays down the rules on staff-elected members of the supervisory board. Not until 2006 did the Capinordic Group employ more than 35 employees in Denmark. The need for staff-elected members on the Supervisory Board will thus arise in 2009 at the earliest.

The scope and frequency of meetings of the Supervisory Board are laid down in its rules of procedure. The Supervisory Board has at least four meetings a year.

Capinordic does not comply with the recommendation related to time for board work and the number of directorships of supervisory board members, as the Supervisory Board estimates that the scope of work related to the members' positions is more decisive as to whether they can discharge their board duties in Capinordic A/S than the number of their positions.

Capinordic complies with the recommendation on the use of Supervisory Board committees, and matters relevant



to Supervisory Board committees are provided for by the rules of procedure of the Supervisory Board. Capinordic A/S currently has no standing Supervisory Board committees.

#### **VI. REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD**

Capinordic A/S has adopted a remuneration policy in accordance with the recommendation on such policies. The remuneration policy of the Company is not published for competition reasons.

Capinordic A/S does not comply with the recommendation on openness about remuneration of Management. The total remuneration of the Supervisory Board and of the Executive Board will be stated in the Annual Report of the Company as usual. Supervisory and Executive Board members' share of incentive programmes appears from Articles 9b-9d of the Articles of Association and from the Annual Report of the Company. The Supervisory Board finds that details on the remuneration of the individual Management members are not relevant to the public.

Capinordic A/S does not comply with the general guidelines for incentive programmes in full.

At the Annual General Meeting of the Company on 17 April 2008, the general guidelines for incentive pay will be presented to the shareholders of the Company. The rules are available at [www.capinordic.com](http://www.capinordic.com).

Capinordic does not comply with the recommendation on termination benefits. Termination benefit plans for members of the Company's Executive Board are not assessed as material to the Company's compliance with its obligations.

#### **VII. RISK MANAGEMENT**

Capinordic A/S complies with the recommendations related to risk management. These matters are provided for by the rules of procedure of the Supervisory Board.

#### **VIII. AUDIT**

Capinordic A/S complies with the recommendations related to audit. These matters are provided for by the rules of procedure of the Supervisory Board. Capinordic A/S currently has no standing Supervisory Board committees.

# Risk management

The Capinordic Group divides its risk management into the following risk categories:

- Strategic risks
- Credit risk
- Market risks
- Liquidity risk
- Operational risk

Risks are allocated by the type of the relevant risk and by the method applied by the Group to manage the risk.

## **MIFID**

New rules came into force on 1 November 2007 following the implementation of MiFID (Markets in Financial Instruments Directive), which changed a number of the existing rules on securities trade. In the year under review, the Group has therefore made efforts to implement the new rules. This has led to changes in the manner in which the Group will service its customers in future when they trade in securities or receive personal investment advice.

## **STRATEGIC RISKS**

### *Acquisition risks*

The Capinordic Group is dependent on the acquisitions completed developing in accordance with Management's expectations so that the expected synergies are achieved and the acquired companies and their staff are integrated into the rest of the Group as planned. The acquisition risk is currently particularly related to Monetar Pensionsförvaltning AB, consolidated as from 18 January 2007, Nordisk Fondservice A/B, acquired on 7 August 2007, Steffen Rønn Fondsmæglerselskab A/S, acquired on 11 October 2007, and Dansk O.T.C. Fondsmæglerselskab A/S, acquired on 12 October 2007.

### *Organisational risk*

The Capinordic Group is dependent on its ability to recruit and retain competent employees, and therefore inability to recruit and retain competent employees may be of consequence to the future development potential of the Company.

### *Reputation of the Company*

The reputation of the Company may be affected by lawsuits, unsuccessful marketing, published analyses that prove later not to have been true, and other events. An impact on the reputation of the Company may affect the Company's future development potential, sales and cooperation agreements, strategic alliances and attractive acquisitions.

### *Marketing risk*

The marketing and launch of products may be unsuccessful or poorly 'timed' and may thus affect the Group's sales and its collaboration with its distribution network, which may lead to reduced sales likely to lower the Group's activity level and earnings.

### *Political reforms*

Particularly in these years when the pension and savings markets in Europe are continuously scrutinised and subject to political reforms, the Group's present and future product portfolios risk not being designed to accommodate potential reforms.

### *Economic fluctuations*

Macro-economic fluctuations may affect the demand in general among consumers and may, in particular, affect the demand for savings and investment products.

The Group is exposed to various types of financial risks. The purpose of the Group's risk management policies is to minimise the potential losses resulting from unpredictable developments in the financial markets, etc.

The Group is continuously developing its tools for identification and management of the risks affecting it every day. The Supervisory Board lays down the overall framework and principles of risk and capital management and receives regular reports on the risk development and utilisation of the risk limits allocated.

## **CREDIT RISK**

The most important financial risk factor of the Group is the credit risk, the risk exposure being mainly related to Capinordic Bank A/S. The credit policy is therefore designed to ensure that transactions with customers and other credit institutions are always within the limits adopted.

The credit policy is an integral part of the overall policy of the Group. The purpose of the credit policy is to ensure that the Group appears as a unified enterprise with an unambiguous image.

The Group only wants to enter into exposures involving no risk of loss or a risk calculated as being low with customers assessed as reliable and as being specifically able and willing to perform agreements made. This means that loans, advances, earnings and risk should always be delicately balanced, including by assessing the risk of loss related to the individual customer.

The natural market segment comprises affluent private customers, corporate customers and institutional customers.

The credit policy of the Group is based on insight into the customer's financial and commercial situation. This is to assess the aggregate risk exposure related to the individual customer on an ongoing basis. It is the general policy of the Group that credit facilities should be hedged with suitable securities and that the individual customers' facilities should be in line with their creditworthiness, capital and funds. The maximum term of the credit facilities is normally 24 months. An exemption is facilities (investment credits) granted for securities trading purposes.

The credit facilities granted by the Group are subject to ongoing monitoring by the account manager and the Credit Department.

Once a year, all loans and advances are reviewed in order to examine financial statements and funds. Loans and advances are also reviewed if the maximum credit line is increased or the credit terms are renegotiated.

The responsibility for granting credit facilities to different groups of customers of the Group has been delegated to the relevant levels of the organisation. Large exposures are submitted by the Credit Department to the Executive Board or the Supervisory Board for approval.

Receivables from credit institutions and central banks are placed in accordance with the Group's internal guidelines, which are based on an individual assessment of the creditworthiness of the individual banks. The internal guidelines are intended to minimise the credit risk and ensure a satisfactory return on excess liquidity.

See note 42 for a breakdown of the credit risk relating to Group loans and advances.

#### *Credit score model*

In connection with the implementation of the capital adequacy requirements, the Group has developed a credit score model with seven credit grades (a rating model) for all lending customers (private, corporate and institutional customers). The credit rating is made on the basis of a number of variables spanning from financial information to external assessments and customer conduct.

In addition to maintaining an overview of the aggregate lending portfolio of the Group, the model output also makes it possible to calculate the financial capital to ensure

that the Group has adequate capital at all times to meet the capital adequacy requirements. Moreover the model may be used to ensure correct pricing of the Group's risk related to a specific exposure because the model renders visible the solvency and liquidity exposure as well as the credit risk related to each individual exposure. The same exposures may also be calculated at portfolio level.

#### **MARKET RISKS**

The market risk is the risk of loss to the market value of portfolios and financial instruments or a negative development in earnings or equity as a result of fluctuations in the financial markets. The market risk exposure of the Group is mainly related to interest rates, exchange rates and share prices.

To measure the market risks, the Group has worked intensively in the second half of 2007 to make a model that will ensure correct reporting and measure and assess the market risk of the Group in an adequate and well documented manner.

For that reason the Group uses a parametric variance-covariance value-at-risk<sup>2</sup> matrix for calculating the market risk. Most of the positions of the Group are conventional types of assets. As regards conventional assets, the market prices are used to calculate risk. As regards non-conventional products, delta equivalent cash flows<sup>3</sup> are applied.

The model bases on historical data retrieved from the Group's systems. The historical data available to the Group have been used for estimation of the model. The Group has opted to use the market values of the individual positions for the models because the Group's assets comprise a relatively limited number of assets. The method implies a more specific calculation. Currency positions are modelled on the basis of the net position of each currency. The most central element of the model is the estimation of the variance-covariance matrix. Equilibrium average is used for the calculation of volatility and correlation, which are the most obvious sources of fluctuation in the current market situation.

The market risks of the Group are also governed through limits covering the level of risk that the Group is willing to assume. The purpose of the financial risk management is to balance the aggregate financial risk related to assets and liabilities.

<sup>2</sup> The parametric variance-covariance value-at-risk matrix is a matrix based on a distribution perspective, that is, a statistical method rather than a scenario analysis based on variance and correlation of individual assets and computation of them into one single risk target.

<sup>3</sup> Conventional types of assets are shares, bonds and currency traded on a marketplace and accordingly having a measurable and observable market price. Non-conventional types of assets are financial instruments whose market prices are not directly measurable. Delta-equivalent cash flows are cash flows calculated on the basis of changes to the discount rate used for determining the price of various financial instruments.



## LIQUIDITY RISK

- Liquidity management
- Cash resource requirement

The Group manages its cash resource requirement by maintaining adequate cash facilities, highly liquid securities, adequate credit facilities and the ability to close market positions. The cash resource requirement is determined on the basis of an objective of ensuring adequate and stable cash resources. The Group endeavours to maintain excess cover relative to the requirements of the Danish Financial Business Act.

Reference is made to the excess cover ratio and the loans/deposits ratio.

## OPERATIONAL RISK

In 2007, the Group implemented some models and methods as an element of the new capital adequacy requirements. According to Group policy, the operational risks must always be limited with due consideration of the pertaining costs.

Written work procedures have been prepared to minimise the dependency on individuals, and emergency IT plans are to limit losses in case of failure or lack of IT facilities or other similar crises.

DKKm	2007	2006	2005
Capital base	1,015	857	29
Capital adequacy ratio	48%	114%	90%

Through all of 2007, the Group and the subsidiaries individually fully observed external capital requirements,

## CAPITAL MANAGEMENT

### *Objective*

The capital management of the Capinordic Group is to ensure efficient use of the capital relative to the capital requirements of the Group and facilitate the realisation of the Group's growth strategy.

Capital targets of the subsidiaries of the Group are determined in consideration of the growth targets of the various entities and in observation of the capital adequacy requirements.

### *Capital requirements and new capital adequacy requirements*

The significant subsidiaries of the Group are individually subject to the capital adequacy requirements in Denmark and Sweden, respectively.

The capital management of the Group focuses mainly on the size of the core capital ratio and the capital adequacy ratio. The Group's capital base and capital adequacy ratio have developed as specified below.

and the capital base of the Group was constantly well over the statutory capital adequacy ratio of 8 per cent.



## Employees and knowledge resources

The average number of employees for the year in the entire Group was 146 persons. There were 70 employees at the beginning of 2007 and 198 employees at year-end. The development in the number of employees for 2005, 2006 and 2007 is shown below.

	2007	2006	2005
Number of employees, year-end	198	70	16

The development is attributable both to the acquisitions of the Capinordic Group and to organic growth. This notable development in staff expanded competencies extensively. The Capinordic Group therefore focuses on integration, knowledge sharing and on the individual employee's focus on the return on the Group's equity.

To support the integration into the Group and to ensure the individual employee's focus on the return on equity,

the Capinordic Group has implemented a number of incentive programmes in the form of bonus and share option programmes. Moreover, the Group also uses further education and attendance at international conferences on an ongoing basis as a tool to attract and retain well-qualified employees.

## Environment, and research and development activities

The activities of the Capinordic Group have no material environmental impacts, but the Group is conscious of costs and the environment, which is mainly reflected in the Group's internal communications.

The Group has no research and development activities.

# Management statement and auditors' report



## Management statement

The Supervisory and Executive Boards have today reviewed and approved the 2007 Annual Report of Capinordic A/S, which comprises Management's review, the Management statement, accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes for the Group and the Parent Company. The Annual Report has been prepared in accordance with the International Financial Reporting Standards as approved by the European Union and additional Danish disclosure requirements for annual reports of listed financial companies.

In our opinion, the accounting policies applied are appropriate and the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities, equity and financial position at 31 December 2007 and of the results of the Group's and the Parent Company's activities and cash flows for the financial year ended 31 December 2007. We also find that the Management's review gives a fair presentation of developments in the operations and financial condition of the Group and the Parent Company as well as a description of the major risk factors and elements of uncertainty that may affect the Group and the Parent Company.

The Annual Report is recommended for approval by the Annual General Meeting.

Copenhagen, 28 March 2008

## Executive Board:

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Lasse Lindblad  
CEO

## Supervisory Board:

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Claus Ørskov  
Chairman

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Lars Öjjer  
Deputy Chairman

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Erik Damgaard Nielsen

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Eiríkur S. Jóhannsson

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Ole Vagner

# Report by independent auditors

## **TO THE SHAREHOLDERS OF CAPINORDIC A/S**

We have audited the Annual Report of Capinordic A/S for the financial year ended 31 December 2007, pages 1-84, comprising the Management statement, Management's review, accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes for the Group and the Parent Company. The Annual Report has been prepared in accordance with the International Financial Reporting Standards as approved by the European Union and additional Danish disclosure requirements for annual reports of listed financial companies.

## **MANAGEMENT'S RESPONSIBILITY FOR THE ANNUAL REPORT**

Management is responsible for the preparation and fair presentation of an annual report in accordance with the International Financial Reporting Standards as approved by the European Union and additional Danish disclosure requirements of annual reports for listed financial companies. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free of material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

## **AUDITORS' RESPONSIBILITY AND BASIS OF OPINION**

Our responsibility is to express an opinion on the Annual Report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence of the amounts and disclosures in the annual report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud

or error. In making those risk assessments, the auditors consider internal control relevant to the preparation and fair presentation of an annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies applied by Management and the reasonableness of the accounting estimates made by Management as well as evaluating the overall presentation of the Annual Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not given rise to any qualifications.

## **OPINION**

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities, equity and financial position at 31 December 2007 and of the results of the Group's and the Parent Company's activities and cash flows for the financial year ended 31 December 2007 in accordance with the International Financial Reporting Standards as approved by the European Union and additional Danish disclosure requirements for annual reports of listed financial companies.

Hellerup, 28 March 2008

PricewaterhouseCoopers

Statsautoriseret Revisionsaktieselskab

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Mikael Sørensen

State-authorised public accountant

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Vibeke Bak Solok

State-authorised public accountant

# Consolidated and Parent Company financial statements for the year ended 31 December 2007



## Accounting policies

### REPORTING BASIS

The consolidated 2007 Annual Report of Capinordic A/S has been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union and additional Danish disclosure requirements for annual reports of listed financial companies, cf. the disclosure requirements of the OMX Nordic Exchange Copenhagen for annual reports of listed companies and the IFRS Executive Order issued pursuant to the Danish Financial Business Act.

The consolidated Annual Report also meets the requirements of the International Financial Reporting Standards issued by the IASB.

The consolidated Annual Report is presented according to the historical cost principle modified by measurement of certain financial instruments at fair value.

The presentation currency of the Annual Report is Danish kroner (DKK).

Key figures and ratios for 2003 have not been adapted to the revised accounting policies following from the transition to IFRS in 2005 and thus correspond to those of the 2004 Annual Report. The above also applies to the Parent Company.

The Group has chosen to change its presentation of portfolio enterprises so that they are presented as a separate item in the balance sheet in future. The presentation (format) of the balance sheet has been adapted accordingly. This change does not affect the Group's accounting policies for recognition and measurement of assets and liabilities.

### NEW AND AMENDED STANDARDS APPROVED BY THE EUROPEAN UNION

The following new and amended standards became effective in 2007:

- Amendment to IAS 1, Capital Disclosures, comprising disclosure provisions on the objectives, policies and processes of the company related to equity management, including a description of externally determined solvency requirements. The amendment will entail further disclosures relating to the Group's capital situation.
- Amendments to IFRS 4, Insurance Contracts. Those amendments are irrelevant to the Group.
- IFRS 7, Financial Instruments: Disclosures. The standard contains disclosure provisions relating to financial instruments and replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and the disclosure provisions of IAS 32, Financial Instruments: Presentation. The new standard was implemented in 2006.

Moreover, the following interpretation aids, applicable as from 2007, have been issued:

- IFRIC 7 contains guidance on how an entity would restate its financial statements in the first year it identifies the existence of hyperinflation in the economy of its functional currency.
- IFRIC 8 clarifies that IFRS 2 applies to arrangements where an entity makes share-based payments for apparently nil or inadequate consideration.
- IFRIC 9 addresses the issue of what time an entity must assess whether an embedded derivative is required to be separated from the host contract.

- IFRIC 10 concludes that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in an equity instrument is not to be reversed.
- IFRIC 11 provides guidance on applying IFRS 2 on share-based payment involving two or more entities within the same group of entities.

The following new standards are effective as from 2008 or later:

- IFRS 8 introduces the management approach to segment reporting.
- Amendments to IAS 34, Interim Financial Reporting, as a consequence of IFRS 8.

The above standards and interpretations aids are expected not to influence the recognition and measurement of any items of the financial statements, but only to influence the presentation of the Annual Report.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements comprise the Parent Company, Capinordic A/S, and Group enterprises over which Capinordic A/S exercises control, that is, has a controlling influence on the financial and operational policies of the enterprise in order to obtain a return or other advantages from its activities. Controlling influence is obtained by owning or controlling more than 50 per cent of the voting rights, whether directly or indirectly, or by otherwise controlling the enterprise in question. Enterprises in which the Group exercises significant, but not controlling influence, and which are not classified as portfolio investments on initial recognition, are considered associates. Significant influence is typically obtained by owning or controlling more than 20 per cent of the voting rights, but less than 50 per cent, whether directly or indirectly. When assessing whether Capinordic A/S has controlling or significant influence, potential voting rights exercisable on the balance-sheet date are taken into account.

The consolidated financial statements have been prepared as a consolidation of the financial statements of the Parent Company and the individual Group enterprises calculated according to the Group's accounting policies with elimination of intra-Group income and costs, shareholdings, internal balances and dividends as well as realised and unrealised gains from transactions between the consolidated enterprises.

Investments in Group enterprises are eliminated at the proportionate share of the subsidiary's fair value of identifiable net assets and recognised contingent liabilities at the acquisition date.

Investments in associates are recognised according to the equity method. Unrealised gains on associates are eliminated in proportion to the Group's ownership interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains if no impairment has occurred. The carrying amount of equity investments includes goodwill identified at the date of acquisition.

#### *Business combinations*

Newly acquired and newly formed enterprises are recognised in the consolidated financial statements as from the acquisition date. Enterprises divested or wound up are recognised in the consolidated income statement until the date of disposal. Comparative figures are not adjusted for newly acquired enterprises. Discontinued operations are shown separately, see also below.

On acquisition of new enterprises over which the Parent Company obtains a controlling influence, the purchase method is applied. Identifiable assets, liabilities and contingent liabilities of the enterprises acquired are measured at their fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right and their fair value may be measured on a reliable basis. Deferred tax on the re-assessments made is recognised.

As regards business combinations made on or after 1 January 2004, positive differences (goodwill) between the cost of the enterprise and the fair value of identifiable assets, liabilities and contingent liabilities acquired are recognised as goodwill under intangible assets. Goodwill is not amortised, but tested for impairment annually and if there is indication of impairment. The first impairment test must be carried out before the end of the year of acquisition. On acquisition, goodwill is attributed to the cash-generating units on which the impairment tests are subsequently based. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity whose functional currency differs from the presentation currency of the Capinordic Group are treated under assets and liabilities belonging to the foreign entity and are translated into the functional currency of the foreign entity using the exchange rate ruling at the date of acquisition. Negative differences (negative goodwill) are charged to the income statement at the acquisition date.

As regards business combinations made before 1 January 2004, the classification in the financial statements has been made according to the previous accounting policies. Goodwill is recognised at the cost of acquisition recognised in accordance with the previous accounting policies (Danish Financial Statements Act and Danish accounting standards) less amortisation and write-downs



until 31 December 2003. Goodwill is not amortised after 1 January 2004. The accounting treatment of business combinations before 1 January 2004 has not been revised in connection with the opening balance sheet at 1 January 2004. Goodwill recognised in the opening balance sheet was tested for impairment at 1 January 2004.

If, at the date of acquisition, the measurement of the identifiable assets, liabilities and contingent liabilities acquired is subject to uncertainty, the initial recognition is made on the basis of a provisional calculation of fair value. If it subsequently turns out that the identifiable assets, liabilities and contingent liabilities had a different fair value at the acquisition date than first assumed, goodwill may be adjusted for up to 12 months following the acquisition date. The effect of the adjustments is recognised in equity at the beginning of the financial year, and comparative figures are restated. Subsequently, goodwill is only adjusted due to changes in the estimated contingent purchase consideration unless a material error has occurred. Subsequent realisation of the deferred tax assets of the acquired enterprise not recognised at the date of acquisition entails recognition of the tax advantage in the income statement and simultaneous reduction of the carrying amount of goodwill to the amount that would have been recognised had the deferred tax asset been recognised as an identifiable asset at the date of acquisition.

Gains or losses on disposal or winding up of Group enterprises and associates are stated as the difference between the selling price/winding-up consideration and the carrying amount of the net assets, including goodwill, at the date of sale, including divestment or winding-up costs.

#### *Leases*

Leases under which the Company assumes all material risks and benefits related to ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the asset and the present value of the lease payments calculated by applying the interest rate implicit in the lease or an approximate value thereof as the discount rate. Assets under finance leases are amortised, depreciated or written down for impairment losses according to the policy laid down for the Company's other fixed assets.

The residual lease obligation is capitalised and recognised as a payable in the balance sheet, and the interest element of the lease payments is charged to the income statement on a continuous basis.

All other leases are considered operating leases. Lease payments under operating leases are recognised in the income statement over the lease term on a straight-line basis.

#### *Foreign currency translation*

A functional currency is determined for each reporting enterprise of the Group. The functional currency is the currency used in the primary financial environment in which the individual reporting enterprise operates. Transactions denominated in currencies other than the functional currency are considered foreign currency transactions.

On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rate ruling at the transaction date. Exchange differences between the exchange rates at the transaction date and the date of payment are recognised in the income statement as 'Market value and translation adjustments'.

Receivables, payables and other monetary items denominated in a foreign currency are translated into the functional currency at the exchange rate ruling at the balance-sheet date. The difference between the exchange rates at the balance-sheet date and the date on which the receivable or payable was recorded or the exchange rate was used in the latest annual report is recognised in the income statement as 'Market value and translation adjustments'.

When enterprises with a functional currency other than Danish kroner are initially recognised in the consolidated financial statements, their income statements are translated at the exchange rates ruling on the transaction date, and the balance-sheet items are translated at the exchange rates ruling on the balance-sheet date. An average exchange rate for the individual months is used as the transaction-date exchange rate unless this exchange rate significantly deviates from the exchange rates ruling at the relevant transaction dates. Exchange differences arising on translation of the equity of such enterprises at the beginning of the year at the exchange rates ruling at the balance-sheet date and on translation of the income statements from the exchange rates ruling at the transaction dates to the exchange rates ruling at the balance-sheet date are recognised directly in equity as a separate foreign currency translation reserve.

#### *Calculation of fair value by measurement and relevant information*

The fair value of financial assets traded in an active market is calculated on the basis of the most recently quoted bid price. As regards other financial assets and liabilities, the fair value is calculated using generally recognised valuation techniques. Such techniques include discounting models based, if possible, on observable market data, such as yield graphs, and observable prices of comparable instruments for which market prices are available, and other valuation models.



## INCOME STATEMENT

### *Net interest income*

Interest income and interest expenses are recognised in the income statement for the relevant period, calculated according to the effective interest-rate method. Commissions and fees constituting an integral part of the effective interest rate of a loan are recognised as part of amortised cost and thus as an integral part of the return on the relevant financial instrument (loan) under interest income.

### *Fee and commission income and expenses*

Fee and commission income and expenses are divided between activity-derived fees and portfolio-derived fees. Income relating to services provided over a period, such as guarantee commissions and fees for asset management, are accrued over the period. Fees for completing any particular transaction, such as trading commission or fees for raising of capital, are recognised in the income statement when the transaction has been completed.

### *Share dividends*

Share dividends are recognised in the income statement when the dividends are declared.

### *Other operating income*

The item includes income from activities not attributable to the primary activities of the Company.

### *Staff costs and administrative expenses*

Staff costs comprise wages and salaries, social security costs and pensions, etc., for staff. The costs of services and benefits for employees, including anniversary benefits and termination benefits, are recognised as the employees perform the work services entitling them to such services and benefits.

The costs of incentive programmes are recognised in the income statement in the financial year to which the cost is attributable. Share-based payments are charged at the fair value calculated at the date of grant and are offset in equity.

### *Pension plans*

Defined contribution pension plans have been entered into with most of the employees. Under the defined contribution pension plans, fixed contributions are paid into an independent pension fund. The Company has no obligation to pay further contributions.

### *Share-based payments/incentive programmes*

In respect of share-based payments, the consideration for the incentive programme corresponds to the value of the services received. That value is measured on the basis of the fair value of the options granted and is recognised as

staff costs. The fair value is measured at the date of grant by means of an option model and is recognised in the income statement over the vesting period according to the straight-line method. The vesting period has been fixed at three years. The off-setting item to staff costs is the free reserves of equity. The calculation of the fair value takes into account the special vesting conditions.

### *Other operating expenses*

This item includes expenses from activities not attributable to the primary activities of the Company.

### *Corporation tax and deferred tax*

Capinordic A/S is jointly taxed with all Danish subsidiaries under controlling influence. Current Danish corporation tax is disaggregated among the jointly taxed enterprises in proportion to their taxable incomes. Enterprises applying tax losses in other enterprises pay joint taxation contributions to the Parent Company corresponding to the tax base of the losses applied, while enterprises whose tax losses are applied by other enterprises receive joint taxation contributions from the Parent Company corresponding to the tax base of the losses applied (full allocation). The jointly taxed enterprises are included in the tax prepayment arrangement.

Tax for the year comprises current tax and changes in deferred tax. The share attributable to the net profit for the year is recognised in the income statement, and the share attributable to direct equity entries is recognised directly in equity.

If the Capinordic Group is able to claim tax allowances when reporting its taxable income in Denmark or abroad due to share-based payment schemes, the tax effect of such schemes is recognised in tax on net profit for the year. If the total tax allowance exceeds the total accounting cost, the tax effect of the excess tax allowance is, however, recognised directly in equity.

## BALANCE SHEET

### *Financial assets*

On initial recognition, financial assets are attributed to one of the following categories:

- *Trading portfolio:* Financial assets held for sale within a short time frame, including derivative financial instruments with a positive fair value. The category comprises listed securities.
- *Portfolio investments:* Targeted investments in equity instruments through limited ownership and with a limited investment horizon.
- *Loans, advances and receivables:* Non-listed receivables subject to fixed or determinable payments. The category



comprises: Loans and advances, receivables from credit institutions and central banks and other receivables.

- *Financial assets available for sale:* Financial instruments not attributable to any one of the other categories. The category comprises listed securities.

On initial recognition, financial assets are measured at fair value, which normally corresponds to the consideration paid. Transaction costs are added to financial assets not subsequently measured at fair value over the income statement.

Ordinary purchases and sales of financial instruments are recognised or cease to be recognised at the trade date.

#### *Trading portfolio*

Shares and bonds, etc., included in the trading portfolio are measured at fair value with value adjustments recognised in the income statement under 'Market value and translation adjustments'.

#### *Portfolio investments*

Investments in portfolio enterprises are measured at fair value with value adjustments recognised in the income statement under 'Market value and translation adjustments'.

#### *Financial assets available for sale*

Shares and bonds, etc., classified as 'available for sale' are measured at fair value with value adjustments recognised in equity under 'Reserve for fair value adjustment of financial instruments'. On sale or impairment, the reserve is retransferred to the income statement.

#### *Receivables from credit institutions and central banks*

Receivables from credit institutions and central banks

comprising receivables from other credit institutions and time deposits with central banks are measured at amortised cost.

#### *Loans and advances*

This item consists of loans and advances where the amount has been disbursed directly to the borrower.

Loans and advances are measured at amortised cost, which usually corresponds to the nominal value less loan fees, etc., and less impairment losses.

Individual write-downs are made when impairment is objectively indicated. The amount written down is the difference between the carrying amount before the impairment and the present value of the future expected payments on the loan.

There is an objective indication of impairment when events occurring in the period from the establishment of the loan or advance to the balance-sheet date indicate a risk of deterioration in future expected cash flows from the group, such as non-payment of services.

Where no indication of impairment exists, loans and advances are included in the group-based assessment of the need for impairment of groups of loans and advances with uniform credit characteristics. In the models applied by the Group, downgrading of customers indicate impairment. Loans and advances are divided into groups according to their current rating.

Group-based impairments are calculated by use of parameters applied for the computation of the solvency requirement adjusted for accounting purposes, which

implies calculation of the group-based impairment as discounted expected loss series.

A gross approach is applied to identify any need for impairment. This approach reflects the sum of deterioration of the individual borrowers within the rating classes without taking into consideration that other borrowers may have improved their rating during the period.

If the Group is aware of any deterioration or improvement as at the balance-sheet date which are not fully accounted for by the models, the impairment loss will be adjusted accordingly.

Impairment of loans and advances are carried on a corrective account included under loans and advances. Changes to the corrective account are recognised in the income statement under 'Losses on loans and advances'. In case of subsequent events showing that the impairment was not permanent, the impairment loss will be reversed under 'Losses on loans and advances'.

Loans and advances deemed not to be recoverable are written off. Any such write off is deducted from the corrective account. Loans and advances are written off when the usual debt collection procedures have been carried out and losses can be quantified following an individual assessment.

Interest on the impaired value of the loans is recognised in the income statement according to the effective interest rate method.

#### *Intangible assets*

##### *Goodwill*

On initial recognition, goodwill is recognised in the balance sheet at cost as described under 'Business combinations'. Subsequently, goodwill is measured at cost less accumulated impairment. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the cash-generating units of the Group at the date of acquisition. Determination of cash-generating units follows the management structure and internal management control. The carrying amount of goodwill at 1 January 2004 (date of transition to IFRS) was tested for impairment.

##### *Other intangible assets*

Other intangible assets, including intangible assets acquired in connection with business combinations, are measured at cost less accumulated amortisation and impairment. The cost comprises the acquisition price and expenses directly related to the acquisition until the time when the asset is ready for use.

Other intangible assets are amortised on a straight-line basis over their estimated useful lives, assessed at 3-17 years. Other intangible assets with indeterminable useful lives are not amortised, however, but are tested for impairment once a year. Other intangible assets with indeterminable useful lives include licences issued to acquired enterprises by financial supervisory authorities.

Amortisation is recognised in the income statement under 'Amortisation and depreciation of intangible assets, property, plant and equipment'.

##### *Property, plant and equipment*

Other plant and operating equipment is measured at cost less accumulated depreciation and impairment.

The cost comprises the acquisition price and expenses directly related to the acquisition until the time when the asset is ready for use.

Depreciation is made on a straight-line basis over the expected useful lives of the assets, assessed at 3-5 years: The depreciation basis takes into account the residual value of the asset and is reduced by any impairment losses. The residual value is calculated on the date of acquisition and revised once a year. If the residual value exceeds the carrying amount of the asset, depreciation will no longer be provided. If the depreciation period or the residual value is changed, the effect on future depreciation will be recognised as a change in accounting estimates.

Depreciation is recognised in the income statement under 'Amortisation and depreciation of intangible assets, property, plant and equipment'.

##### *Investments in Group enterprises and associates*

Investments in Group enterprises and associates are measured at cost in the financial statements of the Parent Company. If the cost exceeds the recoverable amount, the investment is written down to this lower value. The cost is reduced by dividends received in excess of the accumulated earnings after the date of acquisition.

##### *Impairment of non-current assets*

Goodwill and intangible assets with indeterminable useful lives are tested for impairment once a year, the first time before the end of the year of acquisition, and when a need for impairment is indicated.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit to which the goodwill is allocated and is written down to the recoverable amount through the income statement if the carrying amount is higher. The recoverable amount is generally calculated as the present

value of the future expected net cash flow from the enterprise or activity (cash-generating unit) to which the goodwill is allocated. Impairment losses are recognised in a separate line in the income statement.

The carrying amounts of other non-current assets are assessed every year to determine whether impairment is indicated. In case of such indication, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset after deducting the expected disposal costs and the value in use.

Impairment losses are recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or unit. Impairment losses are recognised in the income statement under amortisation, depreciation and impairment. Impairment of goodwill is, however, recognised in a separate line in the income statement.

Impairment of goodwill cannot be reversed. Impairment of other assets is reversed if the assumptions and estimates leading to the impairment have changed. Impairment is only reversed if the new carrying amount of the asset does not exceed the carrying amount that the asset would have had after amortisation or depreciation if it had not been written down.

#### *Assets held temporarily*

This item includes property, plant and equipment and equity instruments taken over which are not included in the future foundation of the Group's business, but are subject to ongoing sales efforts and expected to be sold within a period of 12 months. All assets held temporarily are measured at the lower of cost and the expected sales price less selling costs.

#### *Prepayments*

Prepayments comprise costs paid concerning subsequent financial years. Prepayments are measured at cost.

#### *Financial liabilities*

On initial recognition, financial liabilities are attributed to one of the following categories:

- Trading portfolio: Financial liabilities held for sale within a short time frame, including derivative financial instruments
- Financial guarantees (see below under 'Provisions')
- Other financial liabilities

On first recognition, financial liabilities are measured at fair value, which normally corresponds to the consideration received. Transaction costs are deducted from financial liabilities not included in the trading portfolio.

#### *Trading portfolio*

Financial liabilities attributed to the trading portfolio are measured at fair value at the balance-sheet date, and fair value adjustments are recognised in the income statement.

#### *Other financial liabilities*

Other financial liabilities comprising the items 'Payables to credit institutions and central banks' and 'Deposits and other payables' are measured at amortised cost using the effective interest rate method. This usually corresponds to the nominal value.

#### *Corporation tax and deferred tax*

Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable income of previous years and for prepaid tax.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amounts and the tax base of assets and liabilities. However, no recognition is made of deferred tax on temporary differences relating to goodwill disallowed for tax purposes and other items if, except at the acquisition of enterprises, such temporary differences arose on the date of acquisition without affecting the results or the taxable income. In cases where it is possible to calculate the tax base according to different tax rules, deferred tax is measured on the basis of the use of the asset or settlement of the liability planned by Management. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation, either by elimination in tax on future earnings or by offsetting deferred tax liabilities within the same legal tax entity or jurisdiction.

Deferred tax assets are assessed annually and are only recognised if it is likely that they will be utilised.

Deferred tax is adjusted for elimination of unrealised intra-Group gains and losses.

Deferred tax is measured on the basis of the tax rules and tax rates of the relevant countries which will be effective at the balance-sheet date under current legislation when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

#### *Provisions*

Provisions under financial guarantees and other liabilities which are uncertain as to size or time of settlement are recognised as provisions when it is likely that the liability will result in an outflow of financial resources from the Company, and reliable measurement of the liability is possible. The liability is calculated as the present value of the best estimate of the costs necessary to discharge the

liability. However, financial guarantees are not measured at an amount lower than the commission received for the guarantee, accrued over the term of the guarantee. Provision for liabilities concerning staff, including anniversaries, senior benefits, etc., is made on a statistical actuarial basis. Liabilities due more than 12 months after the period in which they arose are discounted.

#### *Deferred income*

Deferred income comprises income concerning subsequent financial years. Deferred income is measured at its nominal value.

#### *Dividends*

Dividends are recognised as a payable at the time of adoption at the Annual General Meeting. The proposed dividends for the financial year are shown as a separate item under equity.

### **EQUITY**

#### *Treasury shares*

Purchase and selling prices as well as dividends on treasury shares are recognised directly in equity under retained earnings. Capital reduction through the cancellation of treasury shares reduces the share capital by an amount corresponding to the nominal value of the shares. Proceeds from the sale of treasury shares or the issue of shares in Capinordic A/S in connection with the exercise of share options or employee shares are recognised directly in equity.

#### *Reserve for translation adjustments*

In the consolidated financial statements, the reserve for translation adjustments comprises gains and losses resulting from the translation of financial statements of foreign enterprises having a functional currency different from the presentation currency of Capinordic A/S (Danish kroner). In the event of sale of the net investment or part thereof, the foreign currency translation adjustments will be recognised in the income statement. The reserve for translation adjustments was reset to zero on 1 January 2004 in accordance with IFRS 1.

#### *Reserve for fair value adjustment of financial assets*

This reserve comprises unrealised fair value adjustments of financial assets available for sale.

#### *Incentive programmes*

The incentive programmes of the Capinordic Group comprise a share option programme.

#### *Share option programme*

When the staff of the Capinordic Group are granted a possibility of subscribing for shares at a price lower than

the market price, the element of favour is recognised as a charge under 'Staff costs'. The offsetting item is recognised directly in equity. The element of favour is calculated at the date of subscription as the difference between fair value and the subscription price for the shares subscribed.

### **CASH FLOW STATEMENT**

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year. The cash flow effect from the acquisition and divestment of enterprises is shown as a separate item under cash flow from investing activities. The cash flow from acquired enterprises is recognised in the cash flow statement from the date of acquisition, and the cash flow from divested enterprises is recognised until the date of divestment.

#### *Cash flow from operating activities*

The cash flow from operating activities is recognised as the pre-tax profit or loss, adjusted for non-cash operating items, working capital changes as well as interest and corporation tax paid.

#### *Cash flow from investing activities*

The cash flow from investing activities comprises payments relating to the acquisition and divestment of enterprises and activities, the purchase and sale of intangible assets, property, plant and equipment and other non-current assets as well as the purchase and sale of securities not classified as cash and cash equivalents.

#### *Cash flow from financing activities*

The cash flow from financing activities comprises changes in the amount or composition of the share capital and related costs as well as the raising of loans, repayments on interest-bearing debt, the purchase and sale of treasury shares and payment of dividends to shareholders.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash and securities that have a term-to-maturity of less than three months at the date of purchase, that can be transformed into cash without difficulty and for which the risk of value changes is insignificant. The figures of the cash flow statement cannot be directly derived from the 2003, 2004 or 2005 figures of the consolidated financial statements. This is due to the fact that the opening balance of each year has been translated at the closing rate of the same year. Changes in cash flows caused by exchange differences are thus eliminated.

### **SEGMENTS**

Information is provided on geographical markets (the Group's primary segment reporting format) and business

segments (the Group's secondary segment reporting format). Determination of segments follows the Group's risks, management structure and the internal financial management of the Group. Segment information has been prepared in accordance with the Group's accounting policies.

Income/expenses and assets/liabilities in the segments comprise the items directly attributable to the individual segment as well as the items that may be allocated to the individual segment on a reliable basis. Non-allocated items mainly comprise assets and liabilities as well as income and expenses relating to the Group's administrative functions, investing activities, corporation tax, etc.

The non-current assets of a segment comprise the non-current assets which are used directly for the operation of the segment, including intangible assets, property, plant and equipment as well as investments in associates.

The current assets of a segment comprise the current assets which are used directly for the operation of the segment, including trade receivables, other receivables, prepayments and cash. Segment liabilities comprise liabilities resulting from the operation of the segment, including trade payables and other payables.

#### **RATIOS**

Earnings per share (EPS) and diluted earnings per share (EPS-D) have been calculated in accordance with IAS 33.

Special ratios for financial enterprises have been calculated in accordance with the guidelines of the Danish Financial Supervisory Authority.

Other ratios are calculated in accordance with 'Recommendations & Financial Ratios 2005' published by the Danish Society of Financial Analysts.

The ratios provided in the Annual Report have been calculated as follows:

#### Equity ratio

$$\frac{\text{Equity excl. minority interests, year-end} \times 100}{\text{Total liabilities and equity, year-end}}$$

#### Net profit for analytical purposes

$$\frac{\text{Profit from ordinary activities after tax less share attributable to minority interests}}{\text{Net profit for analytical purposes}}$$

#### Return on equity

$$\frac{\text{Profit for analytical purposes} \times 100}{\text{Average equity excluding minority interests}}$$

#### Earnings per share (EPS)

$$\frac{\text{Net profit for analytical purposes}}{\text{Average number of shares}}$$

#### Cash flow per share

$$\frac{\text{Cash flow from operating activities}}{\text{Average number of shares}}$$

#### Equity value, year-end, per share

$$\frac{\text{Equity excl. minority interests, year-end}}{\text{Number of shares, year-end}}$$

#### Dividends per share

$$\frac{\text{Dividend rate} \times \text{nominal share value}}{100}$$



# Income statement for the period ended 31 December 2007

	Note	Group		Parent Company	
		2007	2006	2007	2006
		DKK'000	DKK'000	DKK'000	DKK'000
Interest income .....	2	85,212	20,987	19,504	12,599
Interest expenses .....	3	(25,131)	(2,785)	(7,662)	(2,849)
<b>Net interest income .....</b>		<b>60,081</b>	<b>18,202</b>	<b>11,842</b>	<b>9,750</b>
Share dividends, etc. ....	4	205	44	0	0
Fee and commission income .....	5	261,104	147,609	4,889	35,811
Fee and commission expenses .....	6	(23,611)	(10,135)	(800)	(1,894)
<b>Net interest and fee income .....</b>		<b>297,779</b>	<b>155,720</b>	<b>15,931</b>	<b>43,667</b>
Market value and translation adjustments .....	7	53,972	110	45,341	(3,004)
Other operating income .....	8	18,398	8,529	10,557	1,589
<b>Net financials .....</b>		<b>370,149</b>	<b>164,359</b>	<b>71,829</b>	<b>42,252</b>
Staff costs and administrative expenses .....	9	(212,165)	(81,204)	(28,519)	(15,396)
Losses on loans and advances .....	12	(3,472)	0	0	0
Other operating expenses .....	13	0	(8,407)	0	0
<b>Profit before amortisation, depreciation, impairment and tax (EBTDA) .....</b>		<b>154,512</b>	<b>74,748</b>	<b>43,310</b>	<b>26,856</b>
Amortisation and depreciation of intangible assets, property, plant and equipment .....	14	(50,049)	(16,013)	(440)	(187)
Profit (loss) from investments in associates .....	22	(2,207)	1,496	0	0
<b>Profit before tax .....</b>		<b>102,256</b>	<b>60,231</b>	<b>42,870</b>	<b>26,669</b>
Tax for the year .....	15	(22,095)	(13,346)	(9,470)	(4,277)
<b>NET PROFIT FOR THE YEAR .....</b>		<b>80,161</b>	<b>46,885</b>	<b>33,400</b>	<b>22,392</b>
<b>Proposed distribution of net profit</b>					
Dividends .....		0	0	0	0
Retained earnings .....		80,161	46,885	33,400	22,392
<b>Total distribution .....</b>		<b>80,161</b>	<b>46,885</b>	<b>33,400</b>	<b>22,392</b>
		<b>(DKK)</b>	<b>(DKK)</b>		
Earnings per share basic (EPS Basic) .....	35	0.77	0.77		
Diluted earnings per share (EPS-D) .....	35	0.76	0.77		

The Group has no minority shareholders. Accordingly the net profit for the year will accrue fully to the shareholders of the Parent Company.



## Balance sheet at 31 December 2007

	Note	Group		Parent Company	
		31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>ASSETS</b>					
Cash and demand deposits with central banks .....	16	46,064	22,099	0	0
Receivables from credit institutions and central banks .....	17	475,744	566,844	40,330	1,159
Loans and advances .....	18	1,262,407	440,289	134,541	143,703
Bonds at fair value .....	19	54,832	25,041	0	0
Shares, etc. ....	20	323,252	19,935	2,564	2,633
Investments in portfolio enterprises .....	21	81,806	0	81,806	0
Investments in associates .....	22	37,739	67,438	22,354	55,007
Investments in Group enterprises .....	23	0	0	2,114,693	1,301,343
Intangible assets .....	24	1,285,722	541,897	0	0
Property, plant and equipment .....	25	10,251	14,466	973	1,308
Current tax assets .....		3,028	584	0	0
Deferred tax assets .....	26	0	408	0	408
Assets held temporarily .....	27	65,594	0	10,194	0
Other assets .....	28	186,710	74,588	17,443	28,308
Prepayments .....	29	16,521	18,443	1,444	0
<b>Total assets .....</b>		<b>3,849,670</b>	<b>1,792,032</b>	<b>2,426,342</b>	<b>1,533,869</b>

## Balance sheet at 31 December 2007 (continued)

	Note	Group		Parent Company	
		31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>LIABILITIES AND EQUITY</b>					
Payables to credit institutions and central banks .....	30	539,172	46,663	81,042	80,011
Deposits .....	31	720,670	203,382	50,448	50,614
Current tax liabilities .....		28,721	17,376	314	4,933
Other liabilities .....	32	82,244	40,115	11,258	10,673
Deferred income .....	33	19,786	4,509	1,275	1,835
<b>Total payables .....</b>		<b>1,390,593</b>	<b>312,045</b>	<b>144,337</b>	<b>148,066</b>
Provision for deferred tax .....	26	154,886	75,086	8,888	0
Provisions relating to guarantees .....		0	4,389	0	4,389
Other provisions .....	34	41	951	0	951
<b>Total provisions .....</b>		<b>154,927</b>	<b>80,426</b>	<b>8,888</b>	<b>5,340</b>
<b>Total liabilities .....</b>		<b>1,545,520</b>	<b>392,471</b>	<b>153,225</b>	<b>153,406</b>
Share capital .....		59,445	42,467	59,445	42,467
Share premium .....		2,184,521	1,307,369	2,184,267	1,307,368
Other reserves .....		(30,056)	(193)	11,806	30,163
Retained earnings .....		90,240	49,918	17,599	465
<b>Total equity .....</b>		<b>2,304,150</b>	<b>1,399,561</b>	<b>2,273,117</b>	<b>1,380,463</b>
<b>Total liabilities and equity .....</b>		<b>3,849,670</b>	<b>1,792,032</b>	<b>2,426,342</b>	<b>1,533,869</b>

# Cash flow statement

	Note	Group		Parent Company	
		2007	2006	2007	2006
		DKK'000	DKK'000	DKK'000	DKK'000
<b>Profit before tax</b> .....		<b>102,256</b>	<b>60,231</b>	<b>42,870</b>	<b>26,669</b>
Adjustments .....	48	(56,820)	(18,246)	(11,842)	(9,354)
Amortisation, depreciation and impairment of intangible assets, property, plant and equipment .....		50,049	16,013	440	187
Market value and translation adjustments .....		(61,067)	0	(45,319)	0
Share-based payments .....		3,992	1,286	1,144	564
Interest received .....		81,613	20,987	19,504	12,599
Interest paid .....		(23,763)	(2,785)	(7,522)	(2,849)
Dividends received .....		205	44	0	0
Tax paid .....		(16,968)	(11,431)	(4,933)	0
		<b>79,497</b>	<b>66,099</b>	<b>(5,658)</b>	<b>27,816</b>
Change in loans and advances .....		(822,118)	(434,102)	9,162	(83,763)
Change in deposits .....		514,549	183,796	(166)	50,614
Change in securities portfolio .....		4,429	(23,008)	0	(2,780)
Change in other assets and liabilities .....		354,855	46,996	(5,057)	25,649
<b>Cash flow from operating activities</b> .....		<b>131,212</b>	<b>(160,219)</b>	<b>(1,719)</b>	<b>17,536</b>
Acquisition of enterprises .....		(633,895)	5,153	0	0
Purchase of intangible assets .....		(1,670)	(7,326)	0	0
Purchase of property, plant and equipment .....		(9,926)	(10,336)	(105)	(1,495)
Sale of property, plant and equipment .....		155	188	0	0
Acquisition of Group enterprises .....		0	0	(423,737)	(776,739)
Acquisition of associates .....		(9,016)	(66,207)	(16)	(55,007)
Divestment of associates .....		10,500	0	10,500	0
Acquisition of portfolio enterprises .....		(84,548)	0	(84,548)	0
Divestment of portfolio enterprises .....		70,230	0	70,230	0
<b>Cash flow from investing activities</b> .....		<b>(658,170)</b>	<b>(78,528)</b>	<b>(427,676)</b>	<b>(833,241)</b>
Dividends paid .....		0	0	0	0
Non-cash contributions .....		0	0	0	0
Capital increases .....		514,083	816,943	514,083	816,924
Issue costs .....		(9,566)	(2,908)	(9,819)	(2,908)
Share buy-backs .....		(43,831)	(355)	(35,698)	0
<b>Cash flow from financing activities</b> .....		<b>460,686</b>	<b>813,680</b>	<b>468,566</b>	<b>814,016</b>

## Cash flow statement (continued)

Note	Group		Parent Company	
	2007	2006	2007	2006
	DKK'000	DKK'000	DKK'000	DKK'000
<b>Change in cash and cash equivalents .....</b>	<b>(66,272)</b>	<b>574,933</b>	<b>39,171</b>	<b>(1,689)</b>
Translation adjustment, cash .....	(863)	389	0	0
Cash and cash equivalents, 1 January .....	588,943	13,621	1,159	2,848
<b>Cash and cash equivalents, 31 December .....</b>	<b>521,808</b>	<b>588,943</b>	<b>40,330</b>	<b>1,159</b>
<b>Cash, 31 December</b>				
Cash and demand deposits with central banks .....	46,064	22,099	0	0
Receivables from credit institutions and central banks .....	475,744	566,844	40,330	1,159
<b>Cash and cash equivalents, 31 December .....</b>	<b>521,808</b>	<b>588,943</b>	<b>40,330</b>	<b>1,159</b>

# Statement of changes in equity (Group)

## Statement of changes in equity, 31 December 2007

	Group					Total DKK'000
	Share capital DKK'000	Share premium DKK'000	Foreign currency translation adjustments DKK'000	Market value adjustments, available for sale DKK'000	Retained earnings DKK'000	
Equity, 1 January 2007 .....	42,467	1,307,369	(193)	0	49,918	1,399,561
<b>Changes in equity</b>						
Foreign currency translation adjustment relating to independent foreign entities .....	0	0	(16,913)	0	0	(16,913)
Market value adjustments of securities available for sale .....	0	0	0	(15,748)	0	(15,748)
Tax relating to market value adjustments of securities available for sale .....	0	0	0	2,798	0	2,798
Net profit for the year .....	0	0	0	0	80,161	80,161
<b>Total comprehensive income .....</b>	<b>0</b>	<b>0</b>	<b>(16,913)</b>	<b>(12,950)</b>	<b>80,161</b>	<b>50,298</b>
Capital increase .....	7,221	382,392	0	0	0	389,613
Non-cash contributions .....	9,757	504,326	0	0	0	514,083
Issue costs .....	0	(9,566)	0	0	0	(9,566)
Share-based payments .....	0	0	0	0	3,992	3,992
Treasury shares .....	0	0	0	0	(43,831)	(43,831)
<b>Total changes in equity .....</b>	<b>16,978</b>	<b>877,152</b>	<b>(16,913)</b>	<b>(12,950)</b>	<b>40,322</b>	<b>904,589</b>
<b>Equity, 31 December 2007 .....</b>	<b>59,445</b>	<b>2,184,521</b>	<b>(17,106)</b>	<b>(12,950)</b>	<b>90,240</b>	<b>2,304,150</b>

## Statement of changes in equity, 31 December 2006

	Group					Total DKK'000
	Share capital DKK'000	Share premium DKK'000	Foreign currency translation adjustments DKK'000	Market value adjustments, available for sale DKK'000	Retained earnings DKK'000	
Equity, 1 January 2006 .....	14,297	32,445	(876)	0	2,102	47,968
<b>Changes in equity</b>						
Foreign currency translation adjustment relating to independent foreign entities .....	0	0	683	0	0	683
Net profit for the year .....	0	0	0	0	46,885	46,885
<b>Total comprehensive income .....</b>	<b>0</b>	<b>0</b>	<b>683</b>	<b>0</b>	<b>46,885</b>	<b>47,568</b>
Capital increases .....	19,247	797,696	0	0	0	816,943
Non-cash contributions .....	8,923	480,154	0	0	0	489,077
Issue costs .....	0	(2,926)	0	0	0	(2,926)
Share-based payments .....	0	0	0	0	1,286	1,286
Treasury shares .....	0	0	0	0	(355)	(355)
<b>Total changes in equity .....</b>	<b>28,170</b>	<b>1,274,924</b>	<b>683</b>	<b>0</b>	<b>47,816</b>	<b>1,351,593</b>
<b>Equity, 31 December 2006 .....</b>	<b>42,467</b>	<b>1,307,369</b>	<b>(193)</b>	<b>0</b>	<b>49,918</b>	<b>1,399,561</b>

# Statement of changes in equity (Parent Company)

## Statement of changes in equity, 31 December 2007

	Parent Company					
	Share capital DKK'000	Share premium DKK'000	Market value adjustments, available for sale DKK'000	Subsidiary, reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity, 1 January 2007 .....	42,467	1,307,368	0	30,163	465	1,380,463
<b>Changes in equity 2007</b>						
Market value adjustments of securities available for sale .....	0	0	(69)	0	0	(69)
Net profit for the year .....	0	0	0	0	33,400	33,400
<b>Total comprehensive income .....</b>	<b>0</b>	<b>0</b>	<b>(69)</b>	<b>0</b>	<b>33,400</b>	<b>33,331</b>
Capital increase .....	7,221	382,392	0	0	0	389,613
Non-cash contributions .....	9,757	504,326	0	0	0	514,083
Issue costs .....	0	(9,819)	0	0	0	(9,819)
Reserve relating to subsidiaries .....	0	0	0	(18,288)	18,288	0
Share-based payments .....	0	0	0	0	1,144	1,144
Treasury shares .....	0	0	0	0	(35,698)	(35,698)
<b>Total changes in equity 2007 .....</b>	<b>16,978</b>	<b>876,899</b>	<b>(69)</b>	<b>(18,288)</b>	<b>17,134</b>	<b>892,654</b>
<b>Equity, 31 December 2007 .....</b>	<b>59,445</b>	<b>2,184,267</b>	<b>(69)</b>	<b>11,875</b>	<b>17,599</b>	<b>2,273,117</b>

## Statement of changes in equity, 31 December 2006

	Parent Company					
	Share capital DKK'000	Share premium DKK'000	Market value adjustments, available for sale DKK'000	Subsidiary, reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity, 1 January 2006 .....	14,297	32,445	0	0	7,672	54,414
<b>Changes in equity 2006</b>						
Net profit for the year .....	0	0	0	0	22,392	22,392
<b>Total comprehensive income .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,392</b>	<b>22,392</b>
Capital increases .....	19,247	797,677	0	0	0	816,924
Non-cash contributions .....	8,923	480,154	0	0	0	489,077
Issue costs .....	0	(2,908)	0	0	0	(2,908)
Reserve relating to subsidiaries .....	0	0	0	30,163	(30,163)	0
Share-based payments .....	0	0	0	0	564	564
<b>Total changes in equity 2006 .....</b>	<b>28,170</b>	<b>1,274,923</b>	<b>0</b>	<b>30,163</b>	<b>(7,207)</b>	<b>1,326,049</b>
<b>Equity, 31 December 2006 .....</b>	<b>42,467</b>	<b>1,307,368</b>	<b>0</b>	<b>30,163</b>	<b>465</b>	<b>1,380,463</b>

# Notes

## 1 Accounting estimates and assessments

The calculation of the carrying amounts of certain assets and liabilities requires estimates of the impact of future events on the value of such assets and liabilities at the balance-sheet date. Estimates material to reporting are made in connection with the measurement of the Group's loans, advances and other receivables, the calculation of amortisation, depreciation and impairment, pensions and similar obligations, provisions and contingent liabilities and assets.

The estimates made are based on historical data and assumptions which are deemed by Management to be acceptable; however, in the nature of things, such assumptions are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. The enterprise is also subject to risks and uncertainties that may result in deviations between actual results and estimates. Special risks for the Group are discussed in the 'Management's review'.

The notes disclose information on assumptions concerning the future and other estimation uncertainties at the balance-sheet date implying a substantial risk of changes that may lead to a material adjustment of the carrying amounts of assets or liabilities in the next financial year.

The estimates and assessments made by Management has the greatest impact in connection with the valuation of the following items.

	Group		Parent Company	
	2007 DKK'000	2006 DKK'000	2007 DKK'000	2006 DKK'000
Loans and advances .....	1,262,407	440,289	134,541	143,703
Investments in portfolio enterprises .....	81,806	0	81,806	0
Investments in Group enterprises .....	0	0	2,114,693	1,301,343
Intangible assets .....	1,285,722	541,897	0	0

Measurement of these items might be substantially affected by material changes in estimates and assumptions on which the calculation of the amounts is based. Please see note 24 on intangible assets for a description of impairment tests for intangible assets.

## 2 Interest income

Interest on receivables from credit institutions.....	21,825	12,612	1,960	6,184
Interest on loans, advances and other receivables.....	61,400	7,961	17,544	6,004
Bond interest.....	1,987	414	0	0
Other interest income.....	0	0	0	411
<b>Interest income.....</b>	<b>85,212</b>	<b>20,987</b>	<b>19,504</b>	<b>12,599</b>

## 3 Interest expenses

Interest payable to credit institutions .....	5,071	1,890	4,895	1,889
Interest payable to deposits.....	18,033	0	2,630	0
Other interest expenses.....	2,027	895	137	960
<b>Interest expenses.....</b>	<b>25,131</b>	<b>2,785</b>	<b>7,662</b>	<b>2,849</b>

## 4 Share dividends, etc.

Share dividends, etc.....	205	44	0	0
<b>Share dividends, etc. ....</b>	<b>205</b>	<b>44</b>	<b>0</b>	<b>0</b>



## Notes (continued)

	Group		Parent Company	
	2007 DKK'000	2006 DKK'000	2007 DKK'000	2006 DKK'000
<b>5 Fee and commission income</b>				
Guarantee commission.....	4,564	11,346	4,439	11,346
Securities trading and custody accounts.....	12,728	10,708	0	0
Wealth and asset management.....	98,033	55,456	0	0
Loan fees.....	40	723	0	550
Other fee and commission income.....	145,739	69,376	450	23,915
<b>Fee and commission income.....</b>	<b>261,104</b>	<b>147,609</b>	<b>4,889</b>	<b>35,811</b>
<b>6 Fee and commission expenses</b>				
Guarantee commission expenses.....	0	0	0	0
Fee and other commission expenses.....	23,611	10,135	800	1,894
<b>Fee and commission expenses.....</b>	<b>23,611</b>	<b>10,135</b>	<b>800</b>	<b>1,894</b>
<b>7 Market value and translation adjustments</b>				
Bonds .....	558	(2,856)	0	(2,847)
Shares, etc.....	39,310	2,829	45,319	(147)
Foreign currency.....	14,104	137	22	(10)
<b>Market value and translation adjustments.....</b>	<b>53,972</b>	<b>110</b>	<b>45,341</b>	<b>(3,004)</b>
<b>8 Other operating income</b>				
Administrative income.....	4,527	3,345	10,303	0
Any other operating income.....	13,871	5,184	254	1,589
<b>Other operating income.....</b>	<b>18,398</b>	<b>8,529</b>	<b>10,557</b>	<b>1,589</b>

## Notes (continued)

	Group		Parent Company	
	2007 DKK'000	2006 DKK'000	2007 DKK'000	2006 DKK'000
<b>9 Staff costs and administrative expenses</b>				
Number of employees				
Beginning of year.....	70	16	2	1
Mid-year.....	171	47	5	5
Year-end.....	198	70	8	2
Average number of employees.....	146	44	5	3
Salaries and remuneration of Executive and Supervisory Boards				
Executive Board.....	14,500	7,470	14,500	6,564
Supervisory Board.....	2,294	1,382	800	640
Share-based payments, Executive Board.....	476	185	476	185
Share-based payments, Supervisory Board.....	378	379	378	379
Salaries and remuneration of Executive and Supervisory Boards.....	17,648	9,416	16,154	7,768
<b>Staff costs</b>				
Salaries.....	130,131	47,867	22,964	8,430
Pensions.....	3,700	432	0	0
Social security costs.....	13,804	6,100	1,159	385
<b>Staff costs.....</b>	<b>147,635</b>	<b>54,399</b>	<b>24,123</b>	<b>8,815</b>
<b>Other administrative expenses.....</b>	<b>64,530</b>	<b>26,805</b>	<b>4,396</b>	<b>6,581</b>
<b>Staff costs and administrative expenses.....</b>	<b>212,165</b>	<b>81,204</b>	<b>28,519</b>	<b>15,396</b>

## Notes (continued)

10 Share-based payments	Supervisory and Executive Boards	Executive employees	Other employees	Total
Share option programme 2005				
Grant, 24 October 2005	390,000	126,000	276,500	792,500
Charge for the year	491	159	348	998

The Company's Supervisory Board resolved on 24 October 2005 to implement a share option programme in accordance with Article 9b of the Articles of Association. A total number of 792,500 share options have been issued, each entitling its holder to buy one Capinordic A/S share at a price of DKK 11.80. When using the Black-Scholes formula, the market value of the programme can be calculated at DKK 3.7m based on an interest rate of 2.54% and an expected volatility of the Capinordic A/S share of 56%. The programme is expensed over the 3-year vesting period.

The share options issued were granted to the members of the Supervisory and Executive Boards of Capinordic A/S and to the employees of Unitfond AB on 24 October 2005.

The share option programme is incentive-based and the grant of share options is not related to specific performance goals. The employees of Unitfond AB may not exercise the share options until three years after the date of grant. The exercise period is two years calculated from three years from the date of grant. The employee must be employed with the company at the date of exercise.

Reference is made to Stock Exchange Announcement No. 26/2005 of 24 October 2005.

Share option programme 2006	Supervisory and Executive Boards	Executive employees	Other employees	Total
Grant, 26 October 2006	224,500	625,000	483,834	1,333,334
Charge for the year	363	1,076	674	2,113

The programme comprises 1,333,334 share options, each entitling its holder to subscribe for one share of a nominal value of DKK 0.50 in Capinordic A/S. On exercise of the share options, the strike price for the shares is DKK 36.09. When using the Black-Scholes formula, the market value of the programme can be calculated at DKK 8.1m based on an interest rate of 3.98% and an expected volatility of the Capinordic A/S share of 30%. The programme is expensed over the 3-year vesting period.

The allotment price amounts to DKK 31.18 and has been fixed as a weighted average over ten trading days of the price quoted for Capinordic A/S up to and including 25 October 2006.

The share options have been awarded to all employees, including the Group Executive Board of the Capinordic Group, except the employees of Unitfond AB who have already been awarded share options, cf. Article 9b of the Articles of Association of the Company.

No share options have been granted to the Supervisory Board of the Company.

The share options vest three years after the date of grant, provided that the relevant employee is still employed with the Company at the date of vesting. The share options may be exercised for a period of 24 months from the date of vesting in four trading windows of four weeks, corresponding to insider trading windows. After exercise of the share options, Capinordic A/S will apply for admission of the shares to trading on the OMX Nordic Exchange Copenhagen as soon as possible.

Please refer to Stock Exchange Announcement No. 36/2006 of 27 October 2006 for a detailed description of the programme.

## Notes (continued)

### 10 Share-based payments (continued)

	Supervisory and Executive Boards	Executive employees	Other employees	Total
Share option programme 2007				
Grant, 20 November 2007	0	1,190,000	1,770,000	2,960,000
Charge for the year	0	138	204	342

The Supervisory Board of Capinordic A/S resolved on 20 November 2007 to make partial use of its authority in Article 9 of the Company's Articles of Association to implement a share option programme.

The programme comprises 2,960,000 share options, each entitling its holder to subscribe for 1 share of a nominal value of DKK 0.50 in Capinordic A/S. On exercise of the share options, the strike price for the shares is DKK 22.14. When using the Black-Scholes formula, the market value of the programme can be calculated at DKK 15.6m based on an interest rate of 4.81% and an expected volatility of the Capinordic A/S share of 25%. The programme is expensed over the 3-year vesting period.

The allotment price, which corresponds to the strike price, is DKK 22.14 and has been fixed as a weighted average over ten trading days of the price quoted for shares in Capinordic A/S up to and including 19 November 2007.

Total share-based payments.....	854	1,373	1,226	3,453
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Please also refer to the description of the share option programme implemented in 2007 under 'Shareholder information' in the 'Management's review'.

	Group		Parent Company	
	2007 DKK'000	2006 DKK'000	2007 DKK'000	2006 DKK'000
<b>11 Fee to auditors appointed by the General Meeting</b>				
Statutory audit.....	2,261	1,419	665	392
Other services.....	2,416	1,215	899	121
<b>Fee to auditors appointed by the General Meeting.....</b>	<b>4,677</b>	<b>2,634</b>	<b>1,564</b>	<b>513</b>
<b>12 Losses on loans and advances</b>				
Realised losses on loans and advances for the year.....	0	0	0	0
Individual impairment of loans and advances for the year.....	3,472	0	0	0
Group-based impairment of loans and advances for the year.....	0	0	0	0
<b>Losses on loans and advances.....</b>	<b>3,472</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>13 Other operating expenses</b>				
Setting up of bank.....	0	8,407	0	0
<b>Other operating expenses.....</b>	<b>0</b>	<b>8,407</b>	<b>0</b>	<b>0</b>

## Notes (continued)

	Group		Parent Company	
	2007 DKK'000	2006 DKK'000	2007 DKK'000	2006 DKK'000
<b>14 Amortisation and depreciation of intangible assets, property, plant and equipment</b>				
Amortisation of intangible assets .....	43,536	13,880	0	0
Depreciation of property, plant and equipment .....	6,513	2,133	440	187
<b>Amortisation and depreciation of intangible assets, property, plant and equipment.....</b>	<b>50,049</b>	<b>16,013</b>	<b>440</b>	<b>187</b>
<b>15 Tax for the year</b>				
Current tax on profit for the year.....	34,045	17,065	607	4,685
Deferred tax.....	(11,564)	(445)	9,296	2,866
Tax relating to previous years.....	(386)	0	(433)	0
Reversal of impairment losses relating to deferred tax assets.....	0	(3,274)	0	(3,274)
Adjustment of tax asset.....	0	0	0	0
<b>Tax for the year.....</b>	<b>22,095</b>	<b>13,346</b>	<b>9,470</b>	<b>4,277</b>
Breakdown of tax on profit for the year:				
Calculated 25% tax on profit for the year before tax.....	25,564	17,028	10,718	7,467
Tax effect of:				
Other non-deductible costs.....	2,268	174	389	84
Profit (loss) from investments in associates.....	552	(582)	0	0
Higher/lower tax rates in foreign Group enterprises.....	246	0	0	0
Capitalised costs relating to the acquisition of Group enterprises.....	(1,351)	0	(1,351)	0
Adjustment of deferred tax, changed tax rate.....	(8,218)	0	148	0
Tax relating to previous years.....	3,034	0	(434)	0
Reversal of impairment losses relating to deferred tax assets.....	0	(3,274)	0	(3,274)
<b>Tax for the year.....</b>	<b>22,095</b>	<b>13,346</b>	<b>9,470</b>	<b>4,277</b>
Effective tax rate	22%	23%	22%	16%

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>16 Cash and demand deposits with central banks</b>				
Notes and coins.....	10	4	0	0
Demand deposits with central banks.....	46,054	22,095	0	0
<b>Cash and demand deposits with central banks.....</b>	<b>46,064</b>	<b>22,099</b>	<b>0</b>	<b>0</b>
<b>17 Receivables from credit institutions and central banks</b>				
Demand deposits with banks.....	475,744	566,844	40,330	1,159
<b>Receivables from credit institutions and central banks.....</b>	<b>475,744</b>	<b>566,844</b>	<b>40,330</b>	<b>1,159</b>
<b>18 Loans and advances</b>				
Loan accounts with variable drawing rights.....	125,433	437,530	94,358	80,762
Any other loans and advances.....	1,140,446	2,759	40,183	62,941
Impairment losses.....	(3,472)	0	0	0
<b>Loans and advances.....</b>	<b>1,262,407</b>	<b>440,289</b>	<b>134,541</b>	<b>143,703</b>
Impairment losses				
Impairment, beginning of year.....	0	0	0	0
New and increased impairment losses.....	3,472	0	0	0
Reversal of impairment losses.....	0	0	0	0
<b>Impairment losses year-end.....</b>	<b>3,472</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>19 Bonds at fair value</b>				
Other fixed-rate government bonds.....	49,867	25,041	0	0
Bonds issued by credit institutions.....	4,965	0	0	0
<b>Bonds at fair value.....</b>	<b>54,832</b>	<b>25,041</b>	<b>0</b>	<b>0</b>
<b>20 Shares, etc.</b>				
Shares listed on the OMX Nordic Exchange Copenhagen.....	207,609	16,199	2,564	2,633
Investment fund shares.....	99,127	37	0	0
Shares listed on other stock exchanges.....	4,872	0	0	0
Other shares.....	110	3,699	0	0
Unlisted investment fund shares.....	11,534	0	0	0
<b>Shares, etc. ....</b>	<b>323,252</b>	<b>19,935</b>	<b>2,564</b>	<b>2,633</b>

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>21 Investments in portfolio enterprises</b>				
Cost, 1 January.....	0	0	0	0
Additions for the year.....	110,386	0	109,641	0
Disposals for the year.....	(64,301)	0	(64,301)	0
<b>Cost, 31 December.....</b>	<b>46,085</b>	<b>0</b>	<b>45,340</b>	<b>0</b>
Accumulated value adjustments, 1 January.....	0	0	0	0
Fair value adjustment of listed portfolio enterprises.....	23,846	0	24,591	0
Fair value adjustment of unlisted portfolio enterprises.....	11,875	0	11,875	0
<b>Accumulated value adjustments, 31 December.....</b>	<b>35,721</b>	<b>0</b>	<b>36,466</b>	<b>0</b>
<b>Carrying amount, 31 December.....</b>	<b>81,806</b>	<b>0</b>	<b>81,806</b>	<b>0</b>

Fair value of unlisted portfolio enterprises has been calculated in accordance with recognised valuation techniques. See also the accounting policies used.

Ownership interests in portfolio enterprises of more than 20%:	Ownership interests (Group)		Ownership interests (Parent Company)	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Mercon A/S.....	40%	0%	40%	0
<b>Carrying amount of portfolio enterprises in which the ownership interest is more than 20%.</b>	<b>Carrying amount (Group)</b>		<b>Carrying amount (Parent Company)</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Mercon A/S.....	32,122	0	32,122	0
<b>Carrying amount of portfolio enterprises in which the ownership interest is more than 20%.....</b>	<b>32,122</b>	<b>0</b>	<b>32,122</b>	<b>0</b>
				Mercon A/S
Latest published financial statements.....				2006
Revenue.....				*
Profit before tax.....				29
Tax on profit for the year.....				(12)
Net profit for the year.....				17
Total assets.....				1,429
Total liabilities.....				660

\* Revenue was not stated in the latest published financial statements.



## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>22 Investments in associates</b>				
Cost, 1 January.....	66,207	0	55,007	0
Additions for the year.....	9,016	66,207	16	55,007
Disposals for the year.....	(32,669)	0	(32,669)	0
<b>Cost, 31 December.....</b>	<b>42,554</b>	<b>66,207</b>	<b>22,354</b>	<b>55,007</b>
Accumulated value adjustments, 1 January.....	1,231	0	0	0
Share of profit (loss) for the year.....	(2,207)	1,496	0	0
Other value adjustments.....	(2,869)	(265)	0	0
Disposals for the year.....	(970)	0	0	0
<b>Accumulated value adjustments, 31 December.....</b>	<b>(4,815)</b>	<b>1,231</b>	<b>0</b>	<b>0</b>
<b>Carrying amount, 31 December.....</b>	<b>37,739</b>	<b>67,438</b>	<b>22,354</b>	<b>55,007</b>
I-investor Danmark A/S.....	23,204	22,599	22,354	22,338
Euroinvestor.com A/S.....	0	33,639	0	32,669
K/S Amalieparken.....	14,335	11,200	0	0
Ejendomsselskabet Ørestad Syd A/S.....	200	0	0	0
<b>Investments in associates.....</b>	<b>37,739</b>	<b>67,438</b>	<b>22,354</b>	<b>55,007</b>
	Ownership interests (Group)		Ownership interests (Parent Company)	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
I-investor Danmark A/S.....	29.50%	29.50%	29.50%	29.50%
Euroinvestor.com A/S (included as a portfolio investment at year-end 2007).....	0.00%	25.92%	0.00%	25.92%
K/S Amalieparken.....	40.00%	40.00%	40.00%	40.00%
Ejendomsselskabet Ørestad Syd A/S.....	40.00%	0.00%	40.00%	0.00%
		I-investor Danmark A/S	K/S Amalieparken	Ejendomsselskabet Ørestad Syd A/S
Latest published financial statements.....		2006	2006	2006/07
Revenue.....		7,694	0	0
Profit (loss) before tax.....		731	0	(8)
Tax on profit for the year.....		(205)	0	2
Net profit (loss) for the year.....		526	0	(6)
Total assets.....		7,183	90,680	30,913
Total liabilities.....		4,704	79,530	30,719

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>23 Investments in Group enterprises</b>				
Cost, 1 January.....	0	0	1,301,343	35,527
Additions for the year.....	0	0	813,350	1,265,816
Disposals for the year.....	0	0	0	0
<b>Cost, 31 December.....</b>	<b>0</b>	<b>0</b>	<b>2,114,693</b>	<b>1,301,343</b>
Impairment, 1 January.....	0	0	0	0
Impairment losses for the year.....	0	0	0	0
<b>Impairment, 31 December.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount, 31 December.....</b>	<b>0</b>	<b>0</b>	<b>2,114,693</b>	<b>1,301,343</b>
	Ownership interest			
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Capinordic Bank A/S, Gentofte, Denmark.....	100%	100%	1,202,534	1,202,534
Nordisk Fondservice AB, Umeå, Sweden.....	100%	100%	276,961	0
Monetar Pensionsförvaltning AB, Stockholm, Sweden.....	100%	100%	215,727	0
Steffen Rønn Fondsmæglerselskab A/S, Copenhagen, Denmark.....	100%	100%	139,993	0
Dansk O.T.C. Fondsmæglerselskab A/S, Horsens, Denmark.....	100%	100%	87,012	0
Aktie- & Valutainvest ApS, Hellerup, Denmark.....	100%	100%	86,604	0
CSV Invest ApS, Gentofte, Denmark.....	100%	100%	62,061	62,061
Unitfond AB, Helsingborg, Sweden.....	100%	100%	35,021	35,021
Capinordic Asset Management AB, Stockholm, Sweden.....	100%	100%	8,274	1,221
Capinordic Property Management A/S, Gentofte, Denmark.....	100%	100%	506	506
<b>Investments in Group enterprises.....</b>			<b>2,114,693</b>	<b>1,301,343</b>

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>24 Intangible assets</b>				
Breakdown of carrying amount, 31 December:				
Goodwill .....	733,519	282,638	0	0
Marketing-related intangible assets.....	3,751	2,000	0	0
Customer-related intangible assets.....	504,332	240,614	0	0
Contract-based intangible assets.....	23,895	16,645	0	0
Technology-based intangible assets.....	20,225	0	0	0
<b>Carrying amount, 31 December.....</b>	<b>1,285,722</b>	<b>541,897</b>	<b>0</b>	<b>0</b>

Intangible assets comprise acquired intangible assets only.

At 31 December 2007, Management tested the carrying amount of intangible assets for impairment, including goodwill deriving from completed business combinations.

The recoverable amount is based on the value in use as fixed by the application of expected earnings (EBTDA) and net cash flow based on budgets and forecasts for the years 2008 to 2012, approved by Management. Budgets and forecasts are based on specific assumptions for the individual cash-generating units.

The budgets and forecasts prepared are based on historical data, the expected future business development and other assumptions deemed by Management to be acceptable; however, in the nature of things, such assumptions are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. The enterprise is also subject to risks and uncertainties that may result in deviations between actual results and estimates. Special risks for the Group are discussed in the 'Management's review'.

A five-year budget period and a terminal period have been applied. An individually fixed discount rate before tax of between 8.7% and 14.7% has been applied for discounting to net present value. Supplementary sensitivity analyses have been made of the assumptions applied to support the carrying amount of intangible assets in case of material changes to the assumptions.

In the nature of things, such forecasts are subject to some uncertainty. Please refer to note 1 for a description thereof.

### Goodwill

Cost, 1 January.....	282,638	19,078	0	0
Additions for the year.....	0	0	0	0
Additions for the year deriving from business combinations.....	459,658	263,303	0	0
Disposals for the year.....	0	0	0	0
Foreign currency translation adjustments.....	(8,777)	257	0	0
<b>Cost, 31 December.....</b>	<b>733,519</b>	<b>282,638</b>	<b>0</b>	<b>0</b>
Accumulated impairment, 1 January.....	0	0	0	0
Impairment losses for the year.....	0	0	0	0
<b>Accumulated impairment, 31 December.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount, 31 December.....</b>	<b>733,519</b>	<b>282,638</b>	<b>0</b>	<b>0</b>

## Notes (continued)

	Group		Parent Company	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	DKK'000	DKK'000	DKK'000	DKK'000
<b>24 Intangible assets (continued)</b>				
Goodwill has been allocated to the following cash-generating units:				
Capinordic Bank A/S.....	280,892	209,084	0	0
Unitfond AB.....	18,949	19,335	0	0
Capinordic Property Management A/S.....	13,555	0	0	0
CSV Invest ApS.....	13,550	0	0	0
Steffen Rønn Fondsmæglerselskab A/S.....	93,345	0	0	0
Dansk O.T.C. Fondsmæglerselskab A/S.....	41,866	0	0	0
Nordisk Fondservice AB.....	130,905	0	0	0
Monetar Pensionsforvaltning AB.....	140,441	0	0	0
Capinordic Asset Management AB.....	16	0	0	0
Non-allocated (the Capinordic Group).....	0	54,219	0	0
<b>Carrying amount, 31 December.....</b>	<b>733,519</b>	<b>282,638</b>	<b>0</b>	<b>0</b>
Assumptions applied for cash-generating units:				
	Discount rates		Earnings growth in terminal period	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Capinordic Bank A/S.....	8.82%	8.38%	2.00%	2.00%
Unitfond AB.....	8.72%	8.38%	2.00%	2.00%
Capinordic Property Management ApS.....	12.82%	-	2.00%	-
CSV Invest ApS.....	11.82%	-	2.00%	-
Steffen Rønn Fondsmæglerselskab A/S.....	14.70%	-	2.00%	-
Dansk O.T.C. Fondsmæglerselskab A/S.....	12.07%	-	2.00%	-
Nordisk Fondservice AB.....	11.72%	-	2.00%	-
Monetar Pensionsforvaltning AB.....	12.22%	-	2.00%	-
Non-allocated (the Capinordic Group).....	-	8.38%	2.00%	2.00%

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>24 Intangible assets (continued)</b>				
<b>Marketing-related intangible assets</b>				
Cost, 1 January.....	2,000	0	0	0
Additions for the year.....	0	0	0	0
Additions for the year deriving from business combinations.....	4,434	2,000	0	0
Disposals for the year.....	0	0	0	0
Foreign currency translation adjustments.....	(67)	0	0	0
<b>Cost, 31 December.....</b>	<b>6,367</b>	<b>2,000</b>	<b>0</b>	<b>0</b>
Accumulated amortisation, 1 January.....	0	0	0	0
Amortisation for the year.....	(2,625)	0	0	0
Foreign currency translation adjustments.....	9	0	0	0
<b>Accumulated amortisation, 31 December.....</b>	<b>(2,616)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount, 31 December.....</b>	<b>3,751</b>	<b>2,000</b>	<b>0</b>	<b>0</b>
To be amortised over.....	0-5 years	0-5 years	0-5 years	0-5 years

Marketing-related intangible assets comprise trademarks rights, name rights, domain names, non-competition clauses, etc.

### Customer-related intangible assets

Cost, 1 January.....	250,729	0	0	0
Additions for the year.....	0	0	0	0
Additions for the year deriving from business combinations.....	299,669	250,729	0	0
Disposals for the year.....	0	0	0	0
Foreign currency translation adjustments.....	(6,717)	0	0	0
<b>Cost, 31 December.....</b>	<b>543,681</b>	<b>250,729</b>	<b>0</b>	<b>0</b>
Accumulated amortisation, 1 January.....	(10,115)	0	0	0
Amortisation for the year.....	(29,457)	(10,115)	0	0
Foreign currency translation adjustments.....	223	0	0	0
<b>Accumulated amortisation, 31 December.....</b>	<b>(39,349)</b>	<b>(10,115)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount, 31 December.....</b>	<b>504,332</b>	<b>240,614</b>	<b>0</b>	<b>0</b>
To be amortised over.....	10-17 years	10-17 years	10-17 years	10-17 years

Customer-related intangible assets comprise customer relationships, etc.

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>24 Intangible assets (continued)</b>				
<b>Contract-based intangible assets</b>				
Cost, 1 January.....	21,411	1,266	1,266	1,266
Additions for the year.....	0	0	0	0
Additions for the year deriving from business combinations.....	14,825	20,145	0	0
Disposals for the year.....	0	0	0	0
Foreign currency translation adjustments.....	(48)	0	0	0
<b>Cost, 31 December.....</b>	<b>36,188</b>	<b>21,411</b>	<b>1,266</b>	<b>1,266</b>
Accumulated amortisation, 1 January.....	(4,766)	(1,266)	(1,266)	(1,266)
Amortisation for the year.....	(7,527)	(3,500)	0	0
<b>Accumulated amortisation, 31 December.....</b>	<b>(12,293)</b>	<b>(4,766)</b>	<b>(1,266)</b>	<b>(1,266)</b>
<b>Carrying amount, 31 December.....</b>	<b>23,895</b>	<b>16,645</b>	<b>0</b>	<b>0</b>
To be amortised over.....	5-10 years	0-5 years	0-5 years	0-5 years
Contract-based intangible assets comprise licences, royalty agreements etc.				
<b>Technology-based intangible assets</b>				
Cost, 1 January.....	0	0	0	0
Correction relating to previous years.....	8,129	0	0	0
Additions for the year.....	1,670	0	0	0
Additions for the year deriving from business combinations.....	15,870	0	0	0
Disposals for the year.....	0	0	0	0
Foreign currency translation adjustments.....	(515)	0	0	0
<b>Cost, 31 December.....</b>	<b>25,154</b>	<b>0</b>	<b>0</b>	<b>0</b>
Accumulated amortisation, 1 January.....	0	0	0	0
Correction relating to previous years.....	(822)	0	0	0
Amortisation for the year.....	(4,175)	0	0	0
Foreign currency translation adjustments.....	68	0	0	0
<b>Accumulated amortisation, 31 December.....</b>	<b>(4,929)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount, 31 December.....</b>	<b>20,225</b>	<b>0</b>	<b>0</b>	<b>0</b>
To be amortised over.....	3-10 years	3-10 years	3-10 years	3-10 years
Technology-based intangible assets comprise computer software etc.				

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>25 Property, plant and equipment</b>				
Cost, 1 January.....	19,389	2,553	1,837	342
Correction relating to previous years.....	(8,296)	0	0	0
Additions for the year.....	7,907	14,386	105	1,495
Additions for the year deriving from business combinations.....	2,019	3,276	0	0
Disposals for the year.....	(803)	(826)	(342)	0
Foreign currency translation adjustments.....	(133)	0	0	0
<b>Cost, 31 December.....</b>	<b>20,083</b>	<b>19,389</b>	<b>1,600</b>	<b>1,837</b>
Accumulated foreign currency translation adjustments, 1 January.....	(133)	(141)	(137)	(137)
Correction relating to previous years.....	(4)	0	0	0
Foreign currency translation adjustments.....	137	8	137	0
<b>Accumulated foreign currency translation adjustments, 31 December.....</b>	<b>0</b>	<b>(133)</b>	<b>0</b>	<b>(137)</b>
Accumulated depreciation, 1 January.....	(4,790)	(2,082)	(392)	(205)
Correction relating to previous years.....	993	0	0	0
Depreciation for the year.....	(6,439)	(2,844)	(440)	(187)
Depreciation of assets sold/discontinued.....	340	136	205	0
Foreign currency translation adjustments.....	64	0	0	0
<b>Accumulated depreciation, 31 December.....</b>	<b>(9,832)</b>	<b>(4,790)</b>	<b>(627)</b>	<b>(392)</b>
<b>Carrying amount, 31 December.....</b>	<b>10,251</b>	<b>14,466</b>	<b>973</b>	<b>1,308</b>



## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>26 Deferred tax</b>				
Deferred tax, 1 January.....	74,678	0	(408)	0
Tax relating to previous years.....	780	(3,274)	148	(3,274)
Adjustment for the year.....	(11,564)	(445)	9,148	2,866
Deferred tax relating to business combinations.....	90,992	78,397	0	0
Write-down to fair value.....	0	0	0	0
<b>Deferred tax.....</b>	<b>154,886</b>	<b>74,678</b>	<b>8,888</b>	<b>(408)</b>
Breakdown of deferred tax:				
Intangible assets.....	143,877	78,146	(226)	(304)
Property, plant and equipment.....	1,507	178	15	54
Securities etc.....	10,050	0	9,099	
Current assets.....	0	(356)	0	0
Share option programme.....	0	(158)	0	(158)
Payables.....	(548)	0	0	0
Tax losses.....	0	(3,132)	0	0
<b>Deferred tax.....</b>	<b>154,886</b>	<b>74,678</b>	<b>8,888</b>	<b>(408)</b>
Deferred tax in the financial statements				
Deferred tax (liability).....	154,886	75,086	8,888	0
Deferred tax (other assets).....	0	(408)	0	(408)
<b>Deferred tax.....</b>	<b>154,886</b>	<b>74,678</b>	<b>8,888</b>	<b>(408)</b>
<b>27 Assets held temporarily</b>				
Cost, 1 January.....	0	0	0	0
Additions for the year.....	65,594	0	10,194	0
Disposals for the year.....	0	0	0	0
<b>Cost, 31 December.....</b>	<b>65,594</b>	<b>0</b>	<b>10,194</b>	<b>0</b>
Accumulated value adjustments, 1 January.....	0	0	0	0
Other value adjustments.....	0	0	0	0
<b>Accumulated value adjustments, 31 December.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount, 31 December.....</b>	<b>65,594</b>	<b>0</b>	<b>10,194</b>	<b>0</b>

## Notes (continued)

	Group		Parent Company	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	DKK'000	DKK'000	DKK'000	DKK'000
<b>28 Other assets</b>				
Other various debtors.....	133,873	32,253	0	9,579
Other assets.....	40,692	36,663	17,443	18,497
Interest and commission receivable.....	12,145	5,672	0	232
<b>Other assets.....</b>	<b>186,710</b>	<b>74,588</b>	<b>17,443</b>	<b>28,308</b>
Breakdown:				
Current assets.....	186,710	74,588	17,443	27,569
Non-current assets.....	0	0	0	739
<b>Other assets.....</b>	<b>186,710</b>	<b>74,588</b>	<b>17,443</b>	<b>28,308</b>
<b>29 Prepayments</b>				
Prepaid interest and commission.....	0	0	0	0
Other prepayments.....	16,521	18,443	1,444	0
<b>Prepayments.....</b>	<b>16,521</b>	<b>18,443</b>	<b>1,444</b>	<b>0</b>
Breakdown:				
Current prepayments.....	16,521	10,073	1,444	0
Non-current prepayments.....	0	8,370	0	0
<b>Prepayments.....</b>	<b>16,521</b>	<b>18,443</b>	<b>1,444</b>	<b>0</b>
<b>30 Payables to credit institutions and central banks</b>				
Payables to central banks on demand.....	49,917	17,301	0	0
Payables to credit institutions on demand.....	489,255	29,362	81,042	80,011
<b>Payables to credit institutions and central banks.....</b>	<b>539,172</b>	<b>46,663</b>	<b>81,042</b>	<b>80,011</b>
Breakdown:				
Current payables to credit institutions and central banks.....	539,172	46,663	81,042	80,011
Non-current payables to credit institutions and central banks.....	0	0	0	0
<b>Payables to credit institutions and central banks.....</b>	<b>539,172</b>	<b>46,663</b>	<b>81,042</b>	<b>80,011</b>

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>31 Deposits</b>				
On demand.....	322,767	150,768	0	0
Time deposits.....	376,106	50,614	50,448	50,614
Special deposits.....	21,797	2,000	0	0
<b>Deposits.....</b>	<b>720,670</b>	<b>203,382</b>	<b>50,448</b>	<b>50,614</b>
Breakdown:				
Current deposits.....	720,174	203,382	50,448	50,614
Non-current deposits.....	496	0	0	0
<b>Deposits.....</b>	<b>720,670</b>	<b>203,382</b>	<b>50,448</b>	<b>50,614</b>
<b>32 Other liabilities</b>				
Payables to consolidated companies.....	0	0	0	0
Various creditors.....	11,977	10,287	0	4,859
Lease obligations.....	33	0	0	0
Interest and commission payable.....	0	0	0	0
Other expenses payable.....	70,234	29,828	11,258	5,814
<b>Other liabilities.....</b>	<b>82,244</b>	<b>40,115</b>	<b>11,258</b>	<b>10,673</b>
Breakdown:				
Other current liabilities.....	82,244	40,115	11,258	10,673
Other non-current liabilities.....	0	0	0	0
<b>Other liabilities.....</b>	<b>82,244</b>	<b>40,115</b>	<b>11,258</b>	<b>10,673</b>
<b>33 Deferred income</b>				
Prepaid interest and commission .....	1,275	4,509	1,275	1,835
Other deferred income.....	18,511	0	0	0
<b>Deferred income.....</b>	<b>19,786</b>	<b>4,509</b>	<b>1,275</b>	<b>1,835</b>
Breakdown:				
Current deferred income.....	19,786	4,509	1,275	1,835
Non-current deferred income.....	0	0	0	0
<b>Deferred income.....</b>	<b>19,786</b>	<b>4,509</b>	<b>1,275</b>	<b>1,835</b>
<b>34 Other provisions</b>				
Provisions, 1 January.....	951	951	951	951
Adjustment for the year.....	(910)	0	(951)	0
<b>Other provisions.....</b>	<b>41</b>	<b>951</b>	<b>0</b>	<b>951</b>

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>35 Earnings per share</b>				
Net profit for the year.....	80,161	46,885		
Share of consolidated profit attributable to minority interests.....	0	0		
	<hr/>	<hr/>		
Share of net profit for the year attributable to the Capinordic Group.....	80,161	46,885		
	<hr/>	<hr/>		
Average number of shares				
Average number of shares.....	105,471	61,299		
Average number of treasury shares.....	(930)	(12)		
	<hr/>	<hr/>		
Average number of shares outstanding.....	104,542	61,287		
Average dilutive effect of outstanding share options.....	1,128	0		
	<hr/>	<hr/>		
Average number of shares outstanding, diluted.....	105,669	61,287		
	<hr/>	<hr/>		
<b>Earnings per share (EPS) of DKK 0.50.....</b>	<b>0.77</b>	<b>0.77</b>		
	<hr/>	<hr/>		
<b>Diluted earnings per share (EPS-D) of DKK 0.50.....</b>	<b>0.76</b>	<b>0.77</b>		
	<hr/>	<hr/>		
Dividends per share.....	0	0		
	<hr/>	<hr/>		

Share options issued in 2006 are not included in the calculation at year-end 2007 as the share options have no dilutive effect. The share options may have a dilutive effect in future. Please refer to the description of share option programmes under 'Shareholder information' in the 'Management's review'.

### 36 Treasury shares

The Capinordic Group had a holding of 1,847,458 shares in Capinordic A/S at 31 December 2007. The shares were purchased in 2007 and had a market value of DKK 39m at 31 December 2007. In 2006, a total of 12,400 treasury shares were purchased and sold.

### 37 Charges and securities

The Parent Company has not charged any assets or provided similar securities.

The Group has deposited securities of a carrying amount at 31 December 2007 of DKK 213m as security for balances with banks.

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>38 Other financial liabilities</b>				
Leases (minimum payments):				
Due within 1 year.....	4,357	3,825	0	3,529
Due within 1-5 years.....	16,754	15,020	0	15,020
Due after 5 years.....	18,742	18,785	0	18,784
<b>Total.....</b>	<b>39,853</b>	<b>37,630</b>	<b>0</b>	<b>37,333</b>
Lease expenses charged to the income statement.....	5,541	605	0	47
Rental obligations relating to leased premises run for 9 years.				

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>39 Guarantees</b>				
Irrevocable credit commitments.....	232,233	99,925	0	0
Issue guarantees.....	43,634	100,000	0	100,000
<b>Total.....</b>	<b>275,867</b>	<b>199,925</b>	<b>0</b>	<b>100,000</b>

#### 40 Events after the balance-sheet date

Please refer to the Management's review for a description of events after the balance-sheet date.

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>41 Financial instruments recognised</b>				
Loans and advances				
Cash and demand deposits with central banks.....	46,064	22,099	0	0
Receivables from credit institutions and central banks.....	475,744	566,844	40,330	1,159
Loans and advances.....	1,262,407	440,289	134,541	143,703
Other assets.....	186,710	74,588	17,443	28,308
	<b>1,970,925</b>	<b>1,103,820</b>	<b>192,314</b>	<b>173,170</b>
Financial assets available for sale				
Bonds at fair value.....	49,867	25,041	0	0
Shares, etc.....	126,463	0	2,564	2,633
	<b>176,330</b>	<b>25,041</b>	<b>2,564</b>	<b>2,633</b>
Financial assets at fair value through profit or loss				
Shares etc.....	196,789	15,041	0	0
Bonds at fair value.....	4,965	0	0	0
Investments in portfolio enterprises.....	81,806	0	81,806	0
	<b>283,560</b>	<b>15,041</b>	<b>81,806</b>	<b>0</b>
Other liabilities				
Payables to credit institutions and central banks.....	539,172	46,663	81,042	80,011
Deposits.....	720,670	203,382	50,448	50,614
Other liabilities.....	82,244	40,115	11,258	10,673
	<b>1,342,086</b>	<b>290,160</b>	<b>142,748</b>	<b>141,298</b>
The fair value of financial instruments recognised largely equals the carrying amount.				
Recognised capital gains and losses on financial instruments				
Financial assets at fair value through profit or loss.....				
Trading portfolio.....	12,322	110	2,946	(3,004)
Portfolio investments.....	41,650	0	42,395	0
Financial assets available for sale.....				
Market value adjustment taken to equity.....	(15,748)	0	(69)	0
Gains and losses reclassified from equity to profit or loss.....	0	0	0	0
	<b>38,224</b>	<b>110</b>	<b>45,272</b>	<b>(3,004)</b>

## Notes (continued)

	Group		Parent Company	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	DKK'000	DKK'000	DKK'000	DKK'000
<b>42 Credit risk</b>				
The Group is exposed to credit risks relating to the following balance-sheet and non-balance-sheet items. Reference is made to the section on 'Credit risk' in the Management's review for a description of the origin and management of credit risks.				
Balance-sheet items				
Cash and demand deposits with central banks.....	46,064	22,099	0	0
Receivables from credit institutions and central banks.....	475,744	566,844	40,330	1,159
Loans and advances.....	1,262,407	440,289	134,541	143,703
Other assets.....	186,710	74,588	17,443	28,308
Non-balance-sheet items				
Credit commitments.....	232,233	99,925	0	0
Financial guarantees.....	43,634	100,000	0	100,000
<b>Total.....</b>	<b>2,246,792</b>	<b>1,303,745</b>	<b>192,314</b>	<b>273,170</b>

### 43 Concentration of credit risk

Breakdown of credit risks on loans and advances by sectors and industries	Share (%), Group		Share (%), Parent Company	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Corporate				
Building and construction.....	11	15	0	0
Credit and financing.....	0	28	0	0
Property management and trading and business service.....	10	5	0	0
Other activities.....	50	47	100	100
Private				
Private.....	29	5	0	0
<b>Total.....</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

The exposure to an individual customer or a group of related customers may not exceed 25% of the consolidated capital base after deduction of particularly secure claims, cf. section 145 of the Danish Financial Business Act. In addition, the total amount of exposures of more than 10% of the capital base after deduction of particularly secure claims may not exceed 800% of the capital base. The Group must report the utilisation of these rules to the Financial Supervisory Authority once every quarter.

At 31 December 2007, the Group's large credit exposures (over 10% of the capital base) amount to DKK 683m, corresponding to 67% of the Group's capital base.

## Notes (continued)

### 44 Classification of customers

In 2007, the Group introduced credit scoring for its loan exposures.

The Group follows up on a continuous basis on all its exposures from credit facilities granted. This ongoing follow-up contributes to ensuring that any negative trends will be identified as quickly as possible and to minimising the risk of losses. The monitoring comprises analyses of both the financial situation and the conduct of the individual customer. This information forms the basis of the risk classification, which is given to the individual customer and subsequently updated/maintained on an ongoing basis.

Credit scoring of Group customers is managed by the Credit Department, but made on the basis of data collected by the individual account manager, which is then processed and entered into the credit scoring model of the Bank. On the basis of the data entered, the model makes a statistical calculation showing the probability that the customer will fail to meet its liabilities to the Bank.

The model used has seven credit grades as well as a category of bankrupt. The top four grades cover exposures characterised as being from "Good" to "Extremely Strong". The lower three grades cover exposures with less favourable credit rating. Particularly the two lowest grades contain high-risk loans and loans in default. A high-risk loan need not imply an increased risk of loss because it may be hedged by collateral compensating for the risk.

Classification of customers, grades	Probability of default *		Probability of default *	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Extremely Strong (A+)	0.0400%		0.0400%	
Very Strong (A)	0.1000%		0.1000%	
Strong (A-)	0.2600%		0.2600%	
Good (B+)	0.5200%		0.5200%	
Marginal (B)	1.9100%		1.9100%	
Weak (B-)	9.7000%		9.7000%	
Extremely weak (C)	25.7000%		25.7000%	

\* The average probability of default expresses the probability of the default of an exposure with a given rating.

Classification of customers, percentage breakdown	Probability of default *		Probability of default *	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Extremely Strong (A+)	0.00%		0.00%	
Very Strong (A)	18.50%		0.00%	
Strong (A-)	27.36%		0.00%	
Good (B+)	23.48%		70.00%	
Marginal (B)	27.70%		30.00%	
Weak (B-)	2.96%		0.00%	
Extremely weak (C)	0.00%		0.00%	

### Securities received

As security for the Group's loan portfolio, security in the form of charges on assets has been provided if customary according to market terms or assessed and agreed individually with the customer. Such security is mainly charges on listed securities and mortgages on real property, letters of indemnity or cash deposits. The Group assesses the security provided on an ongoing basis.

### Overdue loans and loans in default

No overdue loans and loans in default, or loans no longer in default following renegotiation of terms, are included in the financial statements as at 31 December 2007.



## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>45 Corrective account</b>				
Individual impairment losses				
Impairment, beginning of year.....	0	0	0	0
New and increased impairment losses.....	3,472	0	0	0
Reversal of impairment losses.....	0	0	0	0
Individual impairment losses year-end.....	3,472	0	0	0
Group-based impairment losses				
Impairment, beginning of year.....	0	0	0	0
New and increased impairment losses.....	0	0	0	0
Reversal of impairment losses.....	0	0	0	0
Group-based impairment losses year-end.....	0	0	0	0
Corrective account, year-end.....	3,472	0	0	0

## 46 Financial liabilities, by time-to-maturity

Management's review has a section on 'Liquidity risk' describing the origin and management of liquidity risks.

	Payables to credit institutions and central banks	Deposits and other payables	Other liabilities	Total
<b>Group 2007</b>				
Due within 0-3 months.....	539,172	719,466	77,429	1,336,067
Due within 3-12 months.....	0	708	32,276	32,984
Due within 1-5 years.....	0	496	1,260	1,756
Due after 5 years.....	0	0	0	0
Non-allocated .....	0	0	0	0
<b>Total financial liabilities.....</b>	<b>539,172</b>	<b>720,670</b>	<b>110,965</b>	<b>1,370,807</b>

The Group has adequate demand deposits to honour its liabilities.

	Payables to credit institutions and central banks	Deposits and other payables	Other liabilities	Total
<b>Group 2006</b>				
Due within 0-3 months.....	46,663	203,382	40,115	290,160
Due within 3-12 months.....	0	0	17,376	17,376
Due within 1-5 years.....	0	0	0	0
Due after 5 years.....	0	0	0	0
Non-allocated .....	0	0	0	0
<b>Total financial liabilities.....</b>	<b>46,663</b>	<b>203,382</b>	<b>57,491</b>	<b>307,536</b>

## Notes (continued)

### 46 Financial liabilities, by time-to-maturity (continued)

	Payables to credit institutions and central banks	Deposits and other payables	Other liabilities	Total
<b>Parent Company 2007</b>				
Due within 0-3 months.....	81,042	50,448	11,572	<b>143,062</b>
Due within 3-12 months.....	0	0	0	<b>0</b>
Due within 1-5 years.....	0	0	0	<b>0</b>
Due after 5 years.....	0	0	0	<b>0</b>
Non-allocated .....	0	0	0	<b>0</b>
<b>Total financial liabilities.....</b>	<b>81,042</b>	<b>50,448</b>	<b>11,572</b>	<b>143,062</b>
<b>Parent Company 2006</b>				
Due within 0-3 months.....	29,362	50,614	66,255	<b>146,231</b>
Due within 3-12 months.....	0	0	0	<b>0</b>
Due within 1-5 years.....	0	0	0	<b>0</b>
Due after 5 years.....	0	0	0	<b>0</b>
Non-allocated .....	0	0	0	<b>0</b>
<b>Total financial liabilities.....</b>	<b>29,362</b>	<b>50,614</b>	<b>66,255</b>	<b>146,231</b>

### 47 Market risks

The Group assumes different kinds of market risks, including interest risk, currency risk and share risk, in connection with trades and placements.

The Group uses a parametric variance-covariance value-at-risk matrix for calculating the market risk. This method is recognised as a well-documented and good method for calculating the market risk. Most of the positions of the Bank are conventional types of assets. As regards conventional assets, the market prices are used to calculate risk. As regards non-conventional products, delta equivalent cash flows are applied.

The model is based on historical data retrieved from the Group's systems. All the historical data available to the Group have been used for estimation of the model. Reference is made to the section on 'Market risks' in the Management's review for a description of the origin and management of market risks.

At the end of 2007, the aggregate value-at-risk (VaR) of the Group totalled (The VaR is based on a confidence interval of 99% for a 10-day holding)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>Market risks (VaR)</b>				
Share.....	20,895	N/A	11,060	N/A
Foreign currency.....	816	N/A	0	N/A
Interest rate.....	411	N/A	0	N/A
Diversification.....	(900)	N/A	0	N/A
<b>Total.....</b>	<b>21,222</b>		<b>11,060</b>	

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>48 Cash flow statement – adjustments</b>				
Interest received.....	(81,613)	(20,987)	(19,504)	(12,599)
Interest paid.....	24,998	2,785	7,662	2,849
Dividends received.....	(205)	(44)	0	0
Other adjustments.....	0	0	0	396
Cash flow statement – adjustments.....	<b>(56,820)</b>	<b>(18,246)</b>	<b>(11,842)</b>	<b>(9,354)</b>

### 49 Differences in amounts disclosed in the Annual Report prepared in accordance with IFRS and the report to the Danish Financial Supervisory Authority

Please see the differential amounts pursuant to section 8 of the Executive Order on the Application of International Financial Reporting Standards for Companies Falling within the Danish Financial Business Act on the Company's website [www.capinordic.com](http://www.capinordic.com).

50 Foreign exchange key	Average exchange rate		Exchange rate on balance sheet date	
	2007	2006	31.12.2007	31.12.2006
EUR	745.06	745.91	745.66	745.60
GBP	1,089.81	1,094.32	1,014.78	1,110.35
NOK	92.99	92.71	93.51	90.51
SEK	80.57	80.62	78.92	82.47
USD	544.56	594.70	507.53	566.14

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>51 Financial key figures and ratios (according to the guidelines of the Danish Financial Supervisory Authority)</b>				
<b>KEY FIGURES</b>				
Net interest and fee income .....	297,779	155,720		
Market value and translation adjustments .....	53,972	110		
Staff costs and administrative expenses .....	212,165	81,204		
Losses on loans and advances .....	3,472	0		
Profit (loss) from investments in associates .....	(2,207)	1,496		
Net profit for the year .....	80,161	46,885		
Loans and advances .....	1,262,407	440,289		
Equity .....	2,304,150	1,399,561		
Total assets .....	3,849,670	1,792,032		
Risk-weighted assets, total .....	2,124,470	751,032		
<b>RATIOS *</b>				
Capital base relative to minimum capital requirement .....	5.97	14.26		
Capital adequacy ratio .....	47.80	114.07		
Core capital ratio .....	47.80	114.07		
Return on equity before tax .....	5.22	8.40		
Return on equity after tax .....	4.09	6.48		
Income/cost ratio (DKK) .....	1.39	1.56		
Interest rate exposure (%) .....	0.07	0.04		
Currency position (DKK'000) .....	15,020	2,742		
Currency exposure (%) .....	1.48	0.32		
Loans/deposits ratio .....	1.76	2.16		
Loans and advances to equity ratio .....	0.55	0.31		
Lending growth rate for the year .....	186.72	100.00		
Excess cover relative to statutory liquidity requirement .....	316.36	1,939.40		
Total amount of large exposures .....	0.67	0.70		
Impairment ratio of the year .....	0.00	0.00		
<b>RATIOS FOR LISTED COMPANIES</b>				
Earnings per share .....	0.77	0.77		
Equity value per share .....	19.38	15.63		
Dividends per share .....	0.00	0.00		
Price/earnings per share .....	27.66	39.35		
Price/equity value per share .....	1.10	1.93		

\* Capinordic A/S became subject to the supervision of the Danish Financial Supervisory Authority upon the acquisition of G P Børsrådgivningselskab A/S and has therefore not published these figures and ratios previously.

## Notes (continued)

	Group		Parent Company	
	31.12.2007 DKK'000	31.12.2006 DKK'000	31.12.2007 DKK'000	31.12.2006 DKK'000
<b>52 Related parties</b>				
All transactions with related parties are made on an arm's length basis.				
<b>Related parties with significant influence over Capinordic A/S</b>				
Keops A/S, Scandiagade 8, 2450 Copenhagen SV, Denmark, has until July 10 2007 significant influence over Capinordic A/S.				
The following transactions were made between Capinordic A/S and related parties during the financial year:				
<b>Related parties with significant influence</b>				
Purchase of services .....	0	12,000	0	0
Fee and commission income .....	8,847	30,910	0	19,200
Receivables .....	0	12,149	0	9,200
Sale of services to related parties comprises sales fees.				
<b>Group companies</b>				
Purchase of services .....	0	0	2,103	0
Interest income .....	0	0	7,058	0
Interest expenses .....	0	0	2,698	0
Other operating income .....	0	0	10,311	0
Staff costs and administrative expenses .....	0	0	4,166	0
Purchase of shares .....	0	0	35,698	0
Loans and advances .....	0	0	134,372	0
Other assets .....	0	0	6,028	0
Payables to credit institutions and central banks .....	0	0	35,300	0
<b>Associates</b>				
Purchase of services .....	226	522	0	419
Interest expenses .....	8	0	0	0
Fee and commission income .....	9,350	0	0	0
<b>Executive or Supervisory Board and companies controlled by Executive or Supervisory Board members</b>				
Interest income .....	11,324	726	0	0
Interest expenses .....	2,927	0	0	0
Fee and commission income .....	24,302	16,122	4,389	10,958
Other operating income .....	240	0	240	0
Purchase of services .....	4,992	2,768	0	0
Purchase of shares .....	6,570	0	6,570	0
Sale of shares .....	162,350	0	70,300	0
Loans and advances .....	173,063	204,846	0	1,579
Other assets .....	14,079	0	0	0
Deposits .....	206,119	190	0	0
Other liabilities .....	200	0	0	0
Securities .....	0	100,000	0	100,000

All deposits, loans and advances have been granted on an arm's length basis against suitable security and at an interest rate in conformity with the market rate.

Fee and commission income relates to payment for services provided in connection with the issuance of shares, custody fees, market maker agreements, etc. Staff costs and administrative expenses mainly relates to payment for rent for the lease of Strandvejen 56-58.

Purchase of shares from companies controlled by Executive or Supervisory Board members relates to the acquisition of the ownership interest of Erik Damgaard Porteføljeinvest A/S in Steffen Rønn Fondsmæglerselskab A/S. The sale of shares to companies controlled by Executive or Supervisory Board members relates to the sale of shares in Renewagy A/S (the former ITH Industri Invest A/S) to DKA Consult A/S and other sales of shares related to the Group's Investment Banking activities.

For further details about additions and disposals of investments in associates and Group enterprises, please see notes 21, 22 og 23.

Other than the above, no transactions have been made with members of the Executive or Supervisory Board, executive employees, major shareholders, Group enterprises or other related parties in the course of the financial year except for intra-Group transactions that have been eliminated in the consolidated financial statements and usual remuneration to the Executive and Supervisory Boards.

## Notes (continued)

### 53 Business segments

The Group's primary segment reporting format is geographical markets, Denmark and Sweden, based on the location of customers. There is no difference between the location of customers and assets. The Group's secondary segment reporting format is business area, which is divided into banking activities and asset management.

#### Primary business segments 2007

	Denmark	Sweden	Not allocated	Elimination	Group Total
<b>Income statement</b>					
Interest income .....	84,526	686	0	0	85,212
Interest expenses .....	(25,069)	(62)	0	0	(25,131)
<b>Net interest income .....</b>	<b>59,457</b>	<b>624</b>	<b>0</b>	<b>0</b>	<b>60,081</b>
Share dividends, etc. ....	205	0	0	0	205
Fee and commission income .....	182,227	78,877	0	0	261,104
Fee and commission expenses .....	(1,660)	(21,951)	0	0	(23,611)
<b>Net interest and fee income .....</b>	<b>240,229</b>	<b>57,550</b>	<b>0</b>	<b>0</b>	<b>297,779</b>
<b>Profit before amortisation, depreciation, impairment and tax .....</b>	<b>159,506</b>	<b>8,911</b>	<b>(13,904)</b>	<b>(1)</b>	<b>154,512</b>
Amortisation and depreciation of intangible assets, property, plant and equipment .....	(36,174)	(13,435)	(440)	0	(50,049)
Losses on loans and advances .....	(3,472)	0	0	0	(3,472)
Non-cash costs .....	1,876	1,005	572	0	3,453
Profit (loss) from investments in associates .....	(3,167)	0	960	0	(2,207)
<b>Balance sheet</b>					
Capital expenditure for the year .....	254,486	551,461	105	0	806,052
Associates .....	14,535	0	23,204	0	37,739
<b>Total assets .....</b>	<b>3,096,319</b>	<b>624,367</b>	<b>175,394</b>	<b>(46,410)</b>	<b>3,849,670</b>
Liabilities .....	1,317,872	112,312	152,539	(37,203)	1,545,520

## Notes (continued)

### 53 Business segments (continued)

#### Primary business segments 2006

	Denmark	Sweden	Not allocated	Elimination	Group Total
Income statement					
Interest income .....	20,854	180	0	(47)	20,987
Interest expenses .....	(2,493)	(339)	0	47	(2,785)
<b>Net interest income .....</b>	<b>18,361</b>	<b>(159)</b>	<b>0</b>	<b>0</b>	<b>18,202</b>
Share dividends, etc. ....	44	0	0	0	44
Fee and commission income .....	124,040	23,569	0	0	147,609
Fee and commission expenses .....	(3,322)	(6,813)	0	0	(10,135)
<b>Net interest and fee income .....</b>	<b>139,123</b>	<b>16,597</b>	<b>0</b>	<b>0</b>	<b>155,720</b>
<b>Profit before amortisation, depreciation, other operating expenses and tax .....</b>	<b>86,084</b>	<b>1,503</b>	<b>(4,432)</b>	<b>0</b>	<b>83,155</b>
Amortisation and depreciation of intangible assets, property, plant and equipment .....	(15,866)	(147)	0	0	(16,013)
Losses on loans and advances .....	0	0	0	0	0
Profit from investments in associates .....	2,078	0	0	0	2,078
Balance sheet					
Capital expenditure for the year .....	553,604	235	0	0	553,839
Associates .....	67,438	0	0	0	67,438
<b>Total assets .....</b>	<b>1,700,048</b>	<b>38,101</b>	<b>54,197</b>	<b>(314)</b>	<b>1,792,032</b>
Liabilities .....	386,646	6,139	0	(314)	392,471

## Notes (continued)

### 53 Business segments (continued)

Secondary business segments 2007	Banking	Asset management	Other
	Net interest and fee income .....	292,305	1,211
Assets .....	3,583,738	7,228	258,704
Capital expenditure for the year .....	805,417	595	40
 Secondary business segments 2006	Banking	Asset management	Other
Net interest and fee income .....	155,961	0	(241)
Assets .....	1,660,332	1,251	130,449
Capital expenditure for the year .....	488,997	0	64,842

Prices relating to inter-segment transfers of goods and services are fixed on an arm's length basis.



## Notes (continued)

### 54 Information on business combinations

Capinordic A/S acquired a number of enterprises in 2007. The table below discloses information concerning the acquired companies pursuant to the International Financial Reporting Standards (IFRS 3).

Enterprises acquired:	Registered office	Transfer date	Acquired percentage of voting rights	Cost (DKK'000)	Consolidated profit (loss) * (DKK'000)
Monetar Pensionsförvaltning AB	Stockholm	18.01.2007	100.00%	197,383	(5,537)
Aktie- & Valutainvest ApS	Gentofte	24.05.2007	100.00%	86,604	(1,490)
Nordisk Fondservice AB	Umeå	07.08.2007	100.00%	276,961	2,856
Steffen Rønn Fondsmæglerselskab A/S	Copenhagen	11.10.2007	100.00%	139,993	461
Dansk O.T.C. Fondsmæglerselskab A/S	Horsens	12.10.2007	100.00%	87,012	252
Bio Fund Management Oy	Helsinki	27.02.2008	100.00%	25,493	0

\* Consolidated profit from the acquisition date to the balance-sheet date. If the companies taken over had been included in the consolidation for the entire accounting period, the total net interest and fee income of the Group would have amounted to DKK 333,841 thousand, and the profit after tax would have been DKK 113,787 thousand.

In addition, Capinordic acquired a 40% stake in Mercon A/S and Ejendomsselskabet Ørestad Syd A/S in 2007.

For a detailed description of the activities, etc., of the enterprises acquired, please see the Stock Exchange Announcements previously published.

Cost of enterprises acquired (DKK'000):	Issued equity instruments				Total cost of business combination
	Quantity of shares	Cash payment	Other costs, etc.		
Monetar Pensionsförvaltning AB	4,630,000	133,344	62,270	1,769	197,383
Aktie- & Valutainvest ApS	3,085,026	86,381	0	223	86,604
Nordisk Fondservice AB	4,931,940	130,696	145,055	1,210	276,961
Steffen Rønn Fondsmæglerselskab A/S	4,162,486	99,067	40,586	340	139,993
Dansk O.T.C. Fondsmæglerselskab A/S	2,702,702	64,595	20,000	2,417	87,012
Bio Fund Management Oy	419,739	6,422	18,636	435	25,493

The various agreements on acquisition of the individual companies determined both the subscription prices for and the number of shares in Capinordic A/S paid as consideration to the respective sellers.

In terms of company law, the new shares in Capinordic A/S were subscribed for at a price corresponding to the market price for shares in Capinordic A/S at the effective date of the individual agreements in accordance with the subscription price rules of the Danish Public Companies Act and in accordance with the authority of the Supervisory Board.

For accounting purposes, the cost of the respective business combinations is calculated at the acquisition date, and the value of equity instruments issued is calculated at the market price on the acquisition date. Therefore, the value calculated at the date of the agreement and the carrying amount at the acquisition date may differ.

## Notes (continued)

### 54 Information on business combinations (continued)

Amounts recognised at acquisition date (DKK'000):	Monetar Pensions- förvaltning AB		Aktie- & Valutainvest ApS		Nordisk Fondservice AB	
	Value before business combination	Value at date of acquisition	Value before business combination	Value at date of acquisition	Value before business combination	Value at date of acquisition
Cash and demand deposits with central banks .....	2	2	0	0	0	0
Receivables from credit institutions and central banks .....	677	677	6,704	6,829	17,110	17,110
Loans, advances and other receivables at amortised cost .....	0	0	0	0	0	0
Bonds at fair value .....	0	0	0	0	0	0
Shares, etc. ....	0	0	311,632	311,632	113	113
Investments in Group enterprises .....	0	0	125	0	0	0
Goodwill .....	0	145,780	0	44,710	0	133,957
Other intangible assets .....	2,799	85,733	0	0	421	182,411
Property, plant and equipment .....	850	850	0	0	292	292
Current tax assets .....	285	285	0	0	40	40
Deferred tax assets .....	0	0	0	0	0	0
Other assets .....	5,650	5,650	347	12,694	6,869	6,869
Prepayments .....	604	604	0	0	119	119
Payables to credit institutions and central banks .....	758	758	274,660	274,660	0	0
Deposits and other payables .....	0	0	0	0	0	0
Current tax liabilities .....	0	0	3,207	3,207	673	673
Other liabilities .....	4,891	4,891	11,394	11,394	11,326	11,326
Deferred income .....	13,327	13,327	0	0	868	868
Provisions .....	0	23,222	0	0	126	51,083
<b>Total acquisition price .....</b>		<b>197,383</b>		<b>86,604</b>		<b>276,961</b>

The allocation gives rise to the following comments:

#### Monetar Pensionsförvaltning AB:

In connection with the acquisition of Monetar Pensionsförvaltning AB it was estimated that the company's ability to attract customers and its expectations of future earnings represent a significant value. Monetar Pensionsförvaltning AB is based on an advanced IT platform which streamlines work processes within sales, administration and management. At the same time the company is estimated to possess great knowledge about its business areas, customer servicing and asset portfolio management as well as standardisation of decision processes concerning asset management.

#### Aktie- & Valutainvest ApS:

Through the acquisition of Aktie- & Valutainvest ApS, the Capinordic Group acquires knowledge capital particularly within investments in currencies and derivative financial instruments, and the ownership interests in various Danish banks held by the company provide for strategic alliances in distribution, etc. A put option is linked to the securities portfolio, and for a two-year period SL Nordic Holding ApS is obliged, under certain conditions, to buy back the securities so that Capinordic A/S does not assume the market risk for any negative development in these shares.

#### Nordisk Fondservice AB:

Nordisk Fondservice AB sells its services through a distribution network consisting of independent financial advisors (insurance brokers). Nordisk Fondservice AB has concluded cooperation agreements with about 800 insurance brokers across all of Sweden on the distribution of its products. Today, Sweden has about 1,200 insurance brokers.

Nordisk Fondservice AB uses a specially developed and innovative IT platform to manage its relations with customers, insurance brokers and alliance partners. The IT platform materially supports the growth scenario of the company.

## Notes (continued)

### 54 Information on business combinations (continued)

Amounts recognised at acquisition date (DKK'000):	Steffen Rønn Fondsmæglerselskab A/S		Dansk O.T.C. Fondsmæglerselskab A/S	
	Value before business combination	Value at date of acquisition	Value before business combination	Value at date of acquisition
Cash and demand deposits with central banks .....	0	0	0	0
Receivables from credit institutions and central banks .....	3,450	3,450	11,795	11,795
Loans, advances and other receivables at amortised cost .....	0	0	0	0
Bonds at fair value .....	0	0	0	0
Shares, etc. ....	21,622	21,622	4,170	4,170
Investments in Group enterprises .....	0	0	0	0
Goodwill .....	0	93,345	0	41,866
Other intangible assets .....	0	27,698	0	38,956
Property, plant and equipment .....	424	424	453	453
Current tax assets .....	583	583	245	245
Deferred tax assets .....	0	0	0	0
Other assets .....	1,727	1,727	9,135	9,135
Prepayments .....	94	94	0	0
Payables to credit institutions and central banks .....	0	0	0	0
Deposits and other payables .....	0	0	2,739	2,739
Current tax liabilities .....	0	0	0	0
Other liabilities .....	2,018	2,018	7,113	7,113
Deferred income .....	1	1	0	0
Provisions .....	6	6,931	17	9,756
<b>Total acquisition price .....</b>		<b>139,993</b>		<b>87,012</b>

#### Steffen Rønn Fondsmæglerselskab A/S:

Steffen Rønn Fondsmæglerselskab A/S manages assets for Danish investors with cash assets exceeding DKK 25m. Steffen Rønn Fondsmæglerselskab A/S focuses on equity investments. Steffen Rønn Fondsmæglerselskab A/S has an attractive customer portfolio. Steffen Rønn Fondsmæglerselskab A/S disposes of a number of distinctive profiles within asset management who specialise in equity investments.

#### Dansk O.T.C. Fondsmæglerselskab A/S:

Dansk O.T.C. carries out both wealth planning and discretionary asset management activities for its customers. The integration of Dansk O.T.C. into the Capinordic Group is therefore estimated to provide great potential for synergies with the Group's other business activities. Particularly the activities within wealth management for affluent private individuals and corporate finance activities related to companies traded on the OTC list are estimated to provide a substantial synergy potential.

#### Bio Fund Management Oy:

Bio Fund Management Oy is the portfolio manager of a number of life science venture funds. Through these venture funds, Bio Fund has invested in 47 companies, mainly in the Nordic countries, but also in the rest of Europe and North America. The acquisition of Bio Fund will make Capinordic a notable provider of life science investment products. Future collaboration with the other Group subsidiaries will enable Bio Fund to expand its existing business substantially, and the existing subsidiaries of the Group will be able to offer investments in the attractive life sciences market.

Bio Fund Management Oy has been acquired with effect from 27 February 2008. Accordingly, it has not been possible to complete the cost price allocation for Bio Fund Management Oy before publication of the Annual Report.

# Company information



## COMPANY

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E-mail: [info@capinordic.com](mailto:info@capinordic.com)  
Central Business Register No.: 13 25 53 42  
Date of foundation: 1 July 1989  
Registered office: Gentofte, Denmark

## SUPERVISORY BOARD

Claus Ørskov, Chairman  
Lars Öjjer, Deputy Chairman  
Erik Damgaard Nielsen  
Ole Vagner  
Eiríkur S. Jóhannsson

## EXECUTIVE BOARD

Lasse Lindblad CEO

## AUDIT

PricewaterhouseCoopers  
Statsautoriseret Revisionsaktieselskab  
Strandvejen 44  
2900 Hellerup  
Denmark

## FINANCIAL CALENDAR 2008

2007 Annual Report	28 March 2008
Annual General Meeting	17 April 2008
Q1 Interim Financial Report	20 May 2008
H1 Interim Financial Report	26 August 2008
Q3 Interim Financial Report	25 November 2008

# Management of Capinordic A/S

The Supervisory Board of Capinordic A/S is elected for one year at a time at the Company's Annual General Meeting. The Company will hold its next Annual General Meeting on 17 April 2008. The current members of the Supervisory Board are:

- Claus Ørskov, Chairman
- Lars Öijer, Deputy Chairman
- Erik Damgaard Nielsen
- Ole Vagner
- Eiríkur S. Jóhannsson



## Supervisory Board



Claus Ørskov

### Claus Ørskov, Attorney, Chairman

Member of the Supervisory Board since 15 March 2005.

#### PROFILE

Claus Ørskov is an attorney entitled to appear before the Danish Supreme Court. He is a partner of the law firm of Cubus Advokaterne Advokatanpartsselskab.

#### Management functions

MEMBER OF THE SUPERVISORY BOARDS OF:

- Aktieselskabet af 01.09.1979
- Aktieselskabet Hemiba
- Aktieselskabet Nordsjællands Ejendoms- Aktie- Fonds- og Finansieringsselskab
- Capee Holding Danmark A/S
- CHA Furniture A/S
- FB 40 ApS
- Foreningen Capinordic Europæiske Ejendomme F.M.B.A.
- Hafnia Property Holding A/S
- ITH Finans A/S
- HTI Import og Handel A/S
- ITH Træindustri A/S
- Investerings-aktieselskabet Ryba
- Iris og Henry Englands Fond
- Irlund Invest A/S
- Irlund Invest II ApS

- Københavns Investeringsejendomme A/S
- Main Road Invest A/S
- Oskar Jensen Ejendomme Holding A/S
- Oskar Jensen Gruppen A/S
- Puget-Vergie A/S
- Renewagy A/S
- Scandinavian Securities A/S
- UIC A/S

OTHER POSITIONS:

- Cubus Advokaterne Advokatanpartsselskab, partner
- Jocer Invest ApS, CEO
- Aktieselskabet Nordsjællands Ejendoms- Aktie- Fonds- og Finansieringsselskab, CEO
- Investerings-aktieselskabet Ryba, CEO
- Aktieselskabet Hemiba, CEO
- Irlund Invest A/S, CEO
- Irlund Invest II ApS, CEO
- NH 31 ApS, CEO



Lars Öijer

### Lars Öijer, Deputy Chairman

Member of the Supervisory Board since 9 August 2005.

## PROFILE

Lars Öjjer is a graduate of economics and business administration and has had a long career in the financial sector in Sweden. He is a member of the supervisory boards of several Swedish companies.

## Management functions

MEMBER OF THE SUPERVISORY BOARDS OF:

- Helsingborgs Idrottsförening
- HIF Support AB
- HIF Service AB
- HIF Shoppen AB
- IP Olympia AB
- SGF Golfsystem AB
- Vasatorp Golfklubb
- Vasatorps Golf AB
- Öresundskraft Energi Trading AB



Erik Damgaard Nielsen

## Erik Damgaard Nielsen

Member of the Supervisory Board since 9 August 2005.

## PROFILE

Erik Damgaard Nielsen is an engineer with a professional background from the IT sector where he participated in the development of the ERP system Navision, which was subsequently sold to Microsoft. He is now focusing on the development of the investment company Erik Damgaard Porteføljeinvest A/S.

## Management functions

MEMBER OF THE SUPERVISORY BOARDS OF:

- 7N A/S
- Adept Water Technologies A/S
- AFI A/S
- Atenno A/S
- Berlin Invest ApS
- Cantobank A/S
- Chemometec A/S
- Clazseille Strasse ApS
- Comflex A/S
- Damgaard Company A/S
- Damgaard Company II A/S
- Damgaard Group A/S
- ED Equity Partner A/S
- ED Project Partner A/S
- Ejendomsselskabet af 16. november 2005 ApS
- Erik Damgaard Porteføljeinvest A/S

- Euroinvestor.com A/S
- Eurotrust A/S
- Finansselskabet af 11. oktober 2006 ApS
- Firstline Estate A/S
- Greentech Energy Systems A/S
- Interface Biotech A/S
- International Power Switch ApS
- Invest B 2 B A/S
- Investeringselskabet af 16.10.2006 A/S
- Investeringselskabet Tyskland A/S
- Jobikon A/S
- K/S Eriksfält
- Milbak Møllelaug VI I/S
- Milbak Møllelaug VII I/S
- Milbak Møllelaug VIII I/S
- Milbak Møllelaug IX I/S
- Milbak Møllelaug X I/S
- Notabene.net B2B A/S
- Notabene.net Danmark A/S
- Ooppelstrup Møllelaug I I/S
- Ooppelstrup Møllelaug II I/S
- Ooppelstrup Møllelaug IV I/S
- Ooppelstrup Møllelaug V I/S
- Ooppelstrup Møllelaug VI I/S
- Ooppelstrup Møllelaug VII I/S
- Ooppelstrup Møllelaug VIII I/S
- Ooppelstrup Møllelaug IX I/S
- Ooppelstrup Møllelaug XI I/S
- Ooppelstrup Møllelaug XII I/S
- Porteføljeselskabet Kgs. Nytorv A/S
- Rialto Finans ApS
- Scandinavian Senior Open A/S
- Sigimundsstrasse ApS
- Strasse Invest ApS

OTHER POSITIONS:

- ED Equity Partner A/S, CEO
- ED Project Partner A/S, CEO
- Ejendomsanpartsselskabet Gurrehus, CEO
- Ejendomsselskabet Oktanten ApS, CEO
- Erik Damgaard Porteføljeinvest A/S, CEO
- Firkanten Invest ApS, CEO
- Fredtofte Hestestutteri ApS, CEO
- German Properties ApS, CEO
- HeDa Invest ApS, CEO
- Marie-Louise Damgaard Invest ApS, CEO
- Porteføljeselskabet Kgs. Nytorv A/S, CEO
- Porteføljeselskabet I Kgs. Nytorv ApS, CEO
- Porteføljeselskabet II Kgs. Nytorv ApS, CEO
- Porteføljeselskabet I Strandvejen ApS, CEO
- Porteføljeselskabet II Strandvejen ApS, CEO
- Rossini ApS, CEO
- Scandinavian Senior Open A/S, CEO
- Sebastian Damgaard Invest ApS, CEO
- VEI 3 ApS, CEO



Ole Vagner

## Ole Vagner

Member of the Supervisory Board since 20 June 2006.

### PROFILE

Ole Vagner has had a comprehensive career in the financial sector, including the position of Bank Manager of the SJL-Banken/Almindelig Brand Bank. In addition, he is the founder and former Group CEO of Keops A/S. Keops A/S was sold to Landic Property A/S in 2007.

### Management functions

MEMBER OF THE SUPERVISORY BOARDS OF:

- Center Syd A/S
- Domino Norrköping A/S
- Handels- og Investeringsselskabet Hegedal A/S
- HFI Holding A/S
- HFI-Invest A/S
- Højhuset Mørkhøj A/S
- Kefren A/S
- K/S Alekærsgatan 4-6, Göteborg, Sverige
- K/S Boligejendomme Fyn, etape 2
- K/S Butikspark Holbæk (H)
- K/S Hørkær 17-19, Herlev
- K/S Odense, Middelfart, Nyborg
- K/S Tysk Ejendomsinvest XII
- K/S Tysk Ejendomsinvest XXIII
- K/S Tysk Ejendomsinvest IX
- Lomax A/S
- NCom A/S
- Tellusborgvågen Holding A/S
- Timotejen Holding A/S

OTHER POSITIONS:

- Alekærsgatan 4-6, 2002 ApS, CEO
- B1 ApS, CEO
- B2 ApS, CEO
- B3 ApS, CEO
- Boligejendomme Fyn, Etape 2, 2003 ApS, CEO
- Butikspark (H), 1996 ApS, CEO
- Ejendomsobligationsselskabet ApS, CEO
- Handels- og Investeringsselskabet Hegedal ApS, CEO
- Hegedal ApS, CEO
- HFI Holding A/S, CEO
- HFI-Invest A/S, CEO
- Hørkær 17-19, 1998 ApS, CEO
- Kefren A/S, CEO
- K/S Obligationsinvest, CEO
- Lomax Holding ApS, CEO
- NCap ApS, CEO
- NCom A/S, CEO
- Odense, Middelfart, Nyborg 2003 ApS, CEO

- Tysk Ejendomsadministration IX ApS, CEO
- Tysk Ejendomsadministration XII ApS, CEO
- Tysk Ejendomsadministration XXIII ApS, CEO
- Tysk Ejendomsadministration XXIX ApS, CEO
- Vagner 1 ApS, CEO
- Vagner 2 ApS, CEO
- Vagner 3 ApS, CEO
- Vagner Holding ApS, CEO
- Vagner Invest ApS, CEO



Eiríkur S. Jóhannsson

## Eiríkur S. Jóhannsson

Member of the Supervisory Board since 20 June 2006.

### PROFILE

Eiríkur S. Jóhannsson is an economist and is the current Managing Director of the Property & Investments Division of the Baugur Group. He is widely experienced in the financial sector and is a former member of the supervisory board of Íslandsbanki and Regional Manager of Landsbanki Íslands, Co-Op Manager at KEA, CEO of Kaldbakur hf. (2002-2004) and CEO of Dagsbrun hf. (2005).

### Management functions

MEMBER OF THE SUPERVISORY BOARDS OF:

- A-Holding ehf.
- Atlas Ejendom A/S
- Atlas II A/S
- Baugur Invest ehf.
- BG Aviation ehf.
- BG Capital ehf.
- BG Danmark ApS
- BGE Eignarhaldsfélag ehf.
- BG Equity 1 ehf.
- BG Fasteignir ehf.
- BG Holding ehf.
- Glitnir Bank hf.
- Heir ehf.
- Immo-Croissance Sivac Luxembourg
- Kaldbakur hf.
- Landic Property A/S
- Landic Property hf.
- Litá ehf.
- Samherji hf.

OTHER POSITIONS:

- Baugur Group hf., Managing Director
- Litá ehf., CEO



## Executive Board



Lasse Lindblad CEO

### Lasse Lindblad CEO

Following a change in the group of shareholders in 2004, Lasse Lindblad took up his position as CEO of Capinordic and headed the subsequent reorganisation of the Group.

#### PROFILE

Lasse Lindblad is a graduate of financing and accounting and has comprehensive business experience from the financial sector, including the positions of CEO of the Group's subsidiary Unitfond AB, which is a 'fund-of-funds' pension manager, and CEO of Samson Børsmæglerselskab A/S.

He has also been the CEO of a number of companies, including the listed company BioPorto A/S and Aqua Wall A/S, which was awarded the 2001 Gazelle prize of the Danish finance daily, Børsen, for rapid growth.

#### Management functions

MEMBER OF THE SUPERVISORY BOARDS OF:

- DKA Consult A/S
- Engholm A/S
- FMT A/S

## Senior executives



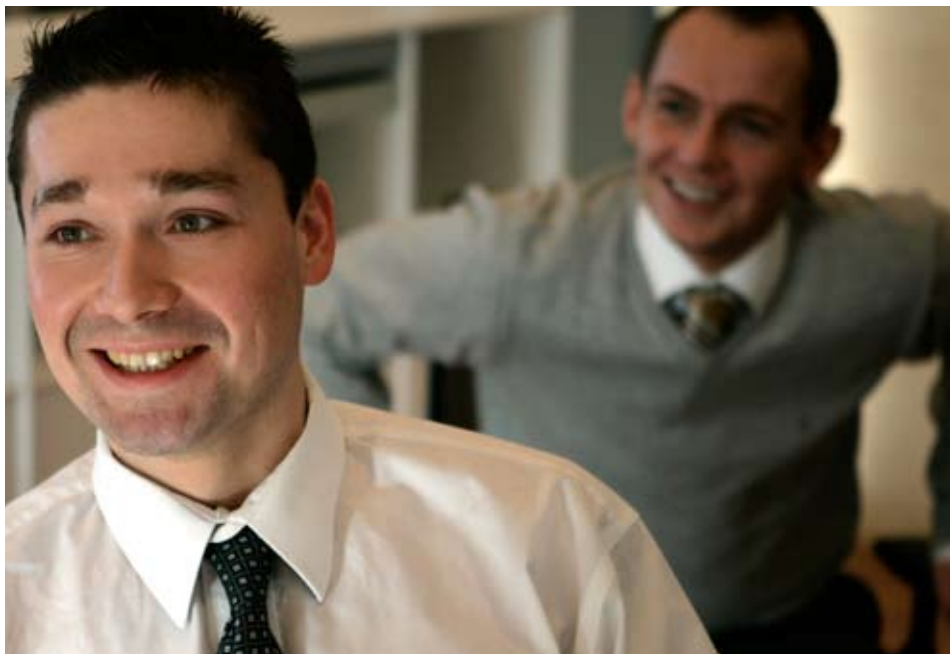
Brian Steffensen, CFO



Katrine Hoff Schlichtkrull, Chief Communications and IR Officer



# Address list and contacts



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Fax: +45 8816 3003  
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www.capinordic.com

Central Business Register No.: 13255342  
VAT No.: DK13255342  
Registered office: Gentofte

Lasse Lindblad, CEO

Investor relations, PR and communications:  
Katrine Hoff Schlichtkrull  
Chief Communications and IR Officer  
katrine.hoff@capinordic.com

Accounts, administration and bookkeeping:  
Brian Steffensen, CFO  
brian.steffensen@capinordic.com

## **CAPINORDIC BANK A/S**

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www.capinordicbank.dk

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Henrik Juul, CEO

## **CAPINORDIC PROPERTY MANAGEMENT A/S**

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www.capinordicpropertymanagement.dk

Central Business Register No.: 28866410  
VAT No.: DK28866410  
Registered office: Virum

Michael Secher, CEO

## **CAPINORDIC ASSET MANAGEMENT AB**

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info@capinordic-am.se  
www.capinordic-am.se

Company Register No.: 556704-6395  
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Joakim Oscarsson, CEO

## **MONETAR PENSIONS FÖRVALTNING AB**

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info@monetar.se  
www.monetar.se

Registered office: Stockholm County, Stockholm Municipality

Johan Holmsved, CEO

#### **NORDISK FONDSERVICE AB**

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www.fondservice.se

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Registered office: Västerbotten County, Umeå Municipality

Thomas Fjällström, CEO

#### **UNITFOND AB**

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Fax: +46 (0)42 24 15 44  
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www.monetar.se

Company Register No.: 556427-7118  
VAT No.: SE556427711801  
Registered office: Skåne County, Hålsingborg Municipality

Thomas Fjällström, CEO

#### **DANSK O.T.C. FONDSMÆGLERSELSKAB A/S**

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Fax: +45 7562 9511  
danskotc@danskotc.dk  
www.danskotc.dk

Central Business Register No.: 10508649  
VAT No.: DK10508649  
Registered office: Horsens

Steen Aabo, CEO

#### **STEFFEN RØNN FONDSMÆGLERSELSKAB A/S**

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Tel.: +45 5577 7000  
Fax: +45 5577 7097  
www.sr.dk

Central Business Register No.: 27460798  
VAT No.: DK27460798  
Registered office: Copenhagen

Steffen Rønn, CEO

#### **BIO FUND MANAGEMENT OY**

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www.biofund.fi

Company Register No.: FI 10886191  
VAT No.: FI 10886191-1  
Registered office: Helsinki

Seppo Mäkinen, CEO

#### **AKTIE- & VALUTAINVEST APS**

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Fax: +45 3929 2503

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Lasse Lindblad, CEO

#### **CSV INVEST APS**

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2900 Hellerup  
Denmark  
Tel.: +45 3929 2500  
Fax: +45 3929 2503

Central Business Register No.: 19029441  
VAT No.: DK19029441  
Registered office: Gentofte

Lasse Lindblad, CEO

# Shares and options held by Management



SHAREHOLDINGS			
Name	Beginning of 2007	Transactions (including issues)	Year-end 2007
<b>Supervisory Board</b>			
Claus Ørskov	442,950	0	442,950
Lars Öjjer	0	0	0
Erik Damgaard Nielsen	5,458,200	2,668,724	8,126,924
Eiríkur S. Jóhannsson	0	0	0
Ole Vagner	3,950,000	4,815,700	8,765,700
<b>Executive Board</b>			
Lasse Lindblad	5,611,787	1,000,000	6,611,787

OPTIONS	
Name	Number of options
<b>Supervisory Board</b>	
Claus Ørskov	100,000
Lars Öjjer	100,000
Erik Damgaard Nielsen	100,000
Eiríkur S. Jóhannsson	0
Ole Vagner	0
<b>Executive Board</b>	
Lasse Lindblad	202,250

## Company announcements published in 2007

2007-12-28	Major shareholder announcements: Notice from major shareholder pursuant to section 29 of the Securities Trading Act
2007-12-28	Major shareholder announcements: Notice from major shareholder pursuant to section 29 of the Securities Trading Act
2007-12-21	Prospectuses/Announcement of prospectuses: Prospectus
2007-12-20	Prospectuses/Announcement of prospectuses: Announcement of prospectus
2007-12-06	Articles of Association
2007-11-26	Insider transactions: Reporting of insider transactions in shares issued by Capinordic A/S
2007-11-23	Major shareholder announcements: Notice from HFI-Invest A/S regarding purchase of shares from NCap ApS
2007-11-23	Major shareholder announcements: Notice from NCap ApS regarding sale of shares to HFI-Invest A/S
2007-11-20	Financial calendar for the year 2008
2007-11-20	Q3 2007 Interim Financial Report
2007-11-20	Company announcements: Capinordic A/S implements share option programme
2007-11-12	Company announcements: Capinordic A/S acquires Bio Fund Management Oy – one of the leading Nordic managers within the life sciences
2007-10-26	Insider transactions: Reporting of insider transactions in shares issued by Capinordic A/S
2007-10-25	Articles of Association
2007-10-25	Changes in share capital and voting rights: Capital increases registered with the Danish Commerce and Companies Agency
2007-10-12	Company announcements: Final acquisition of Dansk O.T.C. and Dansk AMP
2007-10-11	Company announcements: Final acquisition of Steffen Rønn Fondsmæglerselskab A/S
2007-09-03	Major shareholder announcements: CORRECTION: Notice from major shareholder pursuant to section 29 of the Securities Trading Act (Keops A/S)
2007-08-28	H1 2007 Interim Financial Report
2007-08-09	Articles of Association
2007-08-09	Changes in share capital and voting rights: Admission of shares to trading in connection with acquisition of Nordisk Fondservice AB
2007-08-07	Company announcements: Acquisition of Nordisk Fondservice AB is final. At the same time, the supervisory boards of the Swedish subsidiaries of Capinordic A/S are changed
2007-08-02	Articles of Association
2007-08-02	Insider transactions: Report of insider transactions in shares issued by Capinordic A/S
2007-08-02	Changes in share capital and voting rights: Capital increase registered with the Danish Commerce and Companies Agency
2007-07-23	Prospectuses/Announcement of prospectuses: Prospectus
2007-07-20	Prospectuses/Announcement of prospectuses: Announcement of prospectus
2007-07-13	Major shareholder announcements: Notice from major shareholder (DKA Consult ApS) with reference to section 21 of the Executive Order on Major Shareholders
2007-07-11	Major shareholder announcements: Notice from major shareholder (Synerco ApS) with reference to section 21 of the Executive Order on Major Shareholders
2007-07-11	Major shareholder announcements: Notice from major shareholder (Erik Damgaard Porteføljinvest A/S) with reference to section 21 of the Executive Order on Major Shareholders
2007-07-11	Major shareholder announcements: Notice from major shareholder pursuant to section 29 of the Securities Trading Act
2007-07-11	Major shareholder announcements: Notice from NCap ApS
2007-07-11	Insider transactions: Reporting of insider transactions in shares issued by Capinordic A/S
2007-07-11	Insider transactions: Reporting of insider transactions in shares issued by Capinordic A/S
2007-07-11	Insider transactions: Reporting of insider transactions in shares issued by Capinordic A/S
2007-07-10	Company announcements: Keops A/S reduces its ownership interest in Capinordic A/S
2007-06-28	Articles of Association
2007-06-28	Major shareholder announcements: Reporting of major shareholding in Capinordic A/S
2007-06-26	Changes in share capital and voting rights: Capital increases registered with the Danish Commerce and Companies Agency
2007-06-25	Company announcements: Capinordic A/S acquires Steffen Rønn Fondsmæglerselskab A/S
2007-06-15	Major shareholder announcements: Reporting of shareholding in Euroinvestor.com A/S
2007-06-11	Major shareholder announcements: Reporting of standard form 1, of the Executive Order on Major Shareholders
2007-06-11	Management/auditor changes: Re-designation of Capinordic A/S executives
2007-06-01	Changes in share capital and voting rights: Notification of voting rights and total share capital of Capinordic A/S
2007-05-24	Company announcements: Final acquisition of Aktie- & Valutainvest ApS
2007-05-22	Q1 2007 Interim Financial Report
2007-05-11	Articles of Association
2007-05-07	Company announcements: Capinordic A/S acquires Nordisk Fondservice AB – the fastest growing Swedish manager of "fondforsikringer" (unit-linked insurance plans)
2007-04-23	Company announcements: Capital increases with total proceeds of DKK 472m, DKK 390m of which is cash, and acquisition of Aktie- & Valutainvest ApS
2007-04-20	Minutes of Annual General Meeting: Agenda and proceedings
2007-04-12	2006 Annual Report
2007-04-04	Calls for general meetings: Agenda and complete proposals
2007-03-22	Company announcements: Capinordic A/S conditional purchase agreement on acquisition of Dansk O.T.C. and Dansk AMP
2007-03-20	Changes in share capital and voting rights: Capinordic A/S implements direct placement of shares against cash payment
2007-03-20	Preliminary announcement of 2006 financial statements
2007-02-12	Announcement in connection with admission of shares to trading
2007-02-07	Articles of Association
2007-02-05	Capital increase is registered with the Danish Commerce and Companies Agency
2007-01-30	Expected merger between Capinordic Bank and Proviso Fondsmæglerselskab A/S
2007-01-26	Capinordic Fonder AB – licence to operate asset management company
2007-01-18	Acquisition of Monetar Pensionsforvaltning AGB is final

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