

NASDAQ OMX Copenhagen A/S
The Luxembourg Stock Exchange
SIX Swiss Exchange AG
The Press

6 February 2009

Company release 6/2009 – FIH Financial Report 2008

- **Net profit for the year of DKK 184 million**
- **Satisfactory net interest and fee income in the FIH Group**
- **Negative market value adjustments in 2008**
- **Large writedowns in the FIH Group og DKK 494 million**

Profit for the year

The net profit for the year 2008 is DKK 184 million, or DKK 939 million lower than in 2007. The profit before taxation is DKK 208 million, or DKK 1,068 million below the 2007 figure.

FIH and the situation in the financial sector

In early October 2008, FIH's parent company, Kaupthing Bank, was put into administration by the Icelandic government. Since then, the Icelandic owners have been attempting to sell FIH, but this has not been possible in the current financial climate.

FIH is "ring fenced" in relation to Kaupthing; therefore, FIH has not suffered any losses as a result of the Icelandic crisis and the collapse of Kaupthing, nor has FIH any direct or indirect Icelandic risks on its books.

In response to the collapse of Kaupthing and the current financial market situation, FIH decided, in early January 2009, to refocus its business strategy to concentrate on its core business, i.e. lending to corporate customers, and two advisory-based business units: Corporate Finance (FIH PARTNERS) and Financial Solutions (advice on strategic risk management and liability management). Consequently, FIH has shut down the business areas Equity Trading and Research and Wealth Management. FIH's staff and support functions have also been resized to the new business strategy, thereby reducing employee numbers by 94 positions, or 21 per cent. FIH now has 358 employees.

As will appear below, earnings from FIH's net interest income are satisfactory. Following the refocusing of its business strategy, FIH will be well placed to meet the challenges ahead in 2009.

FIH | ERHVERVSBANK

FIH ERHVERVSBANK A/S | Langelinie Allé 43 | DK-2100 Copenhagen
Tel +45 72 22 50 00 | Fax +45 72 22 50 01 | CVR 17 02 93 12 | www.fih.dk | fih@fih.dk

FIH applied for membership of the Private Contingency Association in autumn 2008 and is thus covered by the government guarantee scheme (Bank Package I), which has had an overall positive impact on the funding situation. As far as Bank Package II is concerned, FIH will no later than June decide whether or not to take advantage of the opportunity to receive government funds.

Activities

Net interest income from the Bank's lending activities in 2008 is quite satisfactory. During the last couple of months of 2008, the funding situation stabilised, positively impacting net interest income. Total loans outstanding, including investment properties, are at a satisfactory level, totalling DKK 74 billion at year-end 2008 relative to DKK 76 billion a year earlier. Like the rest of the financial sector, FIH is affected by higher writedowns.

In 2008, FIH PARTNERS A/S (Investment Banking) completed a total of 14 transactions at a total value of DKK 116 billion and recorded satisfactory earnings – despite a difficult market situation. Demand for FIH PARTNERS' products has changed in response to financial market developments. In 2009, restructuring, mergers and other structural transactions are likely to come more to the fore.

The earnings of FIH Capital Markets from interest rate instruments, balance sheet management products and other products targeting the Bank's loan customers were satisfactory in 2008. Commission income from shares, in particular, fell short of expectations, however, prompting FIH to refocus activities on its core business as described earlier.

Moreover, market value adjustments of the Bank's own holdings are affected by the financial market turbulence, entailing that market value adjustments are significantly lower than in previous years.

FIH's accounting policies are consistent with those applied for the previous year. FIH has decided not to apply the amendment to IAS 39 on reclassification of certain financial instruments from fair value measurement to amortised cost.

At year-end 2008, FIH has drawn a total of DKK 11.9 billion under the DKK 15 billion credit facility agreed with ATP when FIH Kapital Bank was established in Q1 2007. The setting up of FIH Kapital Bank provides great flexibility for FIH in terms of liquidity and continues to prove its worth in the current financial market situation. At the turn of the year, FIH's liquidity position is sound, with liquid assets of DKK 15.8 billion.

On 1 April 2008, FIH launched online banking services, specialising in deposits from retail customers – and from the beginning of the New Year 2009 also deposits from corporate customers – FIH Netbank Pro. In just nine months, FIH has achieved deposits of DKK 1,886 million and FIH expects to see continued growth in this customer segment.

Highlights

Income statement, DKK million	2008	2007	2006*	2005	2004
Net interest and fee income	1,510	1,385	1,098	993	903
Market value adjustments	-54	510	508	87	55
Other operating income	96	86	89	98	67
Profit on net financials	1,552	1,981	1,695	1,178	1,025
Staff costs and administrative expenses	727	701	498	275	216
Depreciation	59	37	42	17	15
Other operating expenses	82	3	0	0	0
Writedowns of loans and receivables, etc.	494	-19	-17	-10	-27
Profit/loss on investments in group enterprises and associates	18	17	6	-6	45
Profit before taxation	208	1,276	1,178	890	866
Taxation	24	153	243	178	246
Net profit for the year	184	1,123	935	712	620
Allocation of net profit					
FIH's shareholders	184	1,094	959	712	620
Minority interests	0	29	-24	0	0
Loans	72,615	75,015	67,579	58,988	53,087
Total equity	7,809	7,777	6,736	5,791	4,991
Total assets	122,125	113,357	95,998	81,285	65,910

*) Comparative figures for 2006 have been restated to reflect the merger between FI-Holding A/S and FIH Erhvervsbank A/S (continuing company).

Ratios	2008	2007	2006*	2005	2004
Capital base relative to minimum capital adequacy requirement	281.0	282.4	216.6	195.5	174.6
Solvency ratio, per cent	11.9	11.5	10.0	10.6	11.6
Core capital ratio, per cent	8.8	8.4	8.3	8.4	8.9
Return on equity before taxation	2.7	17.6	18.9	16.5	14.1
Return on equity after taxation	2.4	15.5	15.0	13.2	10.1
Income/cost ratio	1.15	2.77	3.25	4.2	5.3
Interest rate risk	0.1	4.0	5.2	4.9	2.3
Foreign exchange position	4.8	9.0	6.0	2.3	4.7
Foreign exchange risk	0.1	0.1	0.1	0.1	0.1
Loans as a percentage of deposits	2.3	7.1	10.3	17.5	36.5
Gearing of loans	9.3	9.6	10.1	10.2	10.6
Growth in loans for the year, per cent	-3.2	11.0	14.6	11.1	-4.8
Excess cover relative to statutory liquidity requirements	10.4	36.7	95.0	93.5	29.4
Total amount of large exposures	157.4	155.7	276.8	321.3	356.2
Impairment ratio	0.7	0.0	0.0	0.0	0.0

*) Comparative figures for 2006 have been restated to reflect the merger between FI-Holding A/S and FIH Erhvervsbank A/S (continuing company).

** Please refer to page 8 for a description of the solvency ratio calculation.

Net interest and fee income

Net interest and fee income for the period amount to DKK 1,510.0 million, up 9 per cent on the 2007 figure.

Interest income from loans and other receivables increased by 17 per cent to DKK 4,825.6 million. The increase is attributable mainly to a higher average interest rate on the loan portfolio in combination with a higher average loan portfolio than in 2007.

Interest on bonds is DKK 1,100.8 million, up from DKK 790.8 million in 2007. The increase in interest income from bonds is attributable mainly to larger bond holdings compared with last year.

Interest on derivative financial instruments, mainly interest income and interest expenses linked to swaps, amounts to DKK 21.9 million relative to DKK 25.6 million in 2007. FIH uses swaps to hedge interest rate risks in its general interest rate risk management and in customer transactions.

Interest income increased by a total of DKK 735.8 million to DKK 6,144.8 million relative to 2007.

Interest expenses increased by a total of DKK 568.9 million to DKK 4,859 million compared with 2007.

Fees and commission income declined by DKK 53.9 million to a total of DKK 250.9 million relative to last year. The fall is driven mainly by a decline in fee earnings from Investment Banking.

DKK million	2008	2007
Net interest and fee income		
Interest income:		
Due from credit institutions and central banks	190.2	458.6
Loans and other receivables	4,821.1	4,126.8
Contributions	4.5	5.7
Bonds	1,100.8	790.8
Derivative financial instruments	21.9	25.6
Other interest income	6.3	1.5
Total interest income	6,144.8	5,409.0
Interest expenses:		
Credit institutions and central banks	1,506.6	690.1
Deposits and other debt	1,046.9	633.6
Bonds issued	2,153.7	2,824.8
Subordinated debt	149.5	125.6
Other interest expenses	2.3	16.0
Total interest expenses	4,859.0	4,290.1
Net interest income	1,285.8	1,118.9
Dividends from shares, etc.	10.8	9.4
Fee and commission income	250.9	304.8
Fees and commissions paid	37.5	48.2
Net interest and fee income	1,510.0	1,384.9
Average interest-bearing assets and liabilities		
Interest-bearing assets	100,377	100,117
Interest-bearing liabilities	97,225	96,079
Average interest rate, per cent p.a.		
Total interest income/interest-bearing assets	6.1 %	5.4 %
Total interest expenses/interest-bearing liabilities	5.0 %	4.5 %
Average interest margin	1.1 %	0.9 %
Net interest income/interest-bearing assets	1.5 %	1.1 %
Loans – average interest		
Interest income on loans, etc.	4,826	4,133
Average loan balance before impairment	74,218	72,062
Average interest rate on loans	6.5 %	5.7 %

Market value adjustments

The market value adjustment is a negative DKK 53.5 million, compared with a positive adjustment of DKK 510.0 million in 2007.

The market value adjustment of mortgage loans is DKK 3.7 million, which is cancelled out by corresponding income under market value adjustment of mortgage bonds issued. The market value adjustment of loans, etc., at DKK 447.8 million, relates to loans hedged by financial instruments. The market value adjustment of bonds is DKK 447.8 million against a negative DKK 234.3 million in 2007. The market value adjustment of shares is DKK 18.9 million against DKK 632.3 million in 2007, while the market value adjustment of foreign currencies is a negative DKK

39.7 million relative to a negative DKK 6.0 million in 2007.

Investment properties (operating leasing) are fair value adjusted by DKK 8.3 million, which amount is roughly equivalent to the repayment portion of the lease payment recognised under the item "Other operating income". There is a negative market value adjustment of derivative financial instruments totalling DKK 429.3 million. Bonds issued refer to mortgage bonds issued as well as bonds issued and hedged using financial instruments. The market value adjustment is a negative DKK 511.0 million.

DKK million	2008	2007
Market value adjustments		
Mortgage loans	3.7	-14.4
Loans and other receivables at fair value	447.8	-246.7
Bonds	447.8	-234.3
Shares, etc.	18.9	632.2
Investment properties	8.3	-33.5
Foreign currency	-39.7	-6.0
Derivative financial instruments	-429.3	363.3
Bonds issued	-511.0	49.4
Total market value adjustments	-53.5	510.0

The market value adjustment of shares is set out in the table below.

DKK million	2008	2007
Market value adjustment of shares		
Unrealised market value adjustment	28.1	301.0
Realised market value adjustment	-9.2	331.2
Total market value adjustment of shares	18.9	632.2

Other operating income Other operating income totals DKK 95.7 million against DKK 85.9 million in 2007.

Expenses Expenses are up by DKK 126.2 million to a total of DKK 867.6 million. The average number of employees is 396, up from 335 in 2007.

DKK million	2008	2007
Expenses		
Staff costs and administrative expenses	726.8	700.3
Depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	58.5	37.7
Other operating expenses	82.3	3.4
Total	867.6	741.4

Losses and writedowns Writedowns amount to DKK 494.4 million, up DKK 513.8 million on the 2007 figure.

New writedowns total DKK 583.4 million in 2008, compared with DKK 87.4 million in 2007. In 2008, writedowns of DKK 86.0 million were reversed, DKK 15.5 million less than in 2007. In addition, DKK 3.0 million was received on claims previously written off, taking net writedowns to DKK 494.4 million.

Net losses recognised for the year are DKK 217.5 million against DKK 47.4 million in 2007.

DKK million	2008	2007
Loans and guarantees, individual writedowns		
Writedowns, beginning of year	201.4	253.5
Reversal of previous writedowns	86.0	101.5
Writedowns during the period	548.1	102.2
Losses recorded	220.5	52.8
Individual writedowns, end of year	443.0	201.4
Loans and guarantees, collective writedowns		
Writedowns, beginning of year	15.6	30.4
Reversal of previous writedowns	0.0	0.0
Writedowns during the period	35.3	-14.8
Collective impairments, end of year	50.9	15.6
Loans and guaranties, total writedowns		
Writedowns, beginning of year	217.0	283.9
Reversal of previous writedowns	86.0	101.5
Writedowns during the period	583.4	87.4
Losses recorded	220.5	52.8
Total writedowns, end of year	493.9	217.0
The total of loans and guarantee debtors with objective evidence of impairment before writedown	1,779.8	597.0
The total of loans and guarantee debtors with objective evidence of impairment after writedown	1,285.9	380.0
Accumulated writedowns of loans and guarantee debtors as a percentage of loans and guarantees, end of year	0.6 %	0.3 %
Losses and writedowns of debtors as a percentage of loans and guarantees, end of year	0.6 %	0.0 %
Net losses recorded as a percentage of the writedown balance, beginning of year	100.2 %	16.7 %

Balance sheet

Total loans, including investment properties, are down by DKK 2,378 million, equivalent to 3.1 per cent since the beginning of the year, to a total of DKK 73,767 million.

Bond holdings amount to DKK 29,296 million, relative to DKK 13,639 million at year-end 2007.

Holdings of shares and investments in associates total DKK 1,332 million, compared with DKK 1,017 million at year-end 2007.

Bonds issued amount to DKK 32,681 million, relative to DKK 53,632 million at year-end 2007.

DKK million	2008	2007
Funding		
Due to credit institutions and central banks	36,306	31,864
Deposits and other debt	32,091	10,533
Bonds issued	32,152	53,015
Mortgage bonds issued	529	617

Equity and solvency

The Group's equity is DKK 7.8 billion at year-end 2008, including the profit for the period to which subordinated debt in the amount of DKK 3.0 billion can be added. Accordingly, the Bank's capital base (liable capital) is DKK 10.8 billion.

At year-end 2008, the Group's solvency ratio is 11.9 per cent, while the core capital ratio is 8.8. The 2008 solvency ratio has been calculated using the Standardised Approach under the new Basel II Accord; thus the ratio is not directly comparable with historical solvency figures, but is largely the same for 2008, as it would have been using the previous method.

At year-end 2007, the corresponding figures were 11.5 per cent and 8.4 per cent, respectively.

Basel II

FIH Erhvervsbank reports solvency ratios for credit risk in accordance with the provisions of Executive Order on Capital Adequacy, the Standardised Approach, under Pillar I. The Standardised Approach is also applied to market risk, while the Standard Indicator Method is applied to operational risk. The use of method is unchanged relative to Q3 2008. In addition, parallel reporting of solvency ratios in relation to credit risk is done to the Danish Financial Supervisory Authority using the Internal Ratings-based Approach (Foundation).

Credit risk

For all exposures, a review of individual exposures is conducted at least once a year. As part of this review, new financial information is examined and ratings are updated, among other things.

Monitoring of credit exposures is undertaken centrally based on FIH's credit system, which contains all material information on the size and utilisation of expo-

asures, collateral provided and estimated realisable value, etc.

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

Rating models are used in conjunction with individual credit ratings of customers. Corporate customers are rated using the Corporate Rating Model. The rating scale of the Corporate Rating Model goes from 1 to 12, 12 being the best rating. The model also calculates the probability (PD) that, within the next 12 months, the individual customer will not be able to meet his financial obligations towards FIH. Public institutions, etc., are assigned the rating of 13. The model calculates the probability that the individual customer will not be able to meet his financial obligations towards FIH in accordance with the Basel II rules (i.e. will default on his financial obligations). A debtor's exposures are in default if they have been in arrears for more than 90 days, or if FIH believes that it is unlikely that the debtor will pay off all of his financial obligations without FIH's intervention, e.g. in the form of realisation of collateral or guarantees.

The Corporate portfolio is distributed as follows on the rating scale. Rating D represents customers in default.

Ratings 7-13 correspond to investment grade as defined by the credit rating agencies, while ratings 4-6 are below investment grade, representing the BB rating category and being of acceptable credit quality. Ratings 1-3 include weaker customers, corresponding to the single B segment of the credit rating agencies. These customer relationships are followed closely. Rating 0 covers the weakest and most risky customers, corresponding to the C-CCC segment of the credit rating agencies.

In 2008, particularly in H2 2008, the credit quality of the loan portfolio has shown a negative trend, with increasing average default probabilities and a rise in the number of defaults.

Market risk

Market risk is the risk of loss arising from adverse changes in the market value of the Bank's assets, liabilities and off-balance-sheet items. Market risk includes interest rate, foreign exchange and equity risk.

The market risk of the Bank's total balance sheet (including the market risk not included in the trading portfolio), calculated as the Value-at-Risk of interest rate, foreign exchange and equity risks, is DKK 20 million at the end of December 2008.

Value-at-Risk adopts a portfolio approach in the calculation of market risk for financial assets. Thus, in the calculation of asset risk, allowance is made not only for the standard deviation, but also for the inter-correlation of assets. Using Value-at-Risk, it is possible to summarise, in a single figure expressed in DKK, the total risk of the Bank's balance sheet. FIH's Value-at-Risk is calculated at 99-per-cent

probability and at a one-day horizon. Thus FIH, at 99-per-cent probability, does not expect to lose more than the figure indicated by the Value-at-Risk model on any given day.

Funding and liquidity

FIH's large holdings of cash and cash equivalents at the beginning of the year and the DKK 15 billion ATP facility have been key success factors in a trying year for banks and financial institutions. Thanks to the cash holdings, cash equivalents, and the ATP facility, FIH has been able to conduct business more or less as usual with its core customers, although it has been necessary to raise interest rates on loans.

FIH's membership of the Private Contingency Association means that, in practice, all of FIH's senior debt and deposits are guaranteed by the Danish Government until 30 September 2010 (Bank Package I). Since FIH became a member of the Private Contingency Association, the Bank has seen a significant increase in deposits. At year-end 2008 and the beginning of 2009, Moody's and S&P have given AAA ratings to the Danish guarantee scheme, meaning that, from 2009, FIH once again has access to the important international funding markets.

FIH has not had access to raise funding under the EMTN programme in 2008. Instead, FIH has utilised other instruments in the international capital market, such as private placements, bilateral loans and loan approvals. This policy will be adapted, allowing for Bank Package II, which was adopted on 3 February 2009. Over the next few years, particular focus will be attached to growing the deposit base, thus ensuring that, in future, an increasing portion of total loans outstanding are financed by deposits.

Return on equity

At year-end 2008, the return on equity before taxation is 2.7 per cent p.a., relative to 17.6 per cent p.a. a year earlier. The return on equity after taxation is 2.4 per cent p.a. at year-end 2008, relative to 15.5 per cent a year earlier.

Additional remarks

The financial statements have been audited.

No special uncertainties have affected recognition and measurement in the financial statements. At an extraordinary board meeting, held on 8 January 2009, the Board of Directors resolved to refocus the Company's activities and reduce the number of employees with a view to adapting the Company's business activities to the current market situation. In 2009, the refocusing is expected to reduce income by about DKK 30 million, while lowering expenses by about DKK 180 million. In addition, non-recurring expenses related to the restructuring, DKK 80 million, will be charged to the income statement in 2009. The 2008 results will not be affected by the restructuring.

*Expectations for FIH's
results for the full-year
2009*

The net profit for the year 2008 of DKK 184 million is lower than the previously announced earnings expectations of DKK 250-300 million, the reason being a need for further writedowns.

For 2009, profit in the order of DKK 1 billion is expected before writedowns and taxation. Much uncertainty prevails as to writedowns for 2009. At the time of reporting, writedowns of about DKK 400 million are expected. Under the assumption of writedowns of approximately DKK 400 million, the net profit for the year will be in the order of DKK 400-500 million, not including potential government contribution payments.

Copenhagen 6 February 2009 at 4:30 p.m.

On behalf of the Board of Directors

Hans Skov Christensen
Chairman

For additional information please contact
Lars Johansen, Managing Director and CEO. Telephone +45 7222 5000

Appendices

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

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today presented and adopted the annual report of FIH Erhvervsbank A/S for the financial year 1 January to 31 December 2008.

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

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

We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Group's and the Bank's financial position at 31 December 2008 and of the financial performance of Group and the Bank and the cash flows of the Group for the financial year 1 January to 31 December 2008.

Copenhagen 6 February 2009

EXECUTIVE BOARD

Lars Johansen	Henrik Sjøgreen	
Managing Director and CEO	Managing Director	/Kenneth Retbøll-Bauer

BOARD OF DIRECTORS

Hans Skov Christensen
(Chairman)

Guðni Niels Aðalsteinsson	Ragnar Árnason	Hans Ejvind Hansen	Svend-Aage Nielsen
Jørgen Vorsholt	Per Erlandsen Brun	Jørgen Bruun-Toft	Randi Holm Franke

HIGHLIGHTS FOR THE FIH GROUP

Income statement, DKK million	Q4 2008	Year 2008	Q4 2007	Year 2007
Net interest and fee income	355	1,510	339	1,385
Market value adjustments	-18	-54	37	510
Other operating income	26	96	22	86
Profit on net financials	363	1,552	398	1,981
Expenses and depreciation	294	868	218	744
Writedowns of loans and receivables, etc.	424	494	-22	-19
Profit/loss from associates and group enterprises	-15	18	0	17
Profit before taxation	-370	208	202	1,276
Taxation	-83	24	-35	153
Profit after taxation	-287	184	237	1,123
Allocation of net profit				
FIH's shareholders	-287	184	236	1,094
Minority interests	0	0	1	29

Balance sheet, DKK million	31/12 2008	31/12 2007
Cash in hand	5,694	5,013
Bonds	29,296	13,639
Shares, etc.	1,332	1,017
Loans	72,615	75,015
Other assets	13,189	18,673
Total assets	122,125	113,357
Deposits	32,091	10,533
Bond debt and due to credit institutions	68,987	85,496
Other liabilities	9,825	6,217
Provisions for commitments	386	323
Subordinated debt	3,027	3,011
Shareholders' equity	7,809	7,750
Minority interests	0	27
Total equity	7,809	7,777
Total liabilities	122,125	113,357
Ratios		
Return on equity before taxation, p.a.	2.7	17.6
Return on equity after taxation, p.a.	2.4	15.5

INCOME STATEMENT FOR THE FIH GROUP

DKK million	Note	Q4 2008	Year 2008	Q4 2007	Year 2007
Interest income	2	1,619.2	6,144.8	1,455.2	5,409.0
Interest expenses	3	1,303.7	4,859.0	1,153.6	4,290.1
Net interest income		315.5	1,285.8	301.6	1,118.9
Dividends from shares, etc.		0.0	10.8	0.0	9.4
Fee and commission income		47.1	250.9	47.1	304.8
Fees and commissions paid		7.6	37.5	9.2	48.2
Net interest and fee income		355.0	1,510.0	339.5	1,384.9
Market value adjustments	4	-17.7	-53.5	36.5	510.0
Other operating income		25.8	95.7	22.3	85.9
Staff costs and administrative expenses	5	190.5	726.8	206.5	700.3
Depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets		22.3	58.5	9.1	37.7
Other operating expenses		81.3	82.3	2.7	3.4
Writedowns of loans and receivables, etc.	6	423.7	494.4	-22.0	-19.4
Profit from investments in group enterprises and associates		-14.8	17.6	0.0	17.4
Profit before taxation		-369.5	207.9	202.0	1,276.2
Taxation		-83.0	23.9	-34.7	152.9
Net profit for the year		-286.5	184.0	236.7	1,123.3
Allocation of net profit					
FIH's shareholders		-286.4	184.1	236.0	1,094.5
Minority interests		-0.1	-0.1	0.7	28.8

BALANCE SHEET FOR THE FIH GROUP

DKK million	Note	31/12 2008	31/12 2007
ASSETS			
Cash in hand and demand deposits with central banks		485.0	308.7
Debt instruments eligible for refinancing with central banks		3,197.4	0.0
Due from credit institutions and central banks		2,011.3	4,704.3
Loans and other receivables at fair value	7	550.2	643.5
Loans and other receivables at amortised cost	7	72,064.3	74,371.7
Bonds at fair value		29,295.7	13,639.3
Shares, etc.		1,250.7	943.1
Investments in associates		80.8	73.4
Intangible assets		44.5	46.7
Land and buildings:			
Investment properties		1,152.4	1,129.8
Domicile properties		4.0	1.9
Other tangible assets		15.3	25.7
Current tax assets		52.1	191.9
Other assets		11,855.2	17,199.7
Prepayments		65.8	76.8
Total assets		122,124.6	113,356.5
LIABILITIES			
Debt			
Due to credit institutions and central banks		36,306.2	31,863.7
Deposits and other debt		32,091.1	10,533.3
Bonds issued at amortised cost	8	32,151.7	53,015.2
Bonds issued at fair value	8	529.2	616.9
Current tax liabilities		0.0	0.0
Other liabilities		9,809.9	6,198.7
Accruals and deferred income		13.8	18.5
Total debt		110,901.9	102,246.3
Provisions for commitments			
Provisions for pensions and similar commitments		3.4	3.2
Provisions for deferred taxes		338.3	314.6
Provisions for losses on guarantees		44.5	5.0
Total provisions for liabilities		386.2	322.8
Subordinated debt	9	3,027.2	3,010.6
Shareholders' equity interest		7,809.2	7,750.1
Minority interests		0.1	26.7
Total equity		7,809.3	7,776.8
Total liabilities		122,124.6	113,356.5
Off-balance-sheet items			
Guaranties, etc.	10	4,449.1	2,837.5
Other contingent liabilities	10	4,633.3	11,356.9
Total off-balance-sheet items		9,082.4	14,194.4

STATEMENT OF CHANGES IN EQUITY FOR THE FIH GROUP

DKK million	2008	2007
Equity, beginning of year	7,750.1	6,697.2
Net profit for the year	184.0	1,123.3
Merger-related additions	0.0	0.1
Share option plan	-1.9	1.1
Revaluation, domicile property	0.4	0.5
Total comprehensive income	182.5	1,125.0
Dividends distributed	0.0	0.0
Adjustments, minority interests	-123.5	-43.3
Minority interests	0.1	-28.8
Total changes in equity	59.1	1,052.9
Total shareholders' equity, end of year	7,809.2	7,750.1
Minority interests' share of equity, beginning of year	26.7	39.3
Minority interests' share of dividends	0.0	-28.3
Disposal/addition, minority interests	-26.5	-13.1
Minority interests' share of net profit	-0.1	28.8
Total minority interests' share of equity, end of year	0.1	26.7
Total equity, end of year	7,809.3	7,776.8
Specification of changes in equity:		
Share capital, beginning of year	513.6	513.6
Share capital, end of year	513.6	513.6
Revaluation reserve property, beginning of year	1.0	0.5
Revaluation for the year	0.4	0.5
Revaluation reserve property, end of year	1.4	1.0
Share option plan, beginning of year	1.9	0.8
Changes for the year	-1.9	1.1
Share option plan, end of year	0.0	1.9
Net revaluation reserve according to the equity method, beginning of year	0.0	0.0
Transferred	13.3	0.0
Other disposals, transferred to retained earnings	0.2	0.0
Net revaluation reserve according to the equity method, end of year	13.5	0.0
Retained earnings, beginning of year	7,233.6	6,182.3
Transferred	170.7	1,123.3
Merger-related additions	0.0	0.1
Other additions, transferred from net revaluation reserve according to the equity method	-0.2	0.0
Adjustments of minority interests	-123.5	-43.3
Minority interests' share of net profit	0.1	-28.8
Retained earnings, end of year	7,280.7	7,233.6
Total shareholders' equity interest, end of year	7,809.2	7,750.1
Minority interests' share of equity, beginning of year	26.7	39.3
Minority interests' share of dividends	0.0	-28.3
Disposal/addition, minority interests	-26.5	-13.1
Minority interests' share of net profit	-0.1	28.8
Total minority interests' share of equity, end of year	0.1	26.7
Total equity, end of year	7,809.3	7,776.8

CASH FLOW STATEMENT FOR THE FIH GROUP

DKK million	2008	2007
Cash flow from operating activities		
Interest received	5,780.1	5,404.1
Interest paid	-5,499.4	-3,782.7
Fees received and paid	224.2	266.0
Expenses paid	-830.0	-731.7
Other operating income	95.8	85.2
Received on claims previously written off	42.5	-12.5
Loans disbursed	-23,339.9	-27,805.0
Repayments on loans	25,034.9	19,489.5
Securities, purchase	-20,552.7	-11,778.6
Securities, sale	114.8	1,026.1
Dividends from shares and equity investments	2.7	70.4
Taxes paid	143.2	-471.6
Total	-18,783.8	-18,240.8
Cash flow from investing activities		
Net investment property, plant and equipment as well as intangible assets	-13.4	-59.9
Sundry assets	12,610.9	3,262.1
Total cash flow from investing activities	12,597.5	3,202.2
Cash flow from financing activities		
New bank loans and bonds	23,750.6	75,837.4
Repayments on bank loans and bonds	-39,178.3	-62,918.6
Change in short-term funding	21,631.8	3,983.1
New subordinated debt	0.0	1,487.1
Repayment on subordinated debt	-150.0	-17.9
Adjustments, minority interests	-123.3	-69.6
Changes of minority interests	-26.6	-12.6
Sundry liabilities	-404.0	-3,225.5
Total cash flow from financing activities	5,500.2	15,063.4
Total cash flow	-686.1	24.8
Cash and cash equivalents, beginning of year	6,813.0	6,895.2
Value adjustments of cash	-321.7	-107.0
Cash and cash equivalents, end of year	5,805.2	6,813.0
Cash and cash equivalents, end of year		
Cash in hand and demand deposits with central banks, etc.	3,682.4	308.7
Due from credit institutions, etc.	2,011.3	4,704.3
Bonds, etc.	111.5	1,800.0
Cash and cash equivalents, end of year	5,805.2	6,813.0
Bonds		
Up to 12 months	1,024.3	2,184.6
More than 12 months	28,271.4	11,454.7
Total	29,295.7	13,639.3

QUARTERLY INCOME STATEMENT FOR THE FIH GROUP

	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Interest income	1,619.1	1,583.3	1,474.5	1,467.8	1,455.2	1,412.6	1,321.2	1,220.0
Interest expenses	1,303.7	1,241.6	1,157.8	1,155.9	1,153.6	1,129.7	1,063.7	943.1
Net interest income	315.4	341.7	316.7	311.9	301.6	282.9	257.5	276.9
Dividends from shares, etc.	0.0	0.4	10.1	0.3	0.0	0.1	9.3	0.0
Fee and commission income	47.1	66.2	56.2	81.4	47.1	154.4	61.6	41.7
Fees and commissions paid	7.6	12.1	9.9	7.9	9.2	9.0	15.1	14.9
Net interest and fee income	355.0	396.2	373.1	385.7	339.5	428.4	313.3	303.7
Market value adjustments	-17.7	-46.2	32.9	-22.5	36.5	30.8	230.1	212.6
Other operating income	25.8	26.4	19.5	24.1	22.3	22.3	19.9	21.4
Staff costs and administrative expenses	190.5	177.4	179.8	179.1	206.5	195.8	152.3	145.7
Depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	22.3	11.7	15.4	9.2	9.1	10.5	8.1	10.0
Other operating expenses	81.3	0.0	0.0	0.9	2.7	0.2	0.4	0.1
Writedowns of loans and receivables, etc.	423.7	43.0	40.9	-13.2	-22.0	12.6	-14.2	4.2
Profit from investments in group enterprises and associates	-14.8	14.7	9.8	7.9	0.0	15.0	-2.8	5.2
Profit before taxation	-369.5	159.0	199.2	219.2	202.0	277.4	413.9	382.9
Taxation	-83.0	49.8	34.2	22.9	-34.7	35.2	43.2	109.3
Net profit for the year	-286.5	109.2	165.0	196.3	236.7	242.2	370.7	273.6
Allocation of net profit								
FIH's shareholders	-286.4	109.2	165.0	196.3	236.0	217.8	368.4	272.2
Minority interests	-0.1	0.0	0.0	0.0	0.7	24.4	2.3	1.4

Accounting policies

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU. The consolidated financial statements are also presented in accordance with the additional Danish disclosure requirements of the Copenhagen Stock Exchange for financial institutions with listed debt instruments and the IFRS Executive Order on financial institutions issued under the Danish Financial Business Act (lov om finansiel virksomhed). The annual report of the parent company is presented in accordance with the Danish Financial Business Act, including Executive Order on the Presentation of Financial Statements by Credit Institutions and Investment Firms, etc. (Executive Order on the Presentation of Financial Statements). The rules regarding recognition and measurement in the Parent Company comply with IFRS – except for measurement of group enterprises and associates at equity value where IFRS prescribes measurement at cost or fair value. The annual report is also presented in accordance with the additional Danish disclosure requirements of the Copenhagen Stock Exchange for financial institutions with listed debt instruments and the Danish Financial Business Act. The accounting policies applied are consistent with those applied in Annual Report 2007. Please refer to Annual Report 2008 for a detailed description of the accounting policies applied.

Related parties:

All related-party transactions are conducted on an arm's length basis or on a cost recovery basis.

NOTES FOR THE FIH GROUP

Note 1 – Segment information

Segment financial statements base don the primary activities of the FIH Group are presented below

2008 (DKK million)	Corporate Banking	SME	Property Finance	Structured Finance	Private Equity	Investment Banking	Capital Markets	Other activities	Group Total
Income statement									
Net interest and fee income	258.2	375.8	289.7	481.9	-45.8	139.3	119.1	-108.2	1,510.0
Market value adjustments	-63.0	11.5	12.0	0.0	47.3	0.0	163.6	-224.9	-53.5
Other operating income	5.9	2.2	3.8	0.8	0.0	0.0	0.0	83.0	95.7
Writedowns and losses on loans and other re- ceivables, etc.	11.8	314.5	102.5	15.4	0.0	0.0	0.0	50.2	494.4
Operating costs	27.5	176.6	95.9	32.9	2.6	92.3	286.2	153.5	867.5
Profit/loss on equity investments	0.0	0.0	0.0	0.0	17.6	0.0	0.0	0.0	17.6
Profit before taxation	161.7	-101.6	107.1	434.4	16.5	47.0	-3.5	-453.8	207.9
Tax	41.5	-21.9	27.4	111.3	-29.4	12.1	-0.9	-116.2	23.9
Net profit for the year	120.3	-79.7	79.7	323.1	45.9	34.9	-2.6	-337.6	184.0
Allocation of net profit for the year									
FIH's shareholders									184.1
Minority interests									-0.1
Balance sheet									
Loans	15,637.4	19,766.0	20,367.8	16,761.5	0.0	0.0	24.6	57.3	72,614.6
Bonds	1,018.5	0.0	0.0	0.0	0.0	0.0	5,551.2	22,726.0	29,295.7
Shares	0.0	0.0	0.0	0.0	0.0	0.0	44.1	1,206.6	1,250.7
Investments in associates	0.0	0.0	0.0	0.0	80.8	0.0	0.0	0.0	80.8
Other assets, etc.	573.1	44.8	113.2	211.2	0.0	0.0	2,571.9	15,368.6	18,882.9
Total assets	17,229.0	19,810.8	20,481.0	16,972.7	80.8	0.0	8,191.8	39,358.5	122,124.6

The Private Equity segment is in charge of the Group's investment activities related to private equities.

No internal rate of interest applies between segments and no liabilities are allocated to the segments, as only margins are recognised as income by the individual business areas.

Geographical distribution	The rest			Total
	Denmark	of Europe	Other	
Net interest and fee income	1,124.6	379.9	8.5	1,510.0

Note 1 – continued

Segment financial statements base don the primary activities of the FIH Group are presented below

2007 (DKK million)	Corporate Banking	SME	Property Finance	Structured Finance	Private Equity	Investment Banking	Capital Markets	Other activities	Group Total
Income statement									
Net interest and fee income	264.1	371.0	269.0	408.9	-41.1	191.4	25.7	-104.1	1,384.9
Market value adjustments	-6.2	5.1	4.3	0.0	631.8	0.0	127.3	-252.3	510.0
Other operating income	7.7	2.5	4.7	1.0	0.0	0.0	0.0	70.0	85.9
Writedowns and losses on loans and other re- ceivables, etc.	-0.6	-13.6	-0.3	-4.9	0.0	0.0	0.0	0.0	-19.4
Operating costs	30.7	169.8	81.9	28.6	3.1	93.0	291.0	43.3	741.4
Profit/loss on equity investments	0.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	17.4
Profit before taxation	235.5	222.4	196.4	386.2	605.0	98.4	-138.1	-329.7	1,276.2
Tax	48.9	46.0	40.8	80.1	13.4	20.5	-28.7	-68.1	152.9
Net profit for the year	186.6	176.4	155.6	306.1	591.6	77.9	-109.3	-261.6	1,123.3
Allocation of net profit for the year									
FIH's shareholders									1,094,5
Minority interests									28,8
Balance sheet									
Loans	17,838.3	20,751.5	20,267.6	16,100.7	0.0	0.0	24.9	32.3	75,015.3
Bonds	1,383.4	0.0	0.0	0.0	0.0	0.0	207.7	12,048.2	13,639.3
Shares	0.0	0.0	0.0	0.0	906.9	0.0	36.2	0.0	943.1
Investments in associ- ates	0.0	0.0	0.0	0.0	73.4	0.0	0.0	0.0	73.4
Other assets, etc.	576.8	44.2	109.3	211.7	0.0	0.0	2,571.9	20,171.5	23,685.4
Total assets	19,798.5	20,795.7	20,376.9	16,312.4	980.3	0.0	2,840.7	32,252.0	113,356.5

The Private Equity segment is in charge of the Group's investment activities related to private equities.

No internal rate of interest applies between segments and no liabilities are allocated to the segments, as only margins are recognised as income by the individual business areas.

Geographical distribution	The rest			Total
	Denmark	of Europe	Other	
Net interest and fee income	948.4	431.0	5.5	1,384.9

DKK million	2008	2007
Note 2 – Interest income:		
Due from credit institutions and central banks	148.9	361.3
Reverse repurchase transactions	41.3	97.3
Loans and other receivables	4,821.1	4,126.8
Contributions	4.5	5.7
Bonds	1,100.8	790.8
Total derivative financial instruments	21.9	25.6
Other interest income	6.3	1.5
Total interest income	6,144.8	5,409.0
Note 3 – Interest expenses:		
Credit institutions and central banks	1,434.2	648.5
Repurchase transactions (repos)	72.4	41.6
Deposits and other debt	1,046.9	633.6
Bonds issued	2,153.7	2,824.8
Subordinated debt	149.5	125.6
Other interest expenses	2.3	16.0
Total interest expenses	4,859.0	4,290.1
Note 4 – Market value adjustments		
Mortgage loans	3.7	-14.4
Other loans and receivables at amortised cost, hedging	447.8	-246.7
Bonds	447.8	-234.3
Shares, etc.	18.9	632.2
Investment properties	8.3	-33.5
Foreign currency	-39.7	-6.0
Derivative financial instruments	-566.5	105.5
Derivative financial instruments used for hedging	137.2	257.8
Bonds issued	22.5	21.2
Bonds issued – hedged	-533.5	28.2
Total market value adjustments	-53.5	510.0
Note 5 – Staff costs and administrative expenses		
Salaries and remuneration of Board of Directors and Executive Board	20.6	23.2
Staff costs:		
Salaries	365.0	384.6
Pensions	24.6	19.3
Social security costs	33.5	33.0
Share-based payments	14.7	15.6
Total	437.8	452.5
Other administrative expenses	268.4	224.6
Total staff costs and administrative expenses	726.8	700.3

Share and option plans

Employee shares

In February 2005, FIH launched a share plan for all employees. The shares were allocated in proportion to salaries and will be held in trust until and including 2010.

Option plans

Plan 1

In 2004, FIH Erhvervsbank A/S launched a share option plan for a broad group of employees. The options were allocated over a period of three years, with three tranches of a nominal value of DKK 6 million. Allocations were made individually for each employee in 2004, 2005 and 2006. Tranche 1 was converted in 2008. The options of tranche 2 can be executed in 2009–2010, while the options of tranche 3 can be executed in 2010.

Note 5 - Continued

Plan 2

A supplementary plan was launched in 2006 for employees subsequently hired by the Group. Options under this plan are allocated over a three-year period in the form of three tranches of a nominal value of DKK 1.6 million. Options were allocated individually for each employee in 2006, 2007 and 2008. Options may be exercised in the following way: tranche 1 may be converted during the years 2010–2012, tranche 2 during the years 2011–2012 and tranche 3 in the year 2012.

Kaupthing Bank hf. launched an option plan for all employees of the Kaupthing Bank Group in 2005. This plan covers the period 2005–2009 and includes 3.9 million options, all of which were allocated in 2005. Option holders may exercise up to one-third of the options allocated during the period 20 January – 25 February in each of the years 2007, 2008 and 2009. The options entitle their holders to purchase shares in Kaupthing Bank hf. at a fixed price of ISK 600 per share, equivalent to the market price at the time of allocation.

At year-end 2006, Kaupthing Bank hf. launched a supplementary option plan for employees subsequently hired by the Group. This plan covers the period 2006–2010 and includes 0.6 million options, all of which were allocated in 2006. Option holders may exercise up to one-third of the options allocated during the period 20 January – 20 February in each of the years 2008, 2009 and 2010. The options entitle their holders to purchase shares in Kaupthing Bank hf. at a fixed price of ISK 840 per share, equivalent to the market price at the time of allocation. The options are measured at fair value at the time of allocation and the value is accrued as payroll costs over the period until February 2009.

In 2008, DKK 0.7 million has been charged to the income statement and DKK 2.7 million has been recognised under equity. Due to the very severe financial problems of Kaupthing, the options are not believed to have any value and it would make no sense to undertake an actual valuation of the option value. Accordingly, no valuation has been made.

DKK million	2008	2007
Note 6 – Writedowns of loans and other receivables, etc.		
Loans and guarantees, individual writedowns		
Writedowns, beginning of year	201.4	253.5
Reversal of previous writedowns	86.0	101.5
Writedowns during the period	548.1	102.2
Losses recorded	220.5	52.8
Individual writedowns, end of year	443.0	201.4
Loans and guarantees, collective writedowns		
Writedowns, beginning of year	15.6	30.4
Reversal of previous writedowns	0.0	0.0
Writedowns during the period	35.3	-14.8
Collective writedowns, end of year	50.9	15.6
Loans and guarantees, total writedown		
Writedowns, beginning of year	217.0	283.9
Reversal of previous writedowns	86.0	101.5
Writedowns during the period	583.4	87.4
Losses recorded	220.5	52.8
Total writedowns, end of year	493.9	217.0
Recognised writedowns		
Reversal of previous writedowns	86.0	101.5
Writedowns during the period	583.4	87.4
Received on loans and guarantees previously written off	3.0	5.3
Total recognised writedowns	494.4	-19.4

DKK million	2008	2007
Note 6 – continued		
Total loans and guarantee debtors for which an objective indication for impairment has occurred before writedown	1,779.8	597.0
Total loans and guarantee debtors for which an objective indication for impairment has occurred after writedown	1,285.9	380.0
Accumulated writedowns of loans and guarantee debtors, as a percentage of loans and guarantees, end of year	0.6 %	0.3 %
Losses and writedowns of receivables as a percentage of loans and guarantees, end of year	0.6 %	0.0 %
Net losses recorded, as a percentage of the writedown balance, beginning of year	100.2 %	16.7 %
Note 7 – Loans		
Mortgage loans	550.2	643.5
Other loans	72,064.3	74,371.7
Total loans	72,614.5	75,015.2
Note 8 – Bonds issued		
Other bonds at amortised value	32,151.7	53,015.2
Mortgage bonds at fair value	529.2	616.9
Total bonds issued	32,680.9	53,632.1
<p>FIH bought back own issues totalling DKK 992.9 million in 2008. These buy-backs generated income under market value adjustments of DKK 43.5 million in 2008.</p>		
Note 9 – Subordinated debt		
4.80 % JPY 10-bn 31.03.2032	752.5	546.8
Var. % EUR 30-m 03.08.2009	227.8	229.5
Var. % EUR 178-m 26.03.2013	1,301.8	1,488.6
Var. % EUR 100-m 22.09.2012	745.1	745.7
Total subordinated debt	3,027.2	3,010.6
Subordinated debt that may be included in the calculation of the capital base	2,703.1	2,798.6
<p>FIH bought back subordinated debt totalling DKK 186.2 million in 2008. These buy-backs generated income under market value adjustments of DKK 36.2 million in 2008.</p>		
Note 10 – Off-balance-sheet items		
Guarantees, etc.		
Financial guarantees	763.4	1,094.1
Guarantees against losses for mortgage loans	3,571.1	1,444.1
Other guarantees	114.6	299.3
Total guarantees, etc.	4,449.1	2,837.5
Other contingent liabilities		
Irrevocable loan commitments	3,097.1	10,696.3
Other liabilities	1,536.2	660.6
Total other contingent liabilities	4,633.3	11,356.9

Assets pledged as collateral

FIH has deposited bonds with Danmarks Nationalbank (central bank) and VP Securities Services totalling DKK 28,453.6 million in connection with clearing and settlement, etc. (2007: DKK 15,606.0 million).

As far as repurchase transactions are concerned, i.e. sale of securities for which an agreement is simultaneously entered into for repurchase at a later date, the securities concerned will remain in the balance sheet and the amounts received will be recognised as amounts due to credit institutions. Securities in the form of repurchase transactions are treated as assets pledged as collateral for liabilities. At year-end 2008, these securities totalled DKK 0.0 million. In addition, FIH has pledged cash and bonds as collateral for exposures totalling DKK 2,273.4 million.

INCOME STATEMENT FOR FIH ERHVERVSBANK A/S

DKK million	Note	Q4 2008	2008	Q4 2007	2007
Interest income	1	1,378.0	5,539.7	1,398.5	5,197.2
Interest expenses	2	1,131.5	4,506.6	1,155.6	4,300.9
Net interest income		246.5	1.033.1	242.9	896.3
Dividends from shares, etc.		0.0	1.3	0.0	9.4
Fee and commission income		22.5	113.1	29.1	129.5
Fees and commissions paid		6.3	27.1	6.7	43.2
Net interest and fee income		262.7	1.120.5	265.3	992.0
Market value adjustments	3	68.1	-170.1	-67.3	-102.1
Other operating income		45.7	175.7	39.5	156.7
Staff costs and administrative expenses	4	176.7	665.8	193.0	622.7
Depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets		22.2	58.2	9.1	37.5
Other operating expenses		68.1	68.1	0.0	0.0
Writedowns of loans and receivables, etc.		338.7	394.0	-17.3	-11.3
Profit from investments in group enterprises and associates		-77.0	173.1	199.1	764.7
Profit before taxation		-306.2	113.0	251.8	1.162.4
Taxation		-35.8	-6.9	15.8	68.0
Net profit for the year		-270.4	119.9	236.0	1.094.4

BALANCE SHEET FOR FIH EHVERVSBANK A/S

DKK million	Note	31/12 2008	31/12 2007
ASSETS			
Cash in hand and demand deposits with central banks		485.0	308.7
Debt instruments eligible for refinancing with central banks		3,197.4	0.0
Due from credit institutions and central banks		3,670.7	18,078.5
Loans and other receivables at amortised cost	5	58,782.6	60,992.6
Bonds at fair value		27,801.1	11,739.7
Shares, etc.		55.7	90.2
Investments in associates		25.6	63.3
Investments in group enterprises		4,315.5	4,001.2
Intangible assets		42.3	46.7
Investment properties		1,152.4	1,129.8
Domicile properties		4.0	1.9
Other tangible assets		14.6	25.5
Current tax assets		51.2	124.9
Other assets		11,679.8	17,001.7
Prepayments		42.4	50.0
Total assets		111,320.4	113,654.7
LIABILITIES			
Debt			
Due to credit institutions and central banks		37,053.0	31,941.6
Deposits and other debt		21,195.3	11,483.2
Bonds issued at amortised cost	6	32,151.7	53,015.2
Current tax liabilities		0.0	0.0
Other liabilities		9,550.4	6,018.1
Accruals and deferred income		12.6	17.0
Total debt		99,962.9	102,475.1
Provisions for commitments			
Provisions for pensions and similar commitments		3.4	3.2
Provisions for deferred tax		302.5	287.0
Provisions for losses on guarantees		57.0	29.7
Total provisions for liabilities		362.9	319.9
Subordinated debt	7	3,027.2	3,010.6
Total equity	8	7,967.4	7,849.1
Total liabilities		111,320.4	113,654.7
Off-balance-sheet items			
Guarantees, etc.	9	4,817.7	3,115.1
Other contingent liabilities	9	3,504.1	10,564.6
Total off-balance-sheet items		8,321.8	13,679.7

Ratios	2008	2007	2006	2005	2004
Capital base relative to minimum capital adequacy requirement	286.6	284.3	217.7	195.5	174.6
Solvency ration, per cent	14.0	12.9	10.1	10.7	11.8
Core capital ratio, per cent	10.5	9.5	8.4	8.5	9.1
Return on equity before taxation	1.4	15.9	19.1	16.4	13.6
Return on equity after taxation	1.5	15.0	15.3	13.2	10.1
Income/cost ratio	1.10	2.70	3.61	4.18	4.62
Interest rate risk	-0.4	3.8	5.1	5.1	2.5
Foreign exchange position	14.3	8.4	5.9	3.6	5.2
Foreign exchange risk	0.0	0.1	0.1	0.1	0.1
Loans and writedowns of loans relative to deposits	2.8	5.3	9.2	14.8	34.5
Gearing of loans	7.4	7.7	9.9	10.0	10.1
Growth in loans for the year	-3.6	-8.7	15.6	15.0	-3.1
Excess cover relative to statutory liquidity requirements	6.9	18.0	71.0	90.4	17.6
Total amount of large exposures	122.5	124.4	275.4	320.0	341.4
Impairment ratio	0.7	0.3	0.4	0.5	1.3

STATEMENT OF CHANGES IN EQUITY FOR FIH ERHVERVS BANK A/S

DKK million	31/12/2008	31/12/2007
Equity, beginning of year	7,849.1	6,752.9
Net profit for the year	119.9	1,094.4
Merger-related additions	0.0	0.1
Share option plan	-2.0	1.2
Revaluation, domicile property	0.4	0.5
Total comprehensive income	118.3	1,096.2
Dividends distributed	0.0	0.0
Total changes in equity	118.3	1,096.2
Total shareholders equity, end of year	7,967.4	7,849.1
SPECIFICATION OF CHANGES IN EQUITY		
Share capital, beginning of year	513.6	513.6
Share capital, end of year	513.6	513.6
Share option plan, beginning of year	2.0	0.8
Changes for the year	-2.0	1.2
Share option plan, end of year	0.0	2.0
Revaluation reserve property, beginning of year	1.0	0.5
Changes for the year	0.4	0.5
Revaluation reserve property, end of year	1.4	1.0
Net revaluation reserve according to the equity method, beginning of year	245.0	1.9
Transferred	168.7	367.0
Merger-related additions	0.0	0.1
Other disposals, transferred to retained earnings	-0.6	-124.0
Net revaluation reserve according to the equity method, end of year	413.1	245.0
Retained earnings, beginning of year	7,087.5	6,236.1
Dividends	0.0	0.0
Transferred	-48.8	727.4
Other additions, transferred from net revaluation reserve according to the equity method	0.6	124.0
Retained earnings, end of year	7,039.3	7,087.5
Total equity, end of year	7,967.4	7,849.1

NOTES FOR FIH ERHVERVSBANK A/S

DKK million	2008	2007
Note 1 – Interest income		
Due from credit institutions and central banks	513.3	958.9
Reverse transactions	41.3	97.3
Loans and other receivables	3,949.8	3,402.0
Bonds	1,032.8	713.9
Total derivative financial instruments	-0.4	24.1
Other interest income	2.9	1.0
Total interest income	5,539.7	5,197.2
Note 2 – Interest expenses		
Credit institutions and central banks	1,465.4	673.0
Repurchase transactions (repos)	72.4	41.6
Deposits and other debt	693.3	656.1
Bonds issued	2,124.9	2,788.1
Subordinated debt	149.5	125.6
Other interest expenses	1.1	16.5
Total interest expenses	4,506.6	4,300.9
Note 3 – Market value adjustments		
Other loans and receivables at amortised cost	244.3	-217.6
Bonds	418.3	-236.4
Shares, etc.	-24.8	21.4
Investment properties	8.3	-33.5
Foreign currency	-4.9	-3.6
Derivative financial instruments	-556.9	105.5
Derivative financial instruments used for hedging	223.4	227.2
Bonds issued	26.4	6.7
Bonds issued - hedged	-504.2	28.2
Total market value adjustments	-170.1	-102.1
In Q3 2008, unlisted securities and loans were sold by FIH Erhvervsbank A/S to FIH Finance A/S, resulting in an unrealised capital loss in the Parent Company's financial statements. The loss is eliminated at Group level.		
Note 4 – Staff costs and administrative expenses		
Salaries and remuneration of Board of Directors and Executive Board	18.3	21.8
Staff costs		
Salaries	319.7	327.6
Pensions	24.5	18.7
Social security costs	29.4	28.5
Share-based payments	14.7	15.6
Total	388.3	390.4
Other administrative expenses	259.3	210.5
Total staff costs and administrative expenses	665.9	622.7

DKK million	2008	2007
Note 5 – Loans		
Other loans	58,782.6	60,992.6
Total loans	58,782.6	60,992.6
Note 6 – Bonds issued		
Other bonds at amortised costs	32,151.7	53,015.2
Total bonds issued	32,151.7	53,015.2
<p>FIH bought back own issues totalling DKK 992.9 million in 2008. These buy-backs generated income under market value adjustments of DKK 43.5 million in 2008.</p>		
Note 7 – Subordinated debt		
4,80 % JPY 10-bn 31.03.2032	752.5	546.8
Var. % EUR 30-m 03.08.2009	227.8	229.5
Var. % EUR 178-m 26.03.2013	1,301.8	1,488.6
Var. % EUR 100-m 22.09.2012	745.1	745.7
Total subordinated debt	3,027.2	3,010.6
Subordinated debt that may be included in the solvency calculation	2,703.1	2,798.6
<p>FIH bought back subordinated debt totalling DKK 186.2 million in 2008. These buy-backs generated income under market value adjustments of DKK 36.2 million in 2008.</p>		
Note 8 – Equity		
Share capital		
Share capital, number of shares of DKK 20 each	25,678,625	25,678,625
Share capital, beginning of year	513,6	513,6
Share capital, end of year	513,6	513,6
No shares have special rights attached and there have been no movements in share capital.		
Own shares:		
Holding of own shares, beginning of year, number of shares	2,342	2,342
Sale of shares to employees, number of shares	0	0
Holding of own shares, end of year, number of shares	2,342	2,342
Carrying amount, end of year, DKK '000	0	0
Nominal value, end of year, DKK '000	47	47
Percentage of shareholding	0 %	0 %
Note 9 – Off-balance-sheet items		
Guarantees, etc.		
Financial guarantees	924,0	1,110,8
Guarantees against losses for mortgage loans	3,779,2	1,705,1
Other guarantees	114,5	299,2
Total guarantees, etc.	4,817,7	3,115,1
Other contingent liabilities		
Irrevocable loan commitments	2,764,6	10,506,8
Other liabilities	739,5	57,8
Total other contingent liabilities	3,504,1	10,564,6

INFORMATION ON PARENT COMPANY AND SUBSIDIARIES

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

is the parent company of:

FIH Erhvervsbank A/S, Langelinie Allé 43, 2100 Copenhagen Ø.

The financial statements of FIH Erhvervsbank A/S are included in the consolidated financial statements of Kaupthing Bank.

FIH Erhvervsbank A/S owns the following subsidiaries:

DKK million	Activity	Holding	Assets	Equity	Turnover	Results
Consolidated subsidiaries						
FIH Realkredit A/S, Copenhagen	Mortgage loans	100 %	701.9	110.1	8.2	1.6
FIH Leasing og Finans A/S, Copenhagen	Leasing and financing	100 %	456.7	426.2	20.0	13.7
FIH Finance A/S, Copenhagen	Financing and investment	100 %	3,818.4	1,522.2	4.0	45.7
FIH PARTNERS A/S, Copenhagen	Investment banking	100 %	170.2	136.2	139.1	56.1
FIH Kapital Bank A/S*, Copenhagen	Financing and investment	100 %	15,993.7	1,918.8	201.9	48.7
FIH Aztec Holding ApS**, Copenhagen	Investment	100 %	524.2	520.1	16.3	12.4
Capital Markets Technologies (CMT) A/S, Copenhagen	IT development	70 %	6.0	0.2	0.0	-0.3

* FIH Kapital Bank A/S is in the government guarantee scheme (Bank Package I) and therefore cannot pay dividends for the next two financial years.

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