



Announcement  
23 June 2011

CVR no.: 30 51 51 45

## **Investigation of certain matters in the former Eik Banki P/F concluded**

**The bank's former management and auditors are assessed to have acted negligently and to have committed actionable wrongs. Legal action will be taken in light of the investigation assessments.**

In October 2010, the Board of Directors of Eik Banki Føroya P/F requested Carsten Fode, attorney, to clarify the principal causes of the financial collapse of the former Eik Banki P/F and whether there are any reasonable grounds to suspect the bank's former management, auditors or related parties of having committed any actionable wrongs and/or criminal offences in the bank.

The investigation covered the period January 2005 to September 2010.

The results of the investigation are now available and, in light of the general public interest in the matter, and in accordance with previous practice, the Board of Directors of Finansiel Stabilitet A/S has resolved to publish the attorney's report.

### **Investigation conclusions**

The investigation points to the bank's negligent credit granting, primarily for property projects in Germany and Denmark, but also for Faroese commercial customers, combined with inadequate risk management as the main causes of the bank's financial collapse.

Both the bank's management and the auditors are assessed to have committed actionable wrongs against the bank.

Based on the attorney's report and recommendations, the Board of Directors of Finansiel Stabilitet has resolved to institute the recommended legal proceedings to enforce liability claims against the bank's former management and external auditors, Nota Revision and Deloitte, statsautoriseret revisionsaktieselskab, respectively. Moreover, a case against the relevant auditors will be instituted before the Danish Accountancy Board.

Carsten Fode has been requested to prepare and try the cases.

The attorney's report will be forwarded to the relevant authorities for an assessment of violations of Danish company law and the Danish Financial Business Act.

The attorney's report (in Danish) will be made available on Finansiel Stabilitet's website today.

### **For additional information, please contact:**

Henrik Bjerre-Nielsen, CEO, tel.: +45 21 14 21 11