



## Interim report for the six months ended 30 June 2011 for Finansiel Stabilitet

- **Finansiel Stabilitet posted a loss of DKK 434 million in H1 2011.**
- **In the first half of 2011, Finansiel Stabilitet phased in a new group structure for the subsidiaries taken over under the Bank Package and Roskilde Bank.**
- **During the reporting period, Amagerbanken and Fjordbank Mors were transferred to Finansiel Stabilitet under the Exit Package.**
- **Significant activities were wound up in the first half of 2011.**
- **At 30 June 2011, Finansiel Stabilitet's total outstanding individual government guarantees provided to credit institutions outside the Group amounted to DKK 155.2 billion.**
- **The outlook for 2011 is unchanged relative to the guidance provided in the annual report, that is, for a performance close to break-even excluding impairment losses.**

The Board of Directors of Finansiel Stabilitet has approved Finansiel Stabilitet's interim report. In that connection, Deputy Chairman Jakob Brogaard said: "The activities of Finansiel Stabilitet reflect the tasks entrusted with us in connection with the adoption by the Danish parliament of the Bank, Credit and Exit Packages. At 30 June 2011, Finansiel Stabilitet had total assets of DKK 76.1 billion, which was an increase of DKK 11.4 billion. Of this amount, DKK 26.1 billion was attributable to the ongoing winding up of existing subsidiaries, while DKK 37.5 billion was attributable to the takeover of new subsidiaries. In order to ensure the momentum of the future winding up, Finansiel Stabilitet phased in a new group structure in the first half of 2011."

### **Finansiel Stabilitet posted a loss of DKK 434 million in H1 2011**

The loss was attributable to income and expenses from the winding up of activities taken over in connection with the Bank Package and of Roskilde Bank. Finansiel Stabilitet previously had a loss guarantee provided by the Danish State regarding the losses attributable to Roskilde Bank, but with the phase-in of the new group structure it has been agreed with the Ministry of Economic and Business Affairs that the loss guarantee from the Danish State will be discontinued, as the Danish State already bears the full risk associated with the continued winding up of banks taken over under the Bank Package.

The profit/loss of the other areas, that is, the issuance of individual government guarantees and the takeover of banks under the Exit Package, had no effect on the overall profit/loss, since Finansiel Stabilitet has a government guarantee covering the issuance of individual government guarantees and a guarantee from the winding-up department of the Guarantee Fund for Depositors and Investors covering activities under the Exit Package. Moreover, any potential profit from the winding up of institutions taken over under the Exit Package will accrue to the creditors and the owners in the order stipulated by law.

### **New group structure for Finansiel Stabilitet**

In the first half of 2011, Finansiel Stabilitet phased in a new group structure for the subsidiaries taken over under the Bank Package and Roskilde Bank. The activities were combined in the parent company and four subsidiaries: FS Finans, FS Bank, FS Pantebrevsselskab and FS Ejendomsselskab. The new group structure took effect for accounting purposes from 1 January 2011.

Finansiel Stabilitet's newly established subsidiaries reported the following financial results in the first half of 2011:

FS Finans: DKK 11 million loss  
FS Bank: DKK 161 million loss  
FS Pantebrevsselskab: DKK 44 million profit  
FS Ejendomsselskab: DKK 31 million loss



## **Amagerbanken and Fjordbank Mors were transferred to Finansiel Stabilitet under the Exit Package in H1 2011**

Amagerbanken entered into a conditional transfer agreement with Finansiel Stabilitet with effect from 5 February 2011, whereby all assets were transferred to a new subsidiary under Finansiel Stabilitet (Amagerbanken af 2011). Payment for the transfer was provisionally fixed at DKK 15.2 billion, equivalent to a dividend of 58.8%.

A revaluation of assets and liabilities created the basis for an increase of the takeover price, raising the dividend rate to 84.4%. As the Guarantee Fund and the estate in bankruptcy of Amagerbanken have submitted the valuation of assets to the courts, the higher dividend can only be paid to the extent that it is not contrary to the claims submitted. Pending settlement of this dispute, it will thus only be possible to pay dividend at the rate of 66.1%.

Fjordbank Mors entered into a conditional transfer agreement with Finansiel Stabilitet with effect from 24 June 2011, whereby all assets were transferred to a new subsidiary under Finansiel Stabilitet (Fjordbank Mors af 2011). Payment for the transfer was provisionally fixed at DKK 7.8 billion, equivalent to a dividend of 73.6%.

### **Ongoing winding up of activities**

The purpose is to wind up activities transferred to Finansiel Stabilitet on an ongoing basis. A number of significant activities were wound up in the first half of 2011, including that:

- the retail customer portfolio of Roskilde Bank was transferred to Arbejdernes Landsbank;
- a 70% stake in Eik Banki Føroya was transferred to TF Holding;
- the retail customer portfolio and small corporate customers of Amagerbanken af 2011 were transferred to BankNordik; and
- a number of branches of Fjordbank Mors af 2011 were transferred to various buyers. A sales process for the significant parts of the remaining portfolio is ongoing.

### **Government guarantees to the Danish financial sector**

- As part of the scheme for individual government guarantees, Finansiel Stabilitet had issued guarantees for a total amount of DKK 172.3 billion at 30 June 2011.
- Of this amount, DKK 17.1 billion was attributable to guarantees in subsidiaries owned by Finansiel Stabilitet, bringing outstanding guarantees to credit institutions outside the Group to DKK 155.2 billion.
- The guarantees had been issued to 49 institutions.

### **Outlook for 2011**

Finansiel Stabilitet's outlook for 2011 is characterised by significant uncertainty as to the development of losses from activities taken over in connection with the Bank Package etc.

The outlook is unchanged relative to the guidance provided in the annual report for 2010. Before impairment losses, Finansiel Stabilitet's performance is thus expected to be close to break-even in 2011. Seen in isolation, the other areas of activity do not subject Finansiel Stabilitet to any risk.

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

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