Translation

Finansiel **Stabilitet**

Annual Report 2011

Contents

The Annual Report has been translated from Danish. The Danish text shall govern for all purposes and prevail in case of any discrepancy with the English version.

Highlights

- Finansiel Stabilitet posted a loss of DKK 1,010 million in 2011, against a profit of DKK 5,084 million in 2010. Before impairment losses, Finansiel Stabilitet reported a loss of DKK 767 million.

- The 2011 performance was weaker than expected, as Finansiel Stabilitet had expected to break even before impairment losses. The shortfall in performance was primarily due to market value adjustments of securities, a part of which was received as payment for the Bank Package. The difference was also partly attributable to provisions for lawsuits and disputes.

- Total assets declined by DKK 10 billion to DKK 54.5 billion at 31 December 2011. Seen in isolation, the winding up of activities reduced total assets by DKK 35 billion, while the takeover of new activities increased total assets by a net amount of DKK 25 billion.

- In 2011, Finansiel Stabilitet took over the activities of Amagerbanken, Fjordbank Mors and Max Bank, which became distressed.

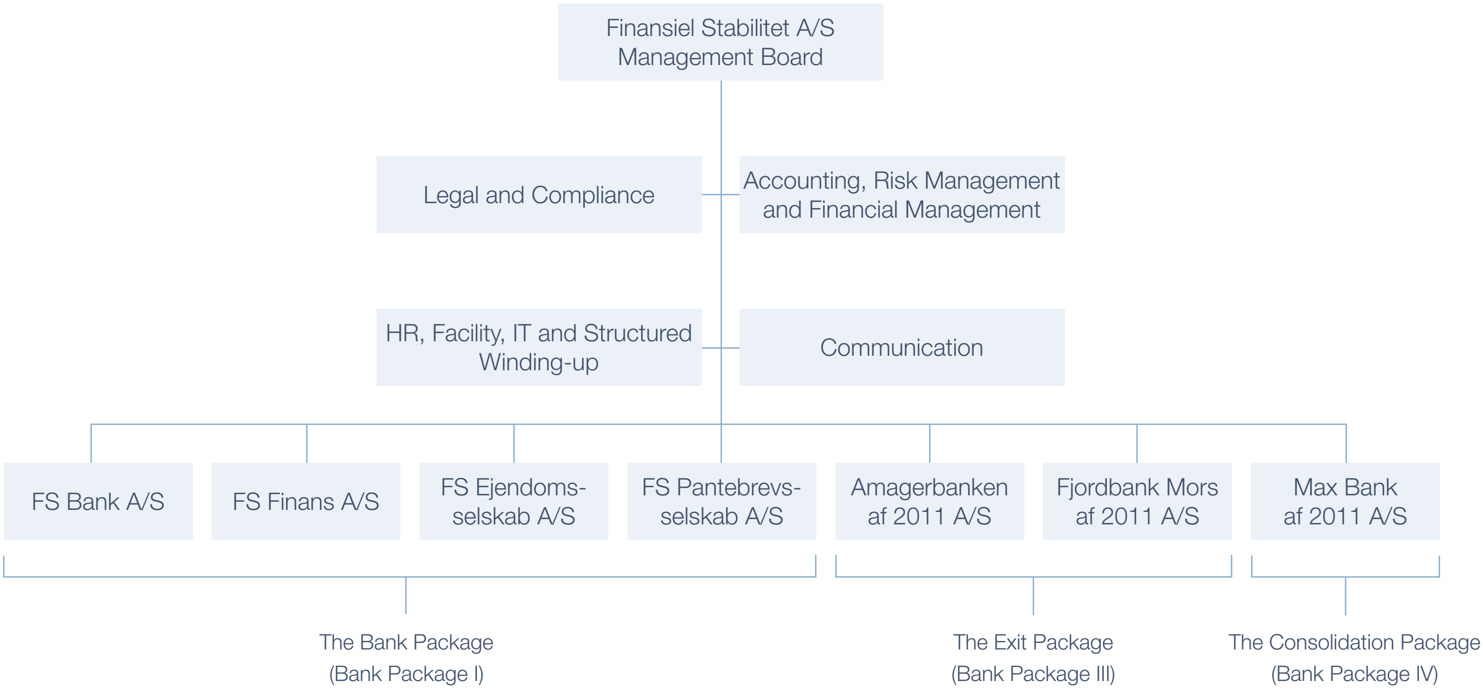
- Finansiel Stabilitet's outstanding individual government guarantees to credit institutions amounted to DKK 146 billion at 31 December 2011, against DKK 194 billion at 31 December 2010.

- Finansiel Stabilitet completed a simplification of its group structure in 2011 in order to improve its opportunities for creating synergies and achieving economies of scale in the Group. The end result was a group with Finansiel Stabilitet as the remaining parent company and four subsidiaries: FS Bank, FS Finans, FS Ejendomsselskab and FS Pantebrevsselskab. At the same time, the Group's staff functions were consolidated in the parent company.

- In the autumn of 2011, Finansiel Stabilitet defined a group strategy for the coming years. The Group's vision is to wind up customer relationships taken over and other activities as quickly as possible, in a financially prudent manner and with due consideration for the Group's corporate values.

- The 2012 performance will depend on developments in Finansiel Stabilitet's subsidiaries under the Bank Package. Finansiel Stabilitet is expected to record financial results close to breakeven. However, the performance will depend on a variety of factors, including economic conditions and the outcomes of lawsuits and disputes.

Group structure



Finansiel Stabilitet at a glance

Finansiel Stabilitet was established in October 2008 as part of an agreement between the Danish State and the Danish banking sector (the Private Contingency Association) on a scheme to secure financial stability. The agreement was reached in response to the international crisis and the impact it was having on the financial sector.

Finansiel Stabilitet is a public limited company owned by the Danish State through the Ministry of Business and Growth.

The Company's activities are governed by the Act on Financial Stability and the Financial Business Act and executive orders issued in pursuance thereof. In addition, the Company is subject to special provisions regarding state-owned public companies.

The objects of Finansiel Stabilitet are:

- to wind up banks taken over under the Bank Package;
- to wind up banks taken over under the Exit and Consolidation Packages; and
- to manage individual government guarantees under the Credit Package.

Finansiel Stabilitet has also entered into a management agreement with the Guarantee Fund for Depositors and Investors. Finansiel Stabilitet receives an annual fee for managing the Guarantee Fund. The Guarantee Fund has its own board of directors and is managed independently of the other activities of Finansiel Stabilitet.

Results of winding-up activities

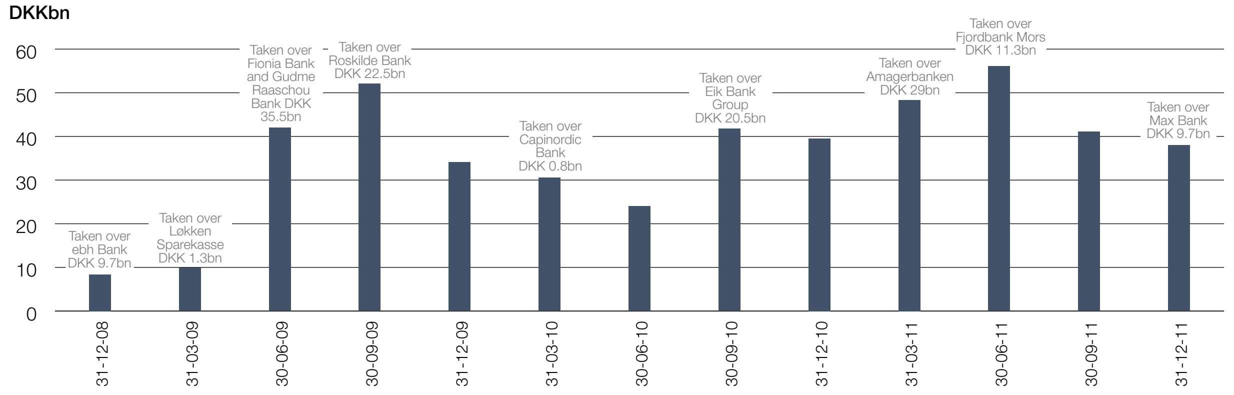
Finansiel Stabilitet has been a part of a remarkable development since 2008. During the financial crisis, the Danish State and the Danish financial sector provided an unconditional guarantee for depositors of Danish banks. This guarantee totalled approximately DKK 4,000 billion, corresponding to about twice the gross domestic product of Denmark.

After the expiry of the unconditional government guarantee in September 2010, Finansiel Stabilitet had provided commitments to Danish credit institutions under the individual government guarantee scheme for an amount of approximately DKK 370 billion. A significant part of these commitments were not utilised and, at 31 December 2010, individual government guarantees in an amount of DKK 194 billion had been issued. At 31 December 2011, outstanding individual government guarantees amounted to DKK 146 billion in relation to credit institutions outside the Finansiel Stabilitet Group.

Finansiel Stabilitet has taken over around 422,000 individual customers from 11 banks. An aggregate of some 413,000 individual customers were divested in the period 2008–2011. At 31 December 2011, Finansiel Stabilitet had approximately 9,000 individual customers, corresponding to around 3,000 principal customers when excluding lease customers.

Moreover, deposit and loan accounts amounting to DKK 61 and 79 billion, respectively, have been taken over.

Total assets of the Group's subsidiaries (2008–2011)



The balances of the deposit and loan accounts taken over were reduced by DKK 56 billion and DKK 53 billion, respectively.

Since its establishment, Finansiel Stabilitet's activities, measured in terms of developments in total assets, have been characterised by two trends: On the one hand, total assets have increased in connection with the takeover of distressed banks and, on the other hand, activities are wound up on an ongoing basis, thereby reducing total assets.
In aggregate, Finansiel Stabilitet has taken over assets for approximately DKK 137 billion. At 31 December 2011, Finansiel Stabilitet's subsidiaries had total assets of DKK 38 billion. The consolidated balance sheet stood at DKK 55 billion at 31 December 2011.

Highlights of winding-up activities

Winding up	
Individual customers (no.)	Approx. 413,000
Loans and advances (DKKbn)	53
Deposits (DKKbn)	56
Employees (no.)	Approx. 1,900

Around 2,400 employees have been taken over from the distressed banks. At 31 December 2011, the Finansiel Stabilitet Group had approximately 500 employees in continuing employment. The difference reflects that employees and viable exposures have been transferred to other banks and that employees have left the Group for other reasons.

These highlights of the winding-up business reflect the development that has taken place on several fronts in Finansiel Stabilitet in recent years.

New group strategy: "From defaulting exposures to cash"

In the autumn of 2011, Finansiel Stabilitet adopted a group strategy for the coming years entitled "From defaulting exposures to cash". The title of the group strategy implies that Finansiel Stabilitet will wind up exposures taken over and convert them into cash. It is not necessarily possible to convert the exposures into cash in the first phase after a takeover. Ongoing efforts may be required to prime the exposures for divestment.

Group mission:

- Pursuant to the Act on Financial Stability, Finansiel Stabilitet is required to contribute to ensuring financial stability in Denmark, in particular by taking over and winding up activities from distressed banks.

Group vision:

- Finansiel Stabilitet winds up customer relationships taken over and other activities as quickly as possible, in a financially prudent manner and with due consideration for the Group's corporate values.

The vision emphasises that customer relationships taken over and other activities should be wound up "as quickly as possible", "in a financially prudent manner" and "with due consideration for the Group's corporate values". The criteria are listed in order of priority, but all criteria are emphasised when action plans are drawn up and operational decisions for the winding-up activities are made.

Finansiel Stabilitet performs its activities according to market standards. This means that Finansiel Stabilitet will base a decision of whether or not to wind up individual exposures on a commercial assessment. This follows from the criterion of financial prudence. Finansiel Stabilitet may deviate from this criterion, but will only do so if it is deemed to be in the financial interest of the Danish State – and will not cause other creditors to incur losses.

Finansiel Stabilitet works according to the corporate values set out below:

- Efficient and competent
- Dedicated and loyal
- Proper and fair

In its strategy, Finansiel Stabilitet has defined a number of benchmarks to assess the winding-up process. The benchmarks must be quantitative and measurable.

- Winding-up benchmarks
  - Action plans for the winding up of assets and liabilities must be prepared not later than one year after takeover.
  - All exposures must be converted into cash not later than five years after Finansiel Stabilitet has taken over the exposure.

- Financial benchmarks
  - Administrative expenses and staff costs must be minimised.

- Control benchmarks
  - Compliance with internal and external rules measured as (the lack of) serious comments in reports from authorities and from the external and internal auditors.

- Reputational benchmarks
  - No legitimate customer complaints should be filed after Finansiel Stabilitet has taken over a given exposure.

The strategy also contains a number of internal service benchmarks for the collaboration between the parent company and the subsidiaries. Finansiel Stabilitet expects to measure the benchmarks during 2012.

Requirements for action plans
According to the wording of the Executive Order on winding up (the "Winding-up Order"), Finansiel Stabilitet must wind up any exposures and activities requiring a banking or securities trading licence not later than five years after takeover. Among other things, this implies that action plans must be drawn up for the winding up of all material assets and liabilities. An action plan must be drawn up for an exposure not later than one year after the exposure has been taken over.

Action plans for material assets and liabilities comprise:

- Customer relationships and exposures
- Mortgages taken over in the form of properties and other collateral security
- Securities, including sector equities
- Winding up and potentially new issues of individual government guarantees
- Handling of lawsuits and disputes

The action plans must consist of measurable benchmarks. They must be reassessed at least once a year, and the valuation must be updated on a quarterly basis. Finansiel Stabilitet determines the requirements for the action plans on the basis of the type of exposure involved.

As regards viable exposures, the subsidiaries of Finansiel Stabilitet will prepare action plans that are aimed at divesting or transferring the exposure. This may take place by removing the obstacles that prevent a customer taken over from the being transferred to another bank. Viable exposures can also wound up by pooling them in large, homogeneous groups, which may subsequently be divested in an open and transparent sales process. Finansiel Stabilitet prefers for such transactions to be settled by cash payment, but they may also be completed by way of seller financing in the form of subordinated capital.

Finansiel Stabilitet divides exposures into the following categories:

Type of customer/exposure	Description
Viable exposures	Exposures where there is a high degree of probability that the customer will be able to service its debt.
Conditionally viable exposures	Exposures where reconstruction is necessary in order to render the exposures viable.
Liquidation exposures	Exposures where reconstruction is not possible, as it cannot be completed without placing Finansiel Stabilitet at a disadvantage relative to insolvency proceedings and exposures in bankruptcy.

As regards conditionally viable exposures, efforts are made to prepare action plans that are mainly aimed at rendering the exposures viable. Based on individual assessments, the subsidiaries of Finansiel Stabilitet therefore offer conditionally viable customers composition with creditors for the part of the debt which the customer is financially unable to service. In this connection, Finansiel Stabilitet performs a commercial assessment of the exposure in question in the same way that commercial banks do. Although the amount of the composition with creditors must be adequate, it cannot be higher than necessary in order for the exposure to become viable. Composition with creditors will only be offered subject to the customer contributing actively, including by injecting own funds, if possible. This is done to ensure that customers of Finansiel Stabilitet are generally not placed in a more favourable position than if they had been customers of other credit institutions. Where it is not possible to draw up an action plan which, even with an agreement on composition with creditors, would render the customer viable, the next step will usually be to terminate the exposure and to institute debt recovery proceedings.

As regards action plans drawn up for liquidation exposures, customers will be required to meet certain demands. Failure to meet such demands will typically result in the initiation of a process to take over the mortgaged assets.

New group structure

In the spring of 2011, a decision was made to restructure Finansiel Stabilitet and to introduce a new group structure. At the time, Finansiel Stabilitet had six independent subsidiaries which had been established after the takeover of eight distressed banks under the Bank Package.

Finansiel Stabilitet completed a simplification of its group structure in 2011 in order to improve its opportunities for creating synergies and achieving economies of scale in the Group. In the summer of 2011, Finansiel Stabilitet completed a number of subsidiary restructurings, creating a group with Finansiel Stabilitet as the remaining parent company and four subsidiaries: FS Bank, FS Finans, FS Ejendomsselskab and FS Pantebrevsselskab.

The new group structure was implemented in June 2011 following approval by the EU. For accounting purposes, the restructuring was effected retrospectively at 1 January 2011.

While the restructuring took place, Finansiel Stabilitet took over the activities of Amagerbanken Aktieselskab and Fjordbank Mors A/S. In the autumn of 2011, Finansiel Stabilitet furthermore acquired the activities of Max Bank A/S. These activities were taken over under the Exit Package (Bank Package III) and the Consolidation Package (Bank Package IV). Accordingly, it was not possible to demerge these companies into the group structure in the same way as the banks taken over under the Bank Package (Bank Package I) had been.

The Danish bank packages

Finansiel Stabilitet's activities are governed by the politically adopted bank packages. The objective and contents of the adopted packages are described below.

The Bank Package (Bank Package I)

The Danish State provided a general government guarantee together with the financial sector to ensure that unsecured creditors would receive coverage of the full amount of their claims against banks until 30 September 2010. Finansiel Stabilitet A/S was established.

- On 10 October 2008, the Danish parliament adopted the Act on Financial Stability (the Bank Package). This act provided a safety net for all unsecured creditors with a view to safeguarding the full amount of their claims against Danish banks and Danish branches of foreign banks as far as depositors were concerned. Accordingly, all depositors were safeguarded, as were the banks with respect to loans granted among themselves. The scheme comprised claims from depositors and other unsecured creditors against banks and bank branches that were members of the Private Contingency Association, to the extent that such claims were not otherwise covered.

- The Private Contingency Association provided a guarantee of DKK 10 billion to cover losses incurred by Finansiel Stabilitet in connection with the Bank Package. If the loss guarantee of DKK 10 billion was fully utilised, any additional losses would be covered by the DKK 15 billion guarantee commission provided by the Private Contingency Association. If the loss exceeded the DKK 10 billion loss guarantee and the DKK 15 billion guarantee commission provided, the Private Contingency Association would cover any additional losses of up to DKK 10 billion by means of increased guarantee commission.

- The loss in connection with the Bank Package was calculated at DKK 12 billion. Accordingly, the Private Contingency Association's guarantee would cover initial losses up to DKK 10 billion, while guarantee commissions already paid would cover the remaining amount. The loss guarantee covering losses in excess of DKK 25 billion was cancelled.

- The Bank Package expired on 30 September 2010, and the closing financial statements for the Bank Package were published on 4 February 2011.

The Credit Package (Bank Package II)

Subject to application from banks and mortgage credit institutions, Finansiel Stabilitet A/S until 31 December 2010 could enter into agreements on the provision of individual government guarantees with maturities of up to three years. Furthermore, banks and mortgage credit institutions could apply for state-funded capital injections (hybrid Tier 1 capital). The applications were processed by a coordination group consisting of members from different ministries without the participation of Finansiel Stabilitet.

- On 4 February 2009, an amendment of the Act on Financial Stability came into force as part of the Credit Package. The purpose was to enable credit institutions to obtain state-funded capital injections. Applications for state-funded capital injections were processed by a coordination group consisting of members from the Ministry of Business and Growth (including the FSA), the Ministry of Finance and Danmarks Nationalbank. Finansiel Stabilitet was not involved in the process of granting state-funded capital injections.

- In addition, a scheme was set up that enabled Danish credit institutions until 31 December 2010 to apply for individual government guarantees for specific bond issues with maturities of up to three years. The purpose was to ensure that Danish credit institutions would remain able to procure the necessary liquidity after expiry of the general government guarantee under the Bank Package. The issuance of individual government guarantees was managed by Finansiel Stabilitet on behalf of the Danish State.

- Agreements on individual government guarantees were concluded on the basis of applications submitted by the individual banks. Danish banks and mortgage credit institutions, including Faroese and Greenland banks and mortgage credit institutions, complying with the solvency requirement of 8%, the institution's individual solvency need and any higher individual solvency requirement fixed by the FSA, were eligible for an individual government guarantee.

- The individual government guarantee scheme expired on 31 December 2010. The final guarantees under the Credit Package will expire in November 2013.

The Exit Package (Bank Package III)

The Exit Package replaced the general government guarantee under the Bank Package. Depositors and other unsecured creditors of distressed banks can no longer be sure to receive full coverage of their claims. There is no longer a requirement for distressed banks to be wound up through Finansiel Stabilitet, and the Guarantee Fund will provide a guarantee in connection with the takeover of a distressed bank. The Danish State bears no financial risk in connection with the subsequent winding-up process.

- The Exit Package, which came into force on 1 October 2010, entails that depositors and other unsecured creditors of distressed banks cannot be sure to receive full coverage of their claims as was the case under the general government guarantee scheme (the Bank Package).

- The winding up of a distressed bank through Finansiel Stabilitet ensures that depositors will not experience any difference in the practical handling of their banking transactions, as depositors will be able to continue to use debit cards, online banking, etc. immediately after Finansiel Stabilitet's acquisition of the distressed bank.

- The Exit Package is based financially on the existing guarantee to depositors and investors provided by the Guarantee Fund, which is combined with a loss guarantee covering potential losses incurred by Finansiel Stabilitet in connection with the winding up of a distressed bank. The loss guarantee is to be provided by the winding-up department of the Guarantee Fund to Finansiel Stabilitet. The scheme involves no financial risk to the Danish State in connection with the subsequent winding-up process.

- The statutory framework of the Exit Package was expanded in connection with an amendment of the Act on Financial Stability in June 2011. A dowry scheme was introduced for distressed banks, which enabled the Guarantee Fund to provide a dowry in connection with the winding up of a distressed bank under the rules of the Danish Act on Financial Stability.

The Consolidation Package (Bank Package IV)

The Consolidation Package aims to create a greater incentive among viable banks to wholly or partly acquire exposures from distressed banks, as both the Guarantee Fund for Depositors and Investors and Finansiel Stabilitet will be able to contribute a dowry. The Consolidation Package has also improved the possibilities of preventing uncovered, unsecured creditors of a bank from incurring losses if such bank becomes distressed.

- The Consolidation Package was adopted by way of an application for appropriation of funds in September 2011. The political agreement expanded the existing dowry scheme from June 2011. The scheme is based on two models.

- Under Model 1, a viable bank takes over a distressed bank with a dowry. Model 1 enables Finansiel Stabilitet – as well as the Guarantee Fund – to provide a dowry to a viable bank which is willing to acquire the entire distressed bank (excluding share capital and other subordinated capital). This model may be applied when it is necessary in order to negotiate an acquisition. The scheme should not place Finansiel Stabilitet at a financial disadvantage relative to a winding-up process under the Exit Package. An agreement is drawn up between Finansiel Stabilitet and the acquiring bank on a subsequent adjustment of the dowry, a so-called earn-out. This agreement will ensure that Finansiel Stabilitet is compensated if, three years after the agreement, it turns out that the distressed bank produces a greater profit than expected to the acquiring bank.

- Under Model 2, Finansiel Stabilitet takes over a distressed bank and divests the viable part in connection with the takeover. The newly established subsidiary of Finansiel Stabilitet receives a dowry from the Guarantee Fund. The subsidiary also receives a dowry from Finansiel Stabilitet, which reflects the preliminary loss on the individual government guarantees. At the same time, the viable part of the distressed bank is acquired by another bank. This is done without any loss being incurred by uncovered, unsecured creditors, including depositors.

Application for appropriation of funds no. 51 adopted by the Finance Committee of the Danish parliament on 22 March 2012.

- This document also made it possible to continue to issue individual government guarantees, among other things in connection with mergers and takeovers. In connection with planned mergers, Finansiel Stabilitet has provided conditional commitments that individual government guarantees issued may be extended after the expiry in 2013.

Banks taken over

The Bank Package (Bank Package I)

▪ ebh bank	21 November 2008
▪ Løkken Sparekasse	2 March 2009
▪ Gudme Raaschou Bank	16 April 2009
▪ Fionia Bank	28 May 2009
▪ Capinordic Bank	11 February 2010
▪ Eik Banki	30 September 2010
▪ Eik Bank Danmark	30 September 2010

The Exit Package (Bank Package III)

▪ Amagerbanken	5 February 2011
▪ Fjordbank Mors	24 June 2011

The Consolidation Package (Bank Package IV)

▪ Max Bank	8 October 2011

Roskilde Bank was transferred to Finansiel Stabilitet as part of an agreement with Danmarks Nationalbank and the Private Contingency Association. Roskilde Bank was not comprised by the Bank Package, as it became distressed before the statutory framework had been adopted. The transfer took place on 10 August 2009. After settlement of the Bank Package, Roskilde Bank forms part of the Bank Package area of activity, as Roskilde Bank, like the other banks under the Bank Package, is wound up for the account and risk of Finansiel Stabilitet.

Financial review

Performance

Finansiel Stabilitet posted a loss of DKK 1,010 million in 2011, against a profit of DKK 5,084 million in 2010. Before impairment losses, Finansiel Stabilitet posted a loss of DKK 767 million.

The 2011 performance before impairment losses was weaker than expected, as Finansiel Stabilitet had expected to break even before impairment losses. The shortfall in performance was primarily due to market value adjustments of securities, a significant part of which was received as payment for the Bank Package. The difference was also attributable to provisions for lawsuits and disputes.

The most important difference between 2010 and 2011 was attributable to the fact that, in 2010, Finansiel Stabilitet received guarantee commission in relation to the Bank Package of DKK 5,625 million and that Finansiel Stabilitet had a loss guarantee from the Private Contingency Association covering the initial DKK 10 billion lost in connection with the takeover of distressed banks under the Bank Package.

After the Bank Package expired on 30 September 2010, Finansiel Stabilitet no longer receives guarantee commission, and the loss guarantee has been settled. Finansiel Stabilitet has previously also had a loss guarantee from the Danish State relating to Roskilde Bank, but in connection with the implementation of Finansiel Stabilitet's new group structure a new application for appropriation of funds was adopted with respect to Roskilde Bank, which entailed that the loss guarantee expired on 31 December 2010.

Finansiel Stabilitet's areas of activity are different from those of a regular financial business in a number of important areas. Each area of activity is characterised in being anchored in a specific statute, and the financial statements reflect the different conditions applicable. Only the winding up of banks under the Bank Package has an earnings impact, hence giving rise to risk on the part of Finansiel Stabilitet. The other areas have no impact on the profit/(loss) of Finansiel Stabilitet.

Finansiel Stabilitet has received a guarantee from the Guarantee Fund for Depositors and Investors (the Guarantee Fund) regarding the winding up of banks under the Exit and Consolidation Packages. In case developments prove more negative than expected when the dividend was fixed, such valuation being performed with the participation of expert valuers, the Guarantee Fund will bear the risk. Unsecured creditors that have not received full dividend, including the Guarantee Fund and the Danish State, will benefit from a potential improved performance relative to the performance expected in connection with the winding up of the exposures of the relevant banks.

Moreover, Finansiel Stabilitet has received a guarantee from the Danish State regarding the management of the individual government guarantees. Accordingly, the risk of incurring a loss on the individual government guarantees issued is borne by the Danish State, which, in return, receives the regular guarantee commissions paid on the relevant guarantees.

In light of the significant differences between the individual areas of activity, the 2011 performance is described on the basis of the different areas of activity.

The Bank Package

Finansiel Stabilitet posted a loss of DKK 1,010 million on the Bank Package in 2011, equivalent to the overall loss reported by the Group. Net interest income amounted to DKK 486 million in 2011. Net fee income and market value adjustments came to a loss of DKK 500 million, with market value adjustments producing a loss of DKK 523 million. The loss on market value adjustments was primarily attributable to unrealised capital losses on Finansiel Stabilitet's portfolio of capital instruments, mainly in Danish banks (shares, guarantee certificates and cooperative share certificates), and sector equities. Other operating income, net, amounted to a loss of DKK 150 million, of which provisions for lawsuits and disputes contributed negatively by DKK 116 million. Total operating expenses came to DKK 628 million in 2011, of which DKK 105 million was attributable to legal fees and other adviser expenses. Finally, impairment losses reduced the performance by DKK 243 million. The impairment losses were significantly lower compared with previous years. This reflects, among other things, that a substantial part of the remaining risk on the exposures is covered by mortgages on properties or other underlying security. See the section on risk management and risk factors below for additional information.

Compared with 2010, the 2011 performance was first and foremost a reflection of the expiry of the Bank Package in

The Bank Package

(DKKm)	2011	2010
Net interest income	486	636
Commission received from the Private Contingency Association	-	5,625
Guarantee commission, government guarantees	(8)	0
Other net fee income and market value adjustments	(500)	126
Other operating income, net	(150)	(236)
Operating expenses	628	916
Impairment losses on loans, advances, guarantees etc.	243	3,788
Losses on takeover of subsidiaries	-	2,921
Profit/(loss) from investments in associates	(13)	22
Loss guarantee from the Private Contingency Association	-	4,209
Loss guarantee from the Danish State relating to Roskilde Bank	-	2,327
Profit/(loss) for the year before tax	**(1,056)**	**5,084**
Tax	(46)	0
Profit/(loss) for the year	**(1,010)**	**5,084**

2010, which caused commission income from the Private Contingency Association to cease, and of the final settlement of the loss guarantee from the Private Contingency Association. Moreover, the loss guarantee regarding Roskilde Bank expired on 31 December 2010. In addition, net interest income and operating expenses declined as a result of the ongoing winding up of exposures combined with an adjustment of the cost base. Finansiel Stabilitet also posted a loss of DKK 500 million on fees and market value adjustments, against a gain of DKK 126 million in 2010. Finally, impairment losses seem to be approaching a lower level due to the substantial impairment losses recognised in 2010.

The loss of DKK 1,010 million was broadly attributable to the parent company and the subsidiaries.

The Exit and Consolidation Packages

Due to the structure of the Exit and Consolidation Packages, this area does not impact the financial statements of Finansiel Stabilitet. If a subsidiary taken over under the Exit Package or the Consolidation Package generates a profit in addition to the fixed return requirement payable to the Guarantee Fund pursuant to the Winding-up Order (Executive Order no. 1139 of 28 September 2010), such excess profit may be distributed by way of additional dividend. If, on the other hand, the subsidiary posts a loss, such loss will be covered by the winding-up department of the Guarantee Fund. Accordingly, Finansiel Stabilitet bears no direct risk in relation to the winding up of activities under the Exit and Consolidation Packages. However, the main purpose is to ensure that the subsidiaries are wound up as efficiently as possible with due consideration to unsecured creditors that have not obtained full coverage of their claims, including the Guarantee Fund and the Danish State.

In 2011, Finansiel Stabilitet took over the activities of Amagerbanken and Fjordbank Mors under the Exit Package. In connection with the takeover of these banks,

Profit/(loss) of Finansiel Stabilitet's parent company and subsidiaries under the Bank Package

Company	FS Finans	FS Bank	FS Pantebrevs-selskab	FS Ejendoms-selskab	Other	Finansiel Stabilitet	Total
(DKKm)	(218)	(280)	7	(69)	(178)	(272)	(1,010)

Other includes Eik Bank Danmark 2010, which formed part of the consolidated financial statements until 28 February 2011. Eik Bank Danmark 2010 posted a loss of DKK 172 million in the period.

a dividend was fixed, which determined the share of unsecured creditors' claims recovered immediately. The dividend was fixed at 84.4% for Amagerbanken and 86.0% for Fjordbank Mors. If the winding up of the banks produces a better result than anticipated, the unsecured creditors may receive additional distributions.

The activities of Max Bank were transferred to Finansiel Stabilitet under the Consolidation Package. No unsecured creditors of Max Bank incurred any loss, as Model 2 under the Consolidation Package enabled reimbursement of all unsecured creditors, except for the Guarantee Fund and the Danish State. Both the Guarantee Fund and the Danish State provided a dowry. The dowry may be reduced if the winding up of the bank produces a better result than expected when the dowry was fixed.

Any future possibility of distribution is reflected in the outstanding purchase price adjustment. At 31 December 2011, the outstanding purchase price adjustment in relation to Amagerbanken af 2011 A/S and Max Bank af 2011 A/S was DKK 856 million and DKK 713 million, respectively. This indicates a possibility of an additional dividend distribution to the respective creditors of Amagerbanken af 2011 and to the providers of dowry in Max Bank af 2011.

At 31 December 2011, the purchase price adjustment in relation to Fjordbank Mors af 2011 A/S was calculated at zero, as Fjordbank Mors af 2011 reported a loss in 2011, resulting in the outstanding purchase price adjustment at 31 December 2011 being used to cover a part of the loss.

Outstanding purchase price adjustment in relation to subsidiaries under the Exit and Consolidation Packages

(DKKm)	On takeover	31.12.2011
Amagerbanken af 2011	1,085	856
Fjordbank Mors af 2011	100	-
Max Bank af 2011	732	713
Total	**1,917**	**1,569**

If the winding up process produces a greater loss than anticipated when the dividend was fixed, Finansiel Stabilitet will invoke a loss guarantee provided by the Guarantee Fund. For unsecured creditors that have not received full coverage of their claims, the loss thus cannot exceed the loss calculated on the basis of the dividends currently fixed.

In 2011, net interest and fee income more or less corresponded to the ordinary operating expenses of all three subsidiaries taken over under the Exit and Consolidation Packages.

The Exit and Consolidation Packages

(DKKm)	Amagerbanken af 2011	Fjordbank Mors af 2011	Max Bank af 2011	Finansiel Stabililtet	2011 Total
Net interest income	371	88	38	13	510
Guarantee commission, government guarantees	(78)	(17)	(6)	-	(101)
Other net fee income and market value adjustments	(79)	(27)	7	(160)	(259)
Other operating income, net	323	18	0	-	341
Operating expenses	367	99	32	-	498
Impairment losses on loans, advances, guarantees etc.	232	199	0	-	431
Profit/(loss) from investments in associates	0	(149)	0	-	(149)
Loss guarantee from the Private Contingency Association	-	-	-	285	285
Profit/(loss) for the year before purchase price adjustment	**(62)**	**(385)**	**7**	**138**	**(302)**
Movements in purchase price adjustment	229	100	19	-	348
Profit/(loss) for the year before tax	**167**	**(285)**	**26**	**138**	**46**
Tax	39	0	7	-	46
Profit/(loss) for the year	**128**	**(285)**	**19**	**138**	**0**

In Amagerbanken af 2011, impairment losses of DKK 232 million, a return requirement on contributed equity of DKK 128 million and tax of DKK 39 million caused a reduction of the purchase price adjustment by DKK 229 million in 2011. The return requirement is calculated in accordance with the Winding-up Order and is payable – less Finansiel Stabilitet's financing costs – to the Guarantee Fund by way of commission for providing the loss guarantee to Finansiel Stabilitet. The reduction of the outstanding purchase price adjustment reduces the possibility of future dividend increases.

In Fjordbank Mors af 2011, a value adjustment in respect of associates and impairment losses reduced the financial results by DKK 348 million, and because a loss of DKK 37 million had already been recorded on ordinary operations, the overall loss came to DKK 385 million. As the outstanding purchase price adjustment on takeover amounted to DKK 100 million, the equity of Fjordbank Mors af 2011 was reduced by DKK 285 million after use of the outstanding purchase price adjustment. In Finansiel Stabilitet's financial statements, the loss is covered by the loss guarantee from the Guarantee Fund.

Max Bank af 2011 posted a profit on ordinary operations of DKK 7 million. Taking into account the return requirement and tax of DKK 19 million and DKK 7 million, respectively, the purchase price adjustment was reduced by DKK 19 million. As a result of the reduction of the outstanding purchase price adjustment, the possibility of full or partial repayment of the dowry from Finansiel Stabilitet and the Guarantee Fund is reduced.

In 2011, Finansiel Stabilitet made provisions and paid a total amount of DKK 135 million to the Guarantee Fund in relation to outstanding return requirements, interest and fees in connection with Amagerbanken af 2011 and Max Bank af 2011. DKK 6 million of this amount was settled in 2011. Moreover, Finansiel Stabilitet had recognised a receivable of DKK 285 million in relation to Fjordbank Mors af 2011.

The Credit Package (individual government guarantees)

At 31 December 2011, Finansiel Stabilitet had outstanding individual government guarantees of DKK 162.0 billion in aggregate, distributed on 45 banks. Of these, DKK 8.8 billion was attributable to Amagerbanken af 2011, DKK 4.1 billion to Fjordbank Mors af 2011, DKK 2.5 billion to Max Bank af 2011 and DKK 0.7 billion to FS Bank. All of these are subsidiaries of Finansiel Stabilitet. Finansiel Stabilitet's outstanding guarantees to credit institutions outside the Group amounted to DKK 146.0 billion at 31 December 2011.

In 2011, the Danish State received guarantee commissions on the guarantees issued in a total amount of DKK 1,617 million and paid DKK 19 million to Finansiel Stabilitet by way of reimbursement of administrative expenses incurred. Income from guarantee commissions rose significantly in 2011 compared with 2010. This was partly due to the fact that the volume of guarantees issued grew considerably towards the end of the first half of 2010, and hence did not take full effect until 2011, and partly because of an increase in the number of banks that no longer received a discount on the guarantee as a result of the expiry of the general government guarantee at 30 September 2010.

Based on dividend rates of 84.4% for Amagerbanken and 86% for Fjordbank Mors and contribution of a DKK 822 million dowry to Max Bank af 2011, the loss incurred by the Danish State on the individual guarantees currently represents DKK 3.5 billion, which amount was recognised at 31 December 2011.

Development in total assets

Finansiel Stabilitet’s total assets have gradually increased in step with new activities being taken over from distressed banks and activities from the existing subsidiaries being wound up. At 31 December 2011, Finansiel Stabilitet had total assets of DKK 54.5 billion, of which loans and advances, the most material asset item, accounted for DKK 18.6 billion. Amounts due from central banks and credit institutions totalled DKK 11.5 billion, and amounts due from the Danish State relating to Roskilde Bank and individual government guarantees totalled DKK 12.5 billion.

Finansiel Stabilitet's total assets declined by DKK 10.1 billion in 2011. This decline was the result of two opposing factors. On the one hand, the ongoing process of winding up the activities of Finansiel Stabilitet continued. Seen in isolation, this reduced total assets by DKK 35.1 billion. On the other hand, Finansiel Stabilitet took over new subsidiaries with total assets of DKK 49.7 billion, of which DKK

24.7 billion was wound up, resulting in a net increase of DKK 25 billion.

The most important activities affecting total assets in 2011 were:

- *January:* Conditional takeover agreement with TF Holding on the takeover of 70% of the shares of Eik Banki P/F.
- *January:* Agreement with Arbejdernes Landsbank on the takeover of Roskilde Bank's retail customer department together with the bank's remaining retail customers.
- *February:* Takeover of Amagerbanken.
- *May:* Divestment of Amagerbanken's retail customers and small corporate customers to P/F BankNordik.
- *June:* Divestment of portfolio of seven properties offered for sale from FS Ejendomsselskab.
- *June:* Takeover of Fjordbank Mors.
- *June – July:* Agreements with Sparekassen Kronjylland on the takeover of Fjordbank Mors' branch in Aarhus, Sparekassen Thy on the takeover of the bank's branches in Struer and Thisted and Sparbank A/S on the takeover of the bank's branches on the peninsula of Salling.
- *September:* Divestment of remaining viable parts of Fjordbank Mors to Jyske Bank.
- *October:* Takeover of Max Bank. Sparekassen Sjælland acquires the viable part of the bank, including all retail customers.

At 31 December 2011, the Group's property portfolio represented a total value of DKK 1.6 billion. The predominant part of this portfolio consists of investment properties. Moreover, the Group's portfolio of properties temporarily taken over represented a total value of DKK 2.2 billion at 31 December 2011. The Group took over a total of 323 properties in 2011, compared with 149 properties in 2010.

In addition to the winding up of exposures and properties, other activities of Finansiel Stabilitet are wound up on an ongoing basis, including capital instruments received as part of the settlement of the Bank Package and other securities. Finansiel Stabilitet's long-term strategy is to divest these instruments.

Capital and liquidity for subsidiaries

Until 31 December 2011, the Company had provided funding for subsidiaries in the amount of DKK 22.4 billion by way of equity, subordinated loan capital and cash.

Finansiel Stabilitet financed the contribution partly by way of guarantee commission paid up in cash, totalling approximately DKK 14 billion, and partly by way of loans raised through the state-funded re-lending scheme. Finansiel Stabilitet's access to the state-funded re-lending scheme implies that loans may be raised on terms corresponding to the yield on Danish government bonds plus 0.15%. At 31 December 2011, Finansiel Stabilitet had raised re-lending in a nominal amount of DKK 13.9 billion, against a nominal amount of DKK 24.5 billion in 2010.

The financing need declines as activities are gradually wound up. Accordingly, re-lending fell by a nominal amount of DKK 10.6 billion in 2011.

At 31 December 2011, Finansiel Stabilitet's deposits with Danmarks Nationalbank amounted to DKK 5.3 billion.

In 2012, the intention is also for the Danish State to settle a part of the loss guarantee relating to Roskilde Bank corresponding to an amount of approximately DKK 4.6 billion. At the same time, Finansiel Stabilitet will distribute capital to the Danish State of DKK 4.6 billion, thereby making the transaction cash neutral for Finansiel Stabilitet and the Danish State. The result will be a reduction of total assets by DKK 4.6 billion.

Contingent assets and liabilities

Within the past 12 months, a considerable number of complaints have been brought before the Danish Financial Institutions' Complaints Board by customers of banks taken over by Finansiel Stabilitet. Finansiel Stabilitet is also party to a number of lawsuits and disputes. Moreover, Finansiel Stabilitet has instituted a number of liability and compensation proceedings against the former managements of the banks taken over. In aggregate, Finansiel

Stabilitet is party to cases representing a total amount of approximately DKK 5 billion at 31 December 2011.

Finansiel Stabilitet has assessed the overall risks facing the Group in connection with legal disputes, complaints and claims for damages. Finansiel Stabilitet has performed a financial risk assessment based on the legal assessments of the outcomes of the cases. The balance sheet as at 31 December 2011 included total provisions of DKK 1.6 billion.

Outlook for 2012

The 2012 financial performance will depend on developments in Finansiel Stabilitet's subsidiaries under the Bank Package. Finansiel Stabilitet is expected to record financial results close to breakeven i 2012. However, the performance will depend on a variety of factors, including economic conditions and the outcomes of lawsuits and disputes.

The development of losses in the subsidiaries remains subject to considerable uncertainty, as exposures involve substantial risk, in particular in relation to the property market. Any significant changes in the valuation of property exposures, for example due to economic conditions or circumstances related to specific assets, could impact the risk of loss. Potential losses in connection with legal disputes in which several subsidiaries are involved are also subject to considerable uncertainty.

Finansiel Stabilitet's activities in connection with the issuance of individual government guarantees are covered by a government guarantee. This implies that any losses on guarantees issued will be covered by the Danish State. As a result, Finansiel Stabilitet's performance will not be affected by the losses expected in connection with individual government guarantees issued to Amagerbanken, Fjordbank Mors and Max Bank.

In connection with the winding up of banks taken over under the Exit Package and the Consolidation Package, loss guarantees were furthermore issued by the winding-up department of the Guarantee Fund. As a result, any losses in connection with the winding up of the banks taken over will be covered. Moreover, unsecured creditors that have not received full coverage of their claims will benefit from a winding up that may produce a better result than anticipated.

Dividend

The Board of Directors proposes to the shareholder in general meeting that a dividend of DKK 9.2 million per share of DKK 1,000, equivalent to DKK 4,600 million, is paid to the Danish State as the sole owner of Finansiel Stabilitet.

Events after the balance sheet date

On 2 March 2012, Finansiel Stabilitet announced an agreement with FIH Erhvervsbank A/S and FIH Holding A/S (FIH) on the takeover of property exposures and related financial instruments of approximately DKK 17 billion. The transaction is intended to strengthen the funding options of FIH Erhvervsbank and to ensure that the bank retains its ability to provide financing for small and medium-sized enterprises.

Before the agreement was concluded, Finansiel Stabilitet's exposure in relation to FIH consisted of individual government guarantees for an amount of approximately DKK 42 billion with expiry in 2012 and 2013. The Danish State has injected hybrid Tier 1 capital of DKK 1.9 billion. The agreement does not impair the financial position of the Danish State, including Finansiel Stabilitet, in relation to FIH.

The agreement implies a close collaboration between Finansiel Stabilitet and FIH to ensure the best possible winding up of the exposures in the coming years. The agreement may result in financial gains for both parties, but it ensures that Finansiel Stabilitet will be fully compensated by FIH in case of financial losses.

The agreement implies that Finansiel Stabilitet will take over a company established by FIH to which FIH has merged exposures of approximately DKK 17 billion. Finansiel Stabilitet will operate the company as an independent subsidiary of the Group. Moreover, Finansiel Stabilitet will enter into a management agreement with FIH Erhvervsbank regarding the handling of loans and advances. The sole object of the company will be to wind up the property exposures taken over as quickly as possible, with financial prudence and in a proper and fair manner. The winding up should generally be finalised by 31 December 2016 at the latest. However, the winding up process may be extended for a three-year period. The agreement is subject to adoption of an application for appropriation of funds and to approval from the EU Commission and the competition authorities.

Performance of the individual activities

Finansiel Stabilitet is focused on winding up the activities taken over as quickly as possible, in a financially prudent manner and with due consideration for the Group's corporate values. This means that Finansiel Stabilitet will assess which winding-up model offers the financially most expedient solution in each specific case. The framework implies that Finansiel Stabilitet may increase the scope of each individual area of activity. This applies in connection with issues of individual government guarantees, among other things.

The most important activities of the Finansiel Stabilitet Group include:

- Winding up of customer relationships and exposures
- Divestment of mortgages taken over in the form of properties and other collateral security
- Winding up of securities
- Winding up and potentially new issues of individual government guarantees
- Handling of lawsuits and disputes

Overall winding-up process

When Finansiel Stabilitet takes over a distressed bank, the overall approach is that most of the customer portfolio should be wound up as quickly as possible. The winding-up process generally takes place by divesting customers in good or normal credit standing and activities that can be immediately carried on by other banks. Initially, this implies that all retail customers and small corporate customers are offered for sale through a structured sales process, which is open and transparent for potential bidders. This allows as many prospective buyers as possible to participate in the process. The sales process is completed quickly in order to ensure that the assets of the bank taken over are not impaired, as customers in good or normal credit standing quickly find another bank. In a takeover of a bank under the Consolidation Package, for example Max Bank, the divestment is completed immediately on takeover of the bank. The remaining activities are typically wound up as and when opportunities arise for other banks to take them over, or as and when properties and securities, for example, can be wound up. As a general rule, strategy and action plans are drawn up for the winding up of all remaining activities and regular follow-ups are conducted with respect to the winding-up process.

Winding up of customer relationships and exposures

As described previously, Finansiel Stabilitet's strategy implies a division of customer exposures into three categories: viable exposures, conditionally viable exposures and liquidation exposures.

It is a significant challenge for the winding-up process that other banks only show limited interest in taking over viable and conditionally viable customer exposures. As a result, customers are retained in a subsidiary of Finansiel Stabilitet, even though they need a bank.

A key issue in that connection is that customers transferred to Finansiel Stabilitet may be exposed to new, tighter requirements in relation to winding up and borrowing terms etc., as Finansiel Stabilitet is subject to the EU state subsidy rules and Danish legislation in the form of the Winding-up Order (Executive Order no. 1139 of 28 September 2010), which came into force on 1 October 2010.

The rules of the Winding-up Order imply that Finansiel Stabilitet's subsidiaries

- must work to reduce and dispose of existing customer relationships within a foreseeable future; and
- may not compete on the terms generally offered in the Danish banking market. This means that after being taken over by Finansiel Stabilitet, a bank
  - may not use new or aggressive marketing with a view to increasing its volume of business;
  - may not establish new customer relationships, whether retail or corporate;
  - may not expand existing retail or corporate exposures, unless such expansion is absolutely necessary with a view to protecting the value of the exposure;
  - must charge relatively high interest rates on loans and advances (upper 10th percentile compared with other banks in the Danish market) and offer relatively low interest rates on deposits (lower 10th percentile compared with other banks in the Danish market).

Sale of mortgages in the form of properties and other collateral security
As and when exposures are wound up, Finansiel Stabilitet will take over the underlying mortgages that were originally provided as security in connection with the granting of a given exposure. A substantial part of the security is related to the property market in the form of both commercial properties and private residential properties. Divestment of the properties is based on a division into development properties and saleable properties.

Development properties may be upgraded, for example by investing in facilities that could contribute to ensuring letting of the property. A fully let property has a greater probability of obtaining an attractive price in a sale.

Saleable properties are offered for sale immediately through real estate agents.

In connection with property sales, Finansiel Stabilitet regularly assesses whether an offering for sale could affect the price level in a broader market beyond Finansiel Stabilitet's own properties. In its winding-up activities, the Group must contribute to ensuring financial stability in Denmark. This also applies, for example, in connection with the winding up of agricultural exposures.

Winding up of securities
Finansiel Stabilitet's portfolio of securities amounted to approximately DKK 1.5 billion at 31 December 2011. A substantial part of the securities was taken over as part of the banks' payment for the Bank Package and consists of shares, cooperative share certificates and guarantee certificates issued by banks. Moreover, Finansiel Stabilitet has taken over securities from customers in connection with the winding up of exposures for which securities had been provided as collateral. Finansiel Stabilitet also holds a portfolio of sector equities.

In 2010, Finansiel Stabilitet initiated discussions with listed banks and cooperative and guarantee banks that had paid guarantee commission by way of capital instruments with a view to redeeming Finansiel Stabilitet as a shareholder, cooperative shareholder and guarantor. In addition, Finansiel Stabilitet divests other securities on an ongoing basis.

Individual government guarantees
As a result of the expiry of the scheme for issuance of individual government guarantees on 31 December 2010, Finansiel Stabilitet has focused on how the expiry of the individual government guarantees may be effected. To this end, Finansiel Stabilitet has initiated discussions with the credit institutions with a view to ensuring that the guarantees can be wound up in an appropriate manner. A substantial part of the guarantees have hence already been wound up on the basis of early redemptions.

As part of the Consolidation Package, new individual government guarantees may be issued in connection with mergers etc. In this connection, Finansiel Stabilitet must ensure that individual government guarantees are only issued to the extent this is deemed prudent. This implies, among other things, that merged banks must draw up tenable liquidity and business plans.

Handling of lawsuits and disputes
In connection with the transfer of activities from distressed banks, Finansiel Stabilitet has become party to a number of lawsuits and disputes. Some of the lawsuits have been brought against Finansiel Stabilitet's subsidiaries, while others have been brought by Finansiel Stabilitet against the former managements. The lawsuits are intended, on the one hand, to ensure that losses are minimised and, on the other hand, to obtain a court evaluation of the lawsuits in areas of general public interest.

Status on the winding up of the individual activities

The performance of the individual subsidiaries will be reviewed below. The financial results of the subsidiaries are reviewed as they appear in Finansiel Stabilitet's consolidated financial statements.

The Bank Package (Bank Package I)

FS Bank

The main objective of FS Bank is to ensure an optimum financial outcome of the winding up of activities taken over by Finansiel Stabilitet, including the winding up of the bank's activities by helping the customers find another bank to do business with.

FS Bank's customer portfolio is composed of many different types of corporate customers, including property companies, limited partnerships (K/S) and agricultural customers. Common to these customers is that they need a bank to continue the operation of their business.

The services provided by FS Bank solely comprise basic banking services for corporate customers, such as credit lines, debit cards and online banking. Moreover, the bank is in charge of payment transfers and acts as custodian bank for all financial charges for FS Finans and others.

FS Bank posted a loss of DKK 280 million in 2011, which was mainly attributable to additional impairment losses on loans in the amount of DKK 268 million. In the second half of 2011, the bank changed the capital structure by redeeming subordinated capital, which contributed to reducing interest expenses.

Total assets amounted to DKK 2,818 million at 31 December 2011, equivalent to a decline of DKK 1,631 million during the financial year. The main reason for the reduction was the adjustment of the capital structure, whereby the total subordinated capital after the restructuring of DKK 1,060 million was redeemed at 30 September 2011 upon approval by the FSA. In addition, loans, advances and other receivables were reduced by DKK 518 million. Equity stood at DKK 1,672 million at 31 December 2011.

The bank wound up 206 principal customers in 2011, leaving 716 principal customers at 31 December 2011.

In connection with the general meeting, the capital is proposed to be reduced in order for the bank's capital to only just meet the solvency need.

Moreover, a proposal for the issuance of bonus shares will be submitted for consideration at the general meeting. This proposal should be seen in light of the fact that in connection with the restructuring of the Group, Finansiel Stabilitet has obtained approval from the Danish tax authorities that such issue may be completed on a tax-exempt basis.

FS Bank's financial statements and management's review are included in the company's 2011 annual report. The annual report is available from www.fsbank.dk and www.finansielstabilitet.dk.

Income statement, FS Bank

(DKKm)	2011
Net interest income	60
Other net fee income and market value adjustments	12
Other operating income/(expenses), net	24
Operating expenses	108
Impairment losses on loans, advances, guarantees etc.	268
Profit/(loss) from investments in associates	0
Tax	0
Profit/(loss) for the year	**(280)**

Balance sheet, FS Bank

(DKKm)	31.12.2010	31.12.2011
	*Restated**	
ASSETS		
Cash in hand and balances at call with central banks	1,602	151
Due from credit institutions and central banks	425	43
Loans, advances and other receivables at amortised cost	1,715	1,197
Bonds and shares	637	1
Other assets	70	1,426
TOTAL ASSETS	**4,449**	**2,818**
EQUITY AND LIABILITIES		
Due to credit institutions and central banks	97	0
Deposits and other payables	965	1,063
Other liabilities	293	19
Other provisions	83	64
Subordinated capital	1,060	0
Equity	1,951	1,672
TOTAL EQUITY AND LIABILITIES	**4,449**	**2,818**
Number of employees	59	42
Number of principal customers	922	716

*Restated in connection with the internal restructuring of the Finansiel Stabilitet Group in 2011.

FS Finans

The main objective of FS Finans is to ensure an optimum financial outcome of the winding up of activities taken over by Finansiel Stabilitet. FS Finans winds up the majority of the Group's loans and advances under the Bank Package, including exposures secured against real property. The company's activities comprise the winding up of loans and advances under the Bank Package, insolvency proceedings and debt collection. Loans and guarantees are the only products offered by the company.

FS Finans posted a loss of DKK 218 million after tax in 2011. The results were affected by a net expense for lawsuits etc. of DKK 195 million. Of the total operating expenses of DKK 356 million, staff costs represented DKK 191 million, while other administrative expenses came to DKK 164 million. Moreover, the 2011 results included a reversal of impairment losses in a net amount of DKK 110 million.

Total assets amounted to DKK 6,437 million at 31 December 2011, equivalent to a decline of DKK 6,086 million for the period. The decline in the company's assets was mainly due to a decline in loans and advances at amortised cost, while the decline in liabilities was mainly due to a reduction of the debt to Finansiel Stabilitet. Equity stood at DKK 1,913 million at 31 December 2011.

The company wound up 3,095 principal customers in 2011, leaving it with 1,702 principal customers. The company has divested a number of retail customer relationships to Arbejdernes Landsbank and, as part of the restructuring, the company acquired a number of customer relationships from sister companies of the Finansiel Stabilitet Group.

At the upcoming general meeting, a proposal will be submitted for the issuance of bonus shares. This proposal should be seen in light of the fact that in connection with the restructuring of the Group, Finansiel Stabilitet has obtained approval from the Danish tax authorities that such issue may be completed on a tax-exempt basis.

FS Finans' financial statements and management's review are included in the company's 2011 annual report. The annual report is available from www.fsfinans.dk and www.finansielstabilitet.dk.

Income statement, FS Finans

(DKKm)	2011
Net interest income	252
Other net fee income and market value adjustments	(5)
Other operating income/(expenses), net	(187)
Operating expenses	356
Impairment losses on loans, advances, guarantees etc.	(110)
Profit/(loss) from investments in associates	(33)
Tax	(1)
Profit/(loss) for the year	**(218)**

Balance sheet, FS Finans

(DKKm)	31.12.2010	31.12.2011
	*Restated**	
ASSETS		
Cash in hand and balances at call with central banks	14	0
Due from credit institutions and central banks	283	173
Loans, advances and other receivables at amortised cost	9,674	5,999
Bonds and shares	177	18
Land and buildings	1,518	2
Investments	47	0
Current tax assets	0	0
Assets held temporarily	16	122
Other assets	794	123
TOTAL ASSETS	**12,523**	**6,437**
EQUITY AND LIABILITIES		
Due to credit institutions and central banks	787	0
Due to Finansiel Stabilitet A/S	5,360	1,854
Deposits and other payables	492	7
Issued bonds	2	2
Other liabilities	1,319	935
Other provisions	1,431	1,726
Subordinated capital	1,000	0
Equity	2,132	1,913
TOTAL EQUITY AND LIABILITIES	**12,523**	**6,437**
Number of employees	242	193
Number of principal customers	4,797	1,711

*Restated in connection with the internal restructuring of the Finansiel Stabilitet Group in 2011.

FS Pantebrevsselskab

The main objective of FS Pantebrevsselskab is to hold and manage the Group's portfolios of mortgage deeds and related ownership of real property and loans and advances, etc. The company manages and winds up the Group's portfolios of mortgage deeds with the aim of minimising losses. The company may opt to redeem the mortgage and take over the mortgaged properties with a view to sale, if this contributes to minimising losses.

The company handles all services related to mortgage deeds, including administration, debt collection and the taking over of properties in connection with forced sales. Moreover, FS Pantebrevsselskab takes over properties which are immediately saleable, while properties offering development potential are handled by FS Ejendoms-selskab.

FS Pantebrevsselskab generated a profit of DKK 7 million in 2011.

In 2011, the company took over properties from sister companies in connection with the restructuring of the Finansiel Stabilitet Group.

The company also had substantial winding-up activities, either through forced sale auctions or normal winding up/ redemption.

Total assets amounted to DKK 2,132 million at 31 December 2011, consisting primarily of loans and advances at fair value and loans and advances at amortised cost. Loans and advances at fair value totalled DKK 1,022 million and consisted of the company's own portfolio of mortgage deeds, while loans and advances at amortised cost amounted to DKK 332 million and consisted primarily of loans secured against mortgage deeds or properties. Equity stood at DKK 760 million at 31 December 2011. FS Pantebrevsselskab converted DKK 100 million from debt to Finansiel Stabilitet into equity in 2011.

In the autumn of 2011, Finansiel Stabilitet explored the options available for divesting FS Pantebrevsselskab. Due to substantial uncertainty in the financial markets, Finansiel Stabilitet resolved to put these explorations on hold.

In connection with the general meeting, a proposal will be submitted for the distribution of capital to Finansiel Stabilitet.

At the upcoming general meeting, a proposal will also be submitted for the issuance of bonus shares. This proposal should be seen in light of the fact that in connection with the restructuring of the Group, Finansiel Stabilitet has obtained approval from the Danish tax authorities that such issue may be completed on a tax-exempt basis.

FS Pantebrevsselskab's financial statements and management's review are included in the company's 2011 annual report.

The annual report is available from www.fspantebreve.dk and www.finansielstabilitet.dk.

Income statement, FS Pantebrevsselskab

(DKKm)	2011
Net interest income	108
Other net fee income and market value adjustments	(123)
Other operating income/(expenses), net	41
Operating expenses	86
Impairment losses on loans, advances, guarantees etc.	(67)
Profit/(loss) from investments in associates	0
Tax	0
Profit/(loss) for the year	**7**

Balance sheet, FS Pantebrevsselskab

(DKKm)	31.12.2010	31.12.2011
	*Restated**	
ASSETS		
Due from credit institutions and central banks	0	115
Intangible assets	2	1
Properties taken over	241	0
Loans and advances at amortised cost	710	332
Loans and advances at fair value	985	1,022
Assets held temporarily	0	477
Other assets	2	183
Receivables	170	0
Prepayments	2	2
Cash and cash equivalents	276	0
TOTAL ASSETS	**2,388**	**2,132**
EQUITY AND LIABILITIES		
Due to credit institutions and central banks	92	72
Due to Finansiel Stabilitet	1,562	1,216
Deposits and other payables	0	1
Other liabilities	74	50
Other provisions	8	33
Equity	652	760
TOTAL EQUITY AND LIABILITIES	**2,388**	**2,132**
Number of employees	54	61
Number of principal customers	43	63**

*Restated in connection with the internal restructuring of the Finansiel Stabilitet Group in 2011.

** Excluding mortgage deeds.

FS Ejendomsselskab

FS Ejendomsselskab acquires properties as part of the winding up of Finansiel Stabilitet's customer exposures. The properties, which may be taken over from all companies of the Finansiel Stabilitet Group, are often unfinished or in disrepair, and they are acquired on an arm's length basis with a view to restoration, completion of development, letting and sale.

The company's portfolio of properties comprises a mixture of residential, commercial, industrial and warehouse properties. At 31 December 2011, the portfolio was composed as follows: 25% residential (42,488 sqm), 64% office (106,941 sqm) and 11% warehouse (18,294 sqm).

Although FS Ejendomsselskab had expected to generate a profit for the full year, the company posted a loss of DKK 69 million in 2011. The loss was due to negative fair value adjustments of investment properties.
FS Ejendomsselskab was included in Finansiel Stabilitet's consolidated financial statements as a subsidiary from the second quarter of 2011. In the first quarter of 2011, FS Ejendomsselskab (Rosk Ejendomme) was included in the financial statements of FS Finans, as the subsidiary was only transferred to Finansiel Stabilitet from the second quarter of 2011.

Total assets amounted to DKK 1,611 million at 31 December 2011, of which investment properties represented DKK 1,404 million. In 2011, the Group acquired eight properties (including three properties taken over in connection with the restructuring) at a total value of DKK 181 million. Moreover, the Group sold eight properties and seven flats at a value of DKK 442 million.

At 31 December 2011, the property portfolio comprised a total of 40 properties with an aggregate floor space of approximately 168,000 sqm. Equity stood at DKK 1,041 million.

In connection with the general meeting, a proposal will be submitted for the distribution of capital to Finansiel Stabilitet.

At the upcoming general meetings of some of FS Ejendomsselskab's subsidiaries, proposals will also be submitted for the issuance of bonus shares. These proposals should be seen in light of the fact that in connection with the restructuring of the Group, Finansiel Stabilitet has obtained approval from the Danish tax authorities that such issue may be completed on a tax-exempt basis.

FS Ejendomsselskab's financial statements and management's review are included in the company's 2011 annual report.

The annual report is available from www.fsejendomsselskab.dk and www.finansielstabilitet.dk.

Income statement, FS Ejendomsselskab

(DKKm)	2011 01.04-31.12.
Net interest income	(17)
Other net fee income and market value adjustments	(80)
Other operating income/(expenses), net	51
Operating expenses	15
Impairment losses on loans, advances and receivables etc.	0
Profit/(loss) from investments in associates	0
Tax	8
Profit/(loss) for the period	**(69)**

Balance sheet, FS Ejendomsselskab

(DKKm)	31.12.2010	31.12.2011
	*Restated**	
ASSETS		
Due from credit institutions and central banks	0	178
Property, plant and equipment	1,603	1,404
Investment properties held for sale	311	0
Receivables	95	29
Cash and cash equivalents	73	0
TOTAL ASSETS	**2,082**	**1,611**
EQUITY AND LIABILITIES		
Due to credit institutions and central banks	321	123
Due to Finansiel Stabilitet	498	392
Other liabilities	167	55
Equity	1,096	1,041
TOTAL EQUITY AND LIABILITIES	**2,082**	**1,611**
Number of employees	10	15

*Restated in connection with the internal restructuring of the Finansiel Stabilitet Group in 2011.

The Exit Package (Bank Package III)

Amagerbanken af 2011

With effect from 5 February 2011, Amagerbanken entered into a conditional transfer agreement with Finansiel Stabilitet. The agreement provided for a transfer of all assets to a new subsidiary of Finansiel Stabilitet, Amagerbanken af 2011. Finansiel Stabilitet contributed capital, and the bank's customers experienced no significant difference in the practical handling of their banking business. After the transfer, the sale of Amagerbanken's activities was initiated. Payment for the transfer was provisionally fixed at DKK 15.2 billion, equivalent to a dividend of 58.8%.

On 18 May 2011, an agreement was made for the sale of all retail customers and small corporate customers to P/F BankNordik, which took over an aggregate of approximately 92,000 customers with total loans and advances of DKK 4.5 billion, total deposits of DKK 5.3 billion and some 160 employees. As part of the agreement, Amagerbanken accepted injecting DKK 300 million into BankNordik by way of subordinated capital. The sale was completed with effect from 1 July 2011.

A revaluation of assets and liabilities performed by the statutory, independent expert valuers at 30 June 2011 created the basis for an increase of the takeover price, whereby the dividend rate was fixed at 84.4%. Payment of the supplementary dividend was not commenced, however, as the Guarantee Fund for Depositors and Investors resolved to bring the valuation of the assets of Amagerbanken before the courts of law. The case was subsequently withdrawn, and Amagerbanken af 2011 completed the payment of supplementary dividend of up to 84.4% on 3 October 2011.

Amagerbanken af 2011 is winding up activities on an ongoing basis. In 2012, a large property portfolio of 646 residential flats covering a total floor space of around 65,000 sqm was divested. This transaction will reduce the bank's loans and advances by approximately DKK 900 million, and the divestment is expected to trigger a minor reversal of impairment losses already recognised.

Amagerbanken af 2011 generated a profit of DKK 128 million in 2011. This is equivalent to the return requirement on the equity contributed by Finansiel Stabilitet of DKK 1.2 billion.

The bank's total assets declined by DKK 13,659 million to DKK 14,354 million. The decline in assets was mainly due to the winding up of loans, advances and other receivables of DKK 10,188 million, while the reduction of deposits and other payables of DKK 6,814 million and issued bonds of DKK 6,327 million were the main causes of the decline in liabilities. Equity stood at DKK 1,328 million at 31 December 2011. In the second half of 2011, Amagerbanken af 2011 redeemed the subordinated capital of DKK 500 million upon the prior approval of the FSA.

In connection with the general meeting, a proposal will be submitted for distribution to Finansiel Stabilitet in order for the bank's capital to only just meet the solvency need.

Amagerbanken af 2011 has presented financial statements and a management's review for 2011.

The annual report is available from www.amagerbankenaf2011.dk and www.finansielstabilitet.dk.

Income statement, Amagerbanken af 2011

(DKKm)	2011 05.02 - 31.12
Net interest income	371
Other net fee income and market value adjustments	(157)
Other operating income/(expenses), net	552
Operating expenses	350
Impairment losses on loans, advances, guarantees etc.	249
Profit/(loss) from investments in associates	0
Tax	39
Profit/(loss) for the period	**128**

Balance sheet, Amagerbanken af 2011

(DKKm)	Opening balance sheet 05.02.2011	31.12.2011
ASSETS		
Cash in hand and balances at call with central banks	2,021	649
Due from credit institutions and central banks	2,177	1,106
Loans, advances and other receivables at fair value	0	0
Loans, advances and other receivables at amortised cost	16,461	6,273
Bonds and shares	6,457	3,154
Land and buildings	81	3
Intangible assets	350	0
Current tax assets	0	1
Assets held temporarily	25	1,587
Other assets	441	1,581
TOTAL ASSETS	**28,013**	**14,354**
EQUITY AND LIABILITIES		
Due to credit institutions and central banks	1,596	636
Due to Finansiel Stabilitet		
Deposits and other payables	7,190	376
Issued bonds	15,083	8,756
Other liabilities	389	1,631
Outstanding purchase price adjustment	1,085	856
Other provisions	968	771
Subordinated capital	500	0
Equity	1,200	1,328
TOTAL EQUITY AND LIABILITIES	**28,013**	**14,354**
Number of employees	469	140
Number of principal customers	Approx. 96,000	2,500

The number of principal customers at 31 December 2011 includes 2,250 lease customers.

Fjordbank Mors af 2011

With effect from 24 June 2011, Fjordbank Mors entered into a conditional transfer agreement with Finansiel Stabilitet. The agreement provided for a transfer of all assets to a new subsidiary of Finansiel Stabilitet, Fjordbank Mors af 2011. Finansiel Stabilitet contributed capital and liquidity, and the bank's customers experienced no significant difference in the practical handling of their banking business. Payment for the transfer was provisionally fixed at DKK 7.8 billion, equivalent to a dividend of 73.6%. The divestment of the assets was subsequently initiated, and a number of the bank's branches were sold during July 2011.

In the second half of 2011, two independent auditors were appointed as expert valuers by the Institute of State Authorised Public Accountants in Denmark to perform an assessment of the assets taken over from Fjordbank Mors. Based on this new valuation, the dividend was increased to 86.0%. The difference in the dividend rate between 73.6% and 86.0% was mainly due to the valuation of loans and advances. Although the trustee in bankruptcy has submitted the valuation to the courts with a view to obtaining a higher dividend, the estate in bankruptcy will not object to payment of the dividend currently fixed.

Fjordbank Mors af 2011 posted a loss of DKK 285 million in 2011. Market value adjustments produced a net loss of DKK 36 million, and operating expenses amounted to DKK 99 million. Costs were affected by substantial costs for external advisers, among other things in connection with the preparation of a valuation report and advisory services in relation to divestment of activities.

Based on the most recent available information, the value of associates was written down, impacting the financial results adversely by DKK 149 million.

During the period, the bank also recognised impairment losses on loans, advances and receivables etc. of DKK 199 million in aggregate. The reason for these impairment losses was that, in the period after the transfer to Finansiel Stabilitet, the credit quality of some of the exposures was found to be impaired.

The loss reduced the company's equity by DKK 285 million. Because Finansiel Stabilitet has a loss guarantee from the Guarantee Fund, Finansiel Stabilitet has a receivable from the Guarantee Fund for a corresponding amount.

At 31 December 2011, total assets amounted to DKK 6,031 million. An important reason for the decline in assets was the bank's divestment of activities in connection with the branch divestments described above. Equity stood at DKK 435 million at 31 December 2011.

Fjordbank Mors af 2011 has presented financial statements and a management's review for 2011.

The annual report is available from www.fjordbank.dk and www.finansielstabilitet.dk.

Income statement, Fjordbank Mors af 2011

(DKKm)	2011 24.06 - 31.12
Net interest income	88
Other net fee income and market value adjustments	(44)
Other operating income/(expenses), net	118
Operating expenses	99
Impairment losses on loans, advances, guarantees etc.	199
Profit/(loss) from investments in associates	(149)
Tax	0
Profit/(loss) for the period	**(285)**

Balance sheet Fjordbank Mors af 2011

(DKKm)	Opening balance sheet 24.06.2011	31.12.2011
ASSETS		
Cash in hand and balances at call with central banks	1,038	1,081
Due from credit institutions and central banks	534	1,424
Loans, advances and other receivables at fair value	67	67
Loans, advances and other receivables at amortised cost	7,152	2,845
Bonds and shares	2,308	233
Intangible assets	99	0
Land and buildings	204	140
Current tax assets	1	1
Assets held temporarily	143	9
Other assets	298	231
TOTAL ASSETS	**11,844**	**6,031**
EQUITY AND LIABILITIES		
Due to credit institutions and central banks	649	265
Due to Finansiel Stabilitet A/S	0	0
Deposits and other payables	7,053	2,136
Issued bonds	2,765	2,756
Other liabilities	240	136
Outstanding purchase price adjustment	100	0
Other provisions	137	123
Subordinated capital	180	180
Equity	720	435
TOTAL EQUITY AND LIABILITIES	**11,844**	**6,031**
Number of employees	205	65
Number of principal customers	Approx. 75,000	273

The Consolidation Package (Bank Package IV)

Max Bank af 2011

With effect from 8 October 2011, Max Bank entered into a conditional transfer agreement with Finansiel Stabilitet. The agreement provided for a transfer of all assets and liabilities, except for subordinated capital, to a new subsidiary of Finansiel Stabilitet, Max Bank af 2011. At the same time, the viable part of the bank, including all retail customers, was sold to Sparekassen Sjælland. Finansiel Stabilitet contributed capital and liquidity, and the bank's customers experienced no significant difference in the practical handling of their banking business.

The transfer was completed under the Consolidation Package (Model 2), ensuring full coverage of all depositors and other unsecured creditors, except for the Guarantee Fund and Finansiel Stabilitet, in connection with the transfer of Max Bank.

Max Bank af 2011 generated a profit of DKK 19 million in 2011.

Total assets amounted to DKK 4,523 million at 31 December 2011, equivalent to a decline of DKK 5,163 million for the period. The decline was mainly due to a decline in loans, advances and receivables and bonds and shares as a result of the divestment of the viable part of the bank to Sparekassen Sjælland. Equity stood at DKK 749 million at 31 December 2011.

Income statement, Max Bank af 2011

(DKKm)	2011 08.10 - 31.12
Net interest income	32
Other net fee income and market value adjustments	7
Other operating income/(expenses), net	19
Operating expenses	32
Impairment losses on loans, advances, guarantees etc.	0
Profit/(loss) from investments in associates	0
Tax	7
Profit/(loss) for the period	**19**

Balance sheet, Max Bank af 2011

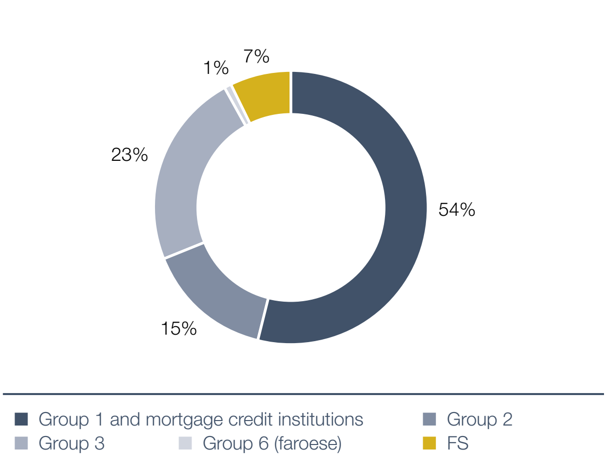
(DKKm)	Opening balance sheet 08.10.2011	31.12.2011
ASSETS		
Cash in hand and balances at call with central banks	1,012	838
Due from credit institutions and central banks	1,024	1,851
Loans, advances and other receivables at amortised cost	3,850	1,326
Due from the Guarantee Fund and Finansiel Stabilitet	1,733	0
Bonds and shares	1,573	393
Land and buildings	25	18
Intangible assets	276	0
Current tax assets	0	0
Assets held temporarily	20	21
Other assets	173	76
TOTAL ASSETS	**9,686**	**4,523**
EQUITY AND LIABILITIES		
Due to credit institutions and central banks	417	76
Due to Finansiel Stabilitet	0	0
Deposits and other payables	4,484	633
Issued bonds	2,777	1,917
Other liabilities	191	144
Outstanding purchase price adjustment	732	713
Other provisions	241	171
Subordinated capital	120	120
Equity	724	749
TOTAL EQUITY AND LIABILITIES	**9,686**	**4,523**
Number of employees	210	135
Number of principal customers	10,093	357

Individual government guarantees

During the period from February 2009 to 31 December 2010, Finansiel Stabilitet was commissioned by the Danish State to issue individual government guarantees to Danish banks and mortgage credit institutions, including Faroese and Greenland banks and mortgage credit institutions, and Danmarks Skibskredit A/S. The scheme entailed that Finansiel Stabilitet could enter into agreements for the provision of individual government guarantees for unsubordinated, unsecured debt with a maturity of up to three years, among other things. Finansiel Stabilitet receives guarantee commission from banks which have outstanding bond issues based on an individual government guarantee. The guarantee commission will accrue to the Danish State, which, in return, will compensate Finansiel Stabilitet for any loss incurred on the guarantees provided. In addition, the Danish State will pay a management fee to Finansiel Stabilitet to cover the costs of managing the scheme.

By way of application for appropriation of funds no. 51, which was adopted by the Finance Committee of the Danish parliament on 22 March 2012, a new guarantee scheme was established, enabling Danish banks until 30 June 2012 to extend existing guarantees or raise new guarantees with expiry on or before 31 December 2016. The new guarantee scheme is based on the same general principles as the original guarantee scheme. However, it is a condition under the new scheme that guarantees will only be issued in connection with mergers between two banks, that at least one of the banks is distressed or expected to become distressed and that the continuing bank is viable. Furthermore, the guarantee commission is increased. Like the former scheme, the new scheme is managed by Finansiel Stabilitet. No guarantees have yet been issued under the new scheme, Finansiel Stabilitet has provided conditional commitments to Vestjysk Bank and Den Jyske Sparekasse to extend guarantees already outstanding until 31 December 2016. Both commitments have been provided on the condition that the guarantees will be reduced gradually in the period until 2016.

Distribution of guarantees on credit institution groups by amount



Guarantees issued

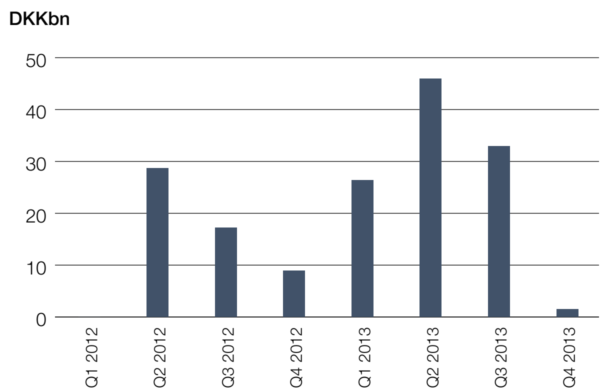
At 31 December 2011, individual government guarantees had been issued to 45 banks for a total amount of DKK 162 billion. DKK 16 billion of this amount was related to Finansiel Stabilitet's subsidiaries, and outstanding guarantees to banks outside the Group hence totalled DKK 146 billion. In terms of amount, 54% of the outstanding issues covered by an individual government guarantee was attributable to group 1 banks and mortgage credit institutions, whereas 38% was attributable to group 2 and group 3 banks.

In 2011, early redemptions for an amount of DKK 30 billion were completed, DKK 6 billion of which took place in the fourth quarter. The first normal expiry of guarantees also took place in the fourth quarter, when guarantees for a total amount of DKK 1 billion expired.

Expiry of guarantees

The aggregate amount guaranteed is expected to be reduced as debt issued on the basis of individual government guarantees falls due for repayment in the period until 31 December 2013 or as a result of early redemptions or

Expiry of debt issued on the basis of individual government guarantees



cancellation of debt issued on the basis of individual government guarantees. Repayment of debt issued on the basis of individual government guarantees is to a high degree concentrated on the period 1 January–30 September 2013.

The new guarantee scheme, enabling issuance of guarantees with expiry in the period until 2016, it is expected to have the effect that there will still be outstanding guarantees after 2013. The new scheme enables Finansiel Stabilitet to provide guarantees for up to DKK 50 billion with expiry on or before 31 December 2016.

Performance

In 2011, the Danish State received DKK 1,617 million by way of guarantee commission in relation to individual government guarantees issued. At the same time, the Danish State reimbursed administrative expenses in the amount of DKK 19 million to Finansiel Stabilitet.

Loss on individual government guarantees

In 2011, Finansiel Stabilitet posted a loss on the individual government guarantees because Amagerbanken, Fjordbank Mors and Max Bank became distressed and resolved to be transferred to Finansiel Stabilitet. Both Amagerbanken and Fjordbank Mors were transferred to Finansiel Stabilitet under the Exit Package, while Max Bank was transferred under the Consolidation Package (Model 2).

When Amagerbanken was transferred to Finansiel Stabilitet in February 2011, Finansiel Stabilitet had outstanding guarantees of DKK 13.6 billion to the bank. Like the other creditors, Finansiel Stabilitet has received dividend in proportion to the liabilities calculated. The dividend has been calculated at 84.4%, equivalent to a loss of DKK 2.1 billion on the guarantees provided. There is a possibility of an earn-out, which implies that the loss may be reduced if the winding-up process produces a better result than anticipated.

When Fjordbank Mors was transferred to Finansiel Stabilitet in June 2011, Finansiel Stabilitet had outstanding guarantees of DKK 4.1 billion to the bank. Like the other creditors, Finansiel Stabilitet has received dividend in proportion to the liabilities calculated. The dividend has been calculated at 86%, equivalent to a loss of DKK 0.6 billion on the guarantees provided. There is a possibility of an earn-out, which implies that the loss may be reduced if the winding-up process produces a better result than anticipated.

The activities of Max Bank were transferred to a subsidiary of Finansiel Stabilitet in October 2011. The activities were transferred under the Consolidation Package, which is based on the general principle that no unsecured creditors should incur any loss on the winding up of a distressed bank, equalling a dividend of 100%. Accordingly, the Danish State guarantees the individual government guarantees, and the Guarantee Fund, by way of a dowry, covers any loss which unsecured creditors would have incurred in a transfer under the Exit Package. Finansiel Stabilitet has thus provided a dowry to Max Bank of DKK 0.8 billion on behalf of the Danish State.

The maximum loss on the individual government guarantees was hence calculated at DKK 3.5 billion at 31 December 2011. The losses may be reduced if the ultimate winding up of the individual subsidiaries results in a positive purchase price adjustment, which can be distributed to creditors that have not received full coverage of their claims. Losses and dowry are covered by way of a loss guarantee from the Danish State and therefore have no impact on the net results of Finansiel Stabilitet.

Risk factors and risk management

The risk factors impacting Finansiel Stabilitet and the management thereof are to a significant extent influenced by the special circumstances involved in taking over distressed banks. Consequently, the risks assumed by Finansiel Stabilitet reflect to a very high degree the Company's obligation to take over activities from distressed banks. However, this does not apply to the Company's activities in connection with agreements concluded with respect to individual government guarantees.

Finansiel Stabilitet is exposed to a number of financial risks: credit, market, property, liquidity and operational risk.

Who bears the risk?

The risk related to the development in the value of assets and liabilities of the Finansiel Stabilitet Group is borne by a number of parties and may be divided into three segments:

- Activities taken over under the Bank Package
- Individual government guarantees (the Credit Package)
- Activities taken over under the Exit and Consolidation Packages

The risk of additional losses from activities taken over under the Bank Package is borne by Finansiel Stabilitet, and hence ultimately by the Danish State as the owner of Finansiel Stabilitet.

Individual government guarantees are issued on behalf of the Danish State, and the Danish State bears the risk of losses.

The risk of losses to the individual company taken over under the Exit and Consolidation Packages is borne by the winding-up department of the Guarantee Fund. Before the winding-up department incurs a loss, the individual company must have lost the outstanding purchase price adjustment (see "Financial review").

Risk bearer in the individual areas

	Bank Package	Individual government guarantees	Exit and Consoli-dation Packages
Danish State		■	
Finansiel Stabilitet	■		
Winding-up department of the Guarantee Fund			■

It is therefore relevant to consider the areas individually when assessing the individual types of risk faced by the Group.

Definitions of risk types and significance of exposure

Credit risk is defined as the risk of loss as a result of unrecoverable customer exposures due to lacking ability or willingness to make timely payments.

Market risk is defined as the risk of loss as a result of changes in the market value of assets and liabilities due to changing underlying market prices. Market risk comprises interest rate, currency and equity risk.

Property risk is defined as the risk of loss due to a decline in the market value of properties and property security caused by a decline in property market prices.

Liquidity risk is defined as the risk of loss as a result of existing cash resources being insufficient to cover payment obligations.

Operational risk is defined by the Bank for International Settlements (BIS) as "the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events".

Exposure (sensitivity) expresses the loss resulting from a given change in a specific risk factor. The exposure does not take the probability of changes into account.

General information on Finansiel Stabilitet's risk management policy

Most of Finansiel Stabilitet's risks are related to credit risk. This should be seen in light of Finansiel Stabilitet's objective of winding up or restructuring distressed banks. Credit risk is therefore generally unavoidable, but after the transfer to Finansiel Stabilitet it is managed on the basis of a general policy for the winding up of activities. Moreover, Finansiel Stabilitet has a substantial exposure to property risks, both directly by way of ownership and indirectly through credit and mortgage deed exposures. On the other hand, Finansiel Stabilitet generally only has minor exposure to market risk, and the liquidity risk is assessed to be insignificant.

The overall risk management policy stipulates that Finansiel Stabilitet determines the principles governing subsidiary risk centrally. In general, subsidiaries should only have credit risk exposure, and this exposure will be reduced gradually as the companies are wound up. Property risks arise as a result of the winding up of credit exposures in the event that it becomes necessary for a period of time to take over properties provided as security for credit exposures. Market risk will be eliminated as far as possible, partly by reducing potential positions through divestment, and partly by ensuring adequate hedging of any open positions. As a result of Finansiel Stabilitet's access to state-funded re-lending, the necessary liquidity will be available. Finansiel Stabilitet continuously seeks to limit operational risk by maintaining divisions classified by function with distinct responsibilities and documentation of key tasks through business procedures. This will reduce the risk of errors and future losses. In light of the special tasks handled by the Company, Finansiel Stabilitet's subsidiaries are furthermore party to a number of lawsuits and disputes.

Credit risks

Winding up of distressed banks under the Bank, Exit and Consolidation Packages

In consequence of Finansiel Stabilitet's acquisition of distressed banks, the Company has taken over considerable credit risk exposure. Moreover, the exposure is very unevenly distributed with respect to industries, as most of the lending exposure is to the property market.

The debtors' individual payment ability is often impaired, thereby making the collateral security, including the properties provided as security, important to Finansiel Stabilitet's credit risk assessment.

A total of 76% of the collateral security is related to real property. This sector has been particularly adversely affected by the economic and financial crisis, and it has therefore only been possible to reduce the exposure to a limited extent, partly in order to safeguard a proper business-oriented winding-up process, and partly in order to minimise the impact on pricing in exposed sectors.

Moreover, the quality of the exposures makes it impossible to achieve a well-balanced risk-return ratio. Accordingly, 74% of loans are impaired exposures on which the individual payment ability is limited. For this reason, it is not possible to apply the normal risk management approach of a financial business.

Management of credit risk at Finansiel Stabilitet is therefore incorporated as an integral part of the ongoing winding up of subsidiary assets, taking into consideration that a well-balanced portfolio will not be achievable on the short horizon due to market conditions. The risk management policy in the credit area is therefore primarily structured on the basis of an objective to monitor exposures on an ongoing basis and coordinate the exposures, while ensuring that additional exposure on existing business is kept at a minimum. In this connection, Finansiel Stabilitet will oversee that its subsidiaries comply with the requirements of the Winding-up Order, including that strictly necessary expansions are kept within the following limits:

- No individual exposure may be increased by more than 20%.
- The Company's overall portfolio of loans and advances may not be increased by more than 2.5%.

Finansiel Stabilitet's monitoring efforts build on a classification of customers based on their creditworthiness and the possibility of transferring them to other banks. The classification enables ongoing monitoring of overall credit quality developments and assessment of the possibility of

Break-down of exposures by creditworthiness

(DKKm)	(1b)	(1a)	(2c)	(2b)	(2a/3)	Total
Loans, advances and guarantees and unutilised credit limits before impairment	27,423 (21,016)	4,268 (2,033)	2,425 (1,270)	1,745 (134)	1,401 (430)	37,262 (24,883)
Of which impairment losses	15,428 (14,543)	0 (0)	0 (0)	0 (0)	0 (0)	15,428 (14,543)
Of which collateral security	9,420 (5,418)	2,532 (873)	1,354 (565)	1,048 (100)	360 (297)	14,714 (7,253)
Of which unsecured	2,575 (1,055)	1,736 (1,160)	1,071 (705)	697 (34)	1,041 (133)	7,120 (3,087)

Bracketed figures represent proportion excluding subsidiaries taken over under the Exit and Consolidation Packages.

1b = OII exposures with impairment, 1a = OII exposures without impairment, 2c = exposures with significant weaknesses, 2b = exposures with impaired credit quality, 2a/3 = exposures with normal credit quality.

Break-down of exposures by type of customer/winding up

(DKKm)	Viable	Conditionally viable	Liquidation	Total
Loans, advances and guarantees and unutilised credit limits before impairment	6,510	18,411	12,341	37,262
Of which impairment losses	528	7,361	7,539	15,428
Of which collateral security	3,478	7,530	3,706	14,714
Of which unsecured	2,504	3,520	1,096	7,120

Break-down of type of security by type of customer/winding up

(DKKm)	Viable	Conditionally viable	Liquidation	Total
Mortgages on real property	2,341	5,847	2,938	11,126
Mortgages on vehicles, ships, etc.	249	227	101	577
Security in deposits	25	59	55	139
Custody accounts	101	290	88	479
Guarantees	48	439	77	564
Other	714	668	447	1,829
Total	**3,478**	**7,530**	**3,706**	**14,714**

See also note 15 to the financial statements.

winding up customer relationships. To this end, uniform assessment principles have been introduced, paving the way for uniform classification across Finansiel Stabilitet's subsidiaries.

The creditworthiness is based on the FSA's credit quality classification of loans and advances (1b, 1a, 2c, 2b and 2a/3).

The possibility of a transfer to another bank in the long term is based on the viability of the exposure.

For liquidation exposures and conditionally viable exposures, the collateral security is the most important factor in the valuation of the exposure and, therefore, any change in the value of the collateral security will feed directly through to subsidiaries' profit/(loss).

The Credit Package: Individual government guarantees
Individual government guarantees were issued on the basis of an individual credit assessment of applications received. The credit assessment formed the basis of Finansiel Stabilitet's evaluation of whether it would be able to enter into an agreement on an individual government guarantee with the bank. In a number of instances, additional terms have been defined if Finansiel Stabilitet assessed this to be necessary in order for the issuance of the government guarantee to be deemed to be prudent. It was up to the individual bank to decide whether or not to publish information about individual requirements. In connection with the issuance of guarantees, the bank was required to submit information about material adverse changes. Finansiel Stabilitet conducts regular credit monitoring of the banks that have received an individual government guarantee based on their financial reporting. As long as the individual government guarantees are in force, the ongoing credit monitoring of the banks will continue. The Board of Directors of the Company receives regular status updates on individual government guarantees. All guarantees issued are registered in a database and status updates on the bond issues are available on www.finansielstabilitet.dk.

Guarantees issued on behalf of the Danish State amounted to DKK 162 billion at 31 December 2011 (DKK 194 billion at 31 December 2010). Individual government guarantees issued to Finansiel Stabilitet's subsidiaries represented DKK 16 billion of this amount. As a result, exposures to credit institutions outside Finansiel Stabilitet totalled DKK 146 billion.

Counterparty risk on financial counterparties
In connection with the ongoing management of market risks, the Group's subsidiaries enter into hedging transactions, and they also, to a limited extent, have accounts with Danish and foreign banks for purposes of payment transfers etc. These relatively moderate lines are granted and managed by the individual subsidiary and monitored by Finansiel Stabilitet.

Market risk
Winding up of distressed banks under the Bank, Exit and Consolidation Packages
Finansiel Stabilitet pursues a general policy of minimising its exposure to market risks. To the extent that the Company is exposed to market risks, the intention is

Break-down of individual government guarantees by currency

	2011		2010	
(DKKbn)	**Currency**	**DKK**	**Currency**	**DKK**
DKK	43.9	44.0	71.8	71.8
EUR	4.4	32.6	4.8	35.7
USD	12.5	71.9	12.5	70.2
SEK	16.2	13.5	19.1	15.8
Total		**162.0**		**193.5**

for the subsidiaries to wind up activities that expose the Company to market risks or, alternatively, to hedge such exposures.

Going forward, market risk will be monitored by subsidiaries submitting reports on their exposures to Finansiel Stabilitet on an ongoing basis, after which the Group's overall exposure is calculated. To date, the subsidiaries taken over have had limited exposure to activities subject to market risk on takeover.

The market risks faced by Finansiel Stabilitet are primarily in the form of interest rate risks arising in connection with differences in the maturities of assets and liabilities. The majority of loans to subsidiaries carry floating interest, while liabilities principally consist of loans raised by Finansiel Stabilitet through the state-funded re-lending scheme. Re-lending corresponds to bond loans, and thus carries a fixed rate of interest. Accordingly, the duration of assets and liabilities is not perfectly matched, and Finansiel Stabilitet is thus exposed to interest rate changes. In order to minimise the risk, Finansiel Stabilitet has raised loans primarily via the state-funded re-lending schemes in short-term bonds.

The overall interest rate risk was negative at DKK 313 million at 31 December 2011, compared with a negative amount of DKK 482 million at the year-earlier date. Excluding the subsidiaries under the Exit and Consolidation Packages, the interest rate risk was negative at DKK 183 million.

In connection with Finansiel Stabilitet's activities related to the winding up of distressed banks, the Company is also exposed to currency risk. To the extent that foreign commercial interests are involved, including that customers have raised loans with a view to financing foreign activities, assets are hedged by way of similar financing in foreign currency.

The overall currency position calculated in terms of exchange rate indicator 1 amounted to DKK 181 million at 31 December 2011 (DKK 1,466 million at 31 December 2010). Excluding the subsidiaries under the Exit and Consolidation Packages, the currency position amounted to DKK 249 million.

Finansiel Stabilitet also has a number of shareholdings. The listed shares are being wound up, but the Group still has a number of sector equities and minor, listed and unlisted, shareholdings in its balance sheet. Efforts are made on an ongoing basis to wind up these equity portfolios but, as a result of limited liquidity, this is typically a longer-horizon task. The greatest equity risk attaches to Finansiel Stabilitet's portfolio of bank shares, guarantee certificates and cooperative share certificates, which the Company has received as part of the payment under the Bank Package, and to sector equities. The portfolio of listed bank shares is being wound up on an ongoing basis, thereby reducing the exposure.

The overall portfolio of shares etc. amounted to DKK 1,467 million at 31 December 2011 (DKK 1,420 million at 31 December 2010). Excluding the subsidiaries under the Exit and Consolidation Packages, the portfolio of shares etc. amounted to DKK 1,050 million.

See also note 34 to the financial statements.

Properties on own books and value of property security on impaired and non-impaired exposures

(DKKm)	Properties in own portfolio	Property security, impaired	Property security, non-impaired
Property value	3,792	7,525	3,601
	(2,014)	(4,546)	(1,537)
Effect of a 10% decline in property values	379	1,016	
	(201)	(565)	

The impact on impairment losses due to a decline in the value of collateral security is not 1:1. On average, the impact is around 50% greater because the collateral security held by the banks attaches to the last proportion of a property's LTV ratio.

A potential impact on non-impaired exposures has not been calculated, as property price declines will not necessarily affect the impairment losses on such exposures.

Bracketed figures represent proportion excluding subsidiaries taken over under the Exit and Consolidation Packages.

The Credit Package: Individual government guarantees
In connection with the provision of individual government guarantees, Finansiel Stabilitet incurs a potential currency risk, as issues have been made in foreign currencies in several cases. The currency risk only arises if a bank defaults on its payments, and Finansiel Stabilitet is required to make timely payment. Finansiel Stabilitet has access to raising re-lending in foreign currency in order to be able to honour potential claims for timely payment in foreign currency.

Property risk

Directly or indirectly through subsidiaries, the Group owns a number of properties that have been taken over in connection with the winding up of exposures or collateral security.

In addition, the Group is indirectly exposed to developments in the property market as a large part of the Group's exposures are secured against properties or hold assets in the form of properties.

The property market was characterised by weak trends in 2011 as well, and the outlook for 2012 does not indicate any significant change. The properties in demand are still well-run and well-situated properties.

Many of the properties in which the Group holds mortgages are characterised by being poorly maintained and situated outside major urban areas, that is, properties that are currently not in high demand. Moreover, the financial sector is generally reluctant to finance property transactions. This makes selling difficult, and prolonged selling periods should therefore be expected in sales to third parties.

Finansiel Stabilitet's property risk management forms an integral part of its ongoing risk management of customer exposures and of the portfolio of properties on Finansiel Stabilitet's subsidiaries' own books.

FS Ejendomsselskab and FS Pantebrevsselskab are responsible for assessing property values and drawing up action plans, if required. This applies to the properties attaching to individual credit exposures of the subsidiaries as well as to the properties on the subsidiaries' own books.

FS Ejendomsselskab and FS Pantebrevsselskab manage the divestment of properties held by distressed exposures and work closely with the key account managers of the individual sister companies.

As mentioned above, the property market remains characterised by weak trends. Finansiel Stabilitet therefore has to weigh the prospect of obtaining a low price in a quick sale against the risk of further price declines. On the one hand, a quick sale of the properties would not be prudent from a financial point of view, and it could also serve to further drive down prices. On the other hand, there is a risk that property market prices will continue to decline, thereby impairing the value of the properties held on the companies' own books.

A scenario in which property values decline by a further 10% would impact Finansiel Stabilitet's operating profit through the portfolio of properties held by the subsidiaries as well as through collateral security provided on the exposures. Especially, impaired exposures would be very severely impacted in such a scenario.

It would cause a loss of DKK 201 million on the Group's portfolio of properties on its own books and would directly lead to increased impairment losses charged to profit and loss of around DKK 565 million for the Finansiel Stabilitet Group. Moreover, subsidiaries under the Exit and Consolidation Packages would incur a loss on properties of DKK 178 million and increased impairment losses of around DKK 451 million.

Liquidity risk

Finansiel Stabilitet is the main source of liquidity for its subsidiaries. To obtain an overview of its cash flow position, Finansiel Stabilitet regularly prepares estimates of future cash requirements. This ensures that the Company has the necessary liquidity buffer to meet future liabilities.

Finansiel Stabilitet has access to funding via the state-funded re-lending scheme and is therefore not exposed to liquidity risk.

Operational risk

Finansiel Stabilitet seeks, on an ongoing basis, to reduce the risk of loss related to operational risk, that is, in connection with inadequate or failed internal processes and human or system errors, etc.

Legal risks related to a number of pending and threatened disputes and claims for damages constitute a significant operational risk for the Group. They are the result of Finansiel Stabilitet's subsidiaries' assumption of the obligations of the banks acquired. Accordingly, provisions have been made in respect of risks which can be sufficiently quantified and which are most likely to result in a loss. Legal risks are difficult to quantify and often associated with uncertainty in terms of risk assessment. Finansiel Stabilitet therefore assesses the development in the legal risks and their potential financial consequences on an ongoing basis.

Finansiel Stabilitet seeks to minimise the other operational risks through a number of measures. For example, the different tasks in Finansiel Stabilitet are performed by different entities. A distinct separation of duties reduces the operational risks and supports the possibility of internal control. Moreover, Finansiel Stabilitet has prepared written procedures for all essential tasks with a view to minimising the reliance on individuals and to ensuring that the tasks are performed on the basis of the policies adopted. As many work processes are supported by IT, thereby exposing the Company to the risk of potentially damaging breakdowns, IT contingency plans have been drawn up in order to mitigate losses.

The most significant operational risks faced by the subsidiaries are assessed to be related to the handling of exposures in poor financial standing and related collateral security, including that documents and acts of perfection are often impaired by errors attributable to the original banks.

Moreover, Finansiel Stabilitet seeks to quickly wind up retail customers in order to avoid operational risks, including legal risks, in relation to retail customer advisory services.

Corporate governance

Finansiel Stabilitet emphasises the importance of corporate governance and aims to ensure that the Company to the widest possible extent meets its obligations to its owner and other stakeholders. Finansiel Stabilitet structures the management of the Group and the performance of the Group's activities in accordance with the special obligation imposed on Finansiel Stabilitet to contribute to securing financial stability in Denmark.

Background and overall framework
Finansiel Stabilitet is owned by the Danish State through the Ministry of Business and Growth, and the state ownership is exercised with all due respect to the decision-making powers of the Board of Directors and the Management Board.

Finansiel Stabilitet's activities are governed by the Act on Financial Stability and the Financial Business Act and executive orders issued in pursuance thereof. In addition, the Company is subject to special provisions regarding state-owned public companies.

As a financial holding company, Finansiel Stabilitet presents its consolidated financial statements in accordance with IFRS and the FSA's additional requirements for consolidated financial statements.

The parent company, Finansiel Stabilitet A/S, presents its financial statements in accordance with the Financial Business Act.

Finansiel Stabilitet publishes interim financial statements and releases quarterly profit announcements but does not publish full interim financial statements for the first and third quarters. In not doing so, Finansiel Stabilitet deviates from the recommendations of the Committee on Corporate Governance. This should be seen in light of Finansiel Stabilitet's special objects involving the winding up of distressed banks. It has been assessed that the release of quarterly financial statements would not contribute material new information in addition to the information released through the quarterly profit announcements and other announcements.

Finansiel Stabilitet complies with the recommendations for exercising ownership and practising corporate governance in state-owned public companies, as described in the report entitled "The State as a Shareholder" published in 2004. Finansiel Stabilitet considers developments in the corporate governance recommendations applicable to listed companies on a regular basis. At least once a year, the Board of Directors and the Management Board review principles defined for the management of Finansiel Stabilitet and make ongoing adjustments in order to ensure that the principles are in accordance with good practice in the area. In connection with the implementation of the Winding-up Order, which came into force in 2010, focus has also been on ensuring that the subsidiaries of Finansiel Stabilitet comply with the requirements set out in the executive order.

The overall objectives are defined by the shareholder (legislator) and, therefore, the assumption of risk is not left to the Board of Directors as would normally be the case. As the Company's objects and the achievement thereof are prescribed by law, Finansiel Stabilitet does not comply with the Committee's corporate governance recommendations in relation to risk management. However, the structural changes made to the Group reflect that the Board of Directors of Finansiel Stabilitet has sought to enhance the risk management efficiency of the portfolios acquired.

Communication with the Company's stakeholders
Finansiel Stabilitet makes a proactive effort to provide relevant, adequate and timely information about the Company's activities and performance to its various stakeholders.

Finansiel Stabilitet is subject to the rules applicable to state-owned public companies, implying, among other things, that in key areas the Company is subject to the same requirements as listed companies. Once a year, the Board of Directors discusses Finansiel Stabilitet's information and communications policy.

Announcements and other information from Finansiel Stabilitet and its subsidiaries are released through the Company's website and through the Danish Business Authority. In addition, the website contains information about the Company's structure, activities, etc.

General meetings
The general meeting is the Company's supreme decision-making body. The Ministry of Business and Growth acting on the behalf of the Danish State is the Company's sole shareholder and has the same powers at general meetings as those awarded to shareholders pursuant to the Companies Act.

Representatives of the Ministry of Business and Growth, the Board of Directors and the auditors attend the annual general meeting. The annual general meeting is open to the press.

Business transacted at the annual general meeting includes approval of the annual report, any proposed amendments to the articles of association, election of members to the Board of Directors and appointment of auditors.

Notices of general meetings are published and distributed to the Company's sole shareholder not less than two weeks and not more than four weeks prior to the date of the general meeting.

Management structure

Finansiel Stabilitet has a two-tier management structure, consisting of the Board of Directors and the Management Board. The two bodies are mutually independent and have no overlapping members.

Finansiel Stabilitet's subsidiaries are managed by independent management boards and boards of directors, which may, however, comprise of one or more members of the Board of Directors and the day-to-day management of Finansiel Stabilitet. This structure ensures that Finansiel Stabilitet is represented on the boards of directors of all subsidiaries, except for Amagerbanken af 2011.

The work of the Board of Directors

The Board of Directors is responsible for the overall management of Finansiel Stabilitet. The Board of Directors decides all matters of material importance, including the overall organisation of Finansiel Stabilitet's activities. The Board of Directors also has wide powers to supervise the Company and to check that it is being properly managed as required by law and by the articles of association.

The general guidelines for the work of the Board of Directors have been defined in the rules of procedure (read more at www.finansielstabilitet.dk), which are revised on an ongoing basis and as required.

Due to the special objects and nature of Finansiel Stabilitet, the Board of Directors has flexible working methods and plans its work so as to accommodate the tasks at hand.

A total of 18 board meetings were held in 2011, including 7 extraordinary board meetings. The number of board meetings reflected a sustained high level of activity in the Company as was also the case in 2010, when Finansiel Stabilitet likewise held 18 board meetings.

The Board of Directors is continuously updated on the Company's situation. These updates take place systematically through meetings as well as through written and oral reporting. The Board of Directors receives a regular quarterly report, including information about the Company's financial performance and the most important activities and transactions.

Efforts are made to ensure that the Ministry of Business and Growth automatically receives any information released by Finansiel Stabilitet, and meetings with the Minister for Business and Growth are held as and when required. As long as Finansiel Stabilitet is wholly owned by the Danish State, the Board of Directors is, moreover, required to make any and all information about the Company available to the Minister for Business and Growth when so requested, unless doing so would be contrary to statutory provisions. The Board of Directors is also required to notify the Minister for Business and Growth about matters concerning Finansiel Stabilitet's activities which are of material financial or political significance.

Finansiel Stabilitet deviates from the recommendations of the Committee on Corporate Governance with respect to board committees, as the Board of Directors has not to date found it necessary to set up an audit committee and, due to the close affiliation with the Minister for Business and Growth, has not found it necessary to set up remuneration and nomination committees.

In 2012, Finansiel Stabilitet will consider whether or not to set up an audit committee.

The Board of Directors regularly and at least once a year assesses the tasks and composition of the Board of Directors and the collaboration between the Board of Directors and the Management Board. The conditions relating to the Company's management are adjusted as required on the basis of these assessments.

Finansiel Stabilitet has set up an internal audit department which covers the entire Group. The internal audit department reports to the Board of Directors and conducts audits of operational, compliance and management matters and of the reliability of internal and external reporting.

Moreover, significant risk management areas, including risk management reporting, are audited.

Composition of the Board of Directors

The Board of Directors of Finansiel Stabilitet consists of seven members, including a chairman and a deputy chairman, elected by the general meeting upon the recommendation of the Ministry of Business and Growth. Finansiel Stabilitet previously deviated from the recommendations of the Committee on Corporate Governance with respect to the term of office of board members, as board members were elected for terms of three years in accordance with the Act on Financial Stability. The requirements for term of office were amended to one year with board members being eligible for re-election by Act no. 273 of 27 March 2012 on amendment of the Act on a guarantee fund for depositors and investors, the Financial Business Act, the Securities Trading, etc. Act, the Act on Financial Stability and the Tax Assessment Act. The aim of the amendment is to ensure continuity and to facilitate regular renewal of the Board of Directors. It also aligns the term of office with the general practice for state-owned public companies and the recommendations of the Committee on Corporate Governance of August 2011. The amendment will be implemented in the articles of association of Finansiel Stabilitet at the annual general meeting to be held in April 2012.

The Chairman of Finansiel Stabilitet's Board of Directors may not undertake any offices on behalf of the Company which do not form part of the office as chairman. However, if specifically required, the Chairman may perform tasks which he or she is requested to perform by and on behalf of the Board of Directors.

Age is not deemed to be a disqualifying factor, and no age limit has been determined for the members of the Board of Directors.

The candidates recommended by the Ministry of Business and Growth for election to the Board of Directors must possess relevant skills, and the Board of Directors as a whole must, to the widest possible extent, possess knowledge and experience of the key issues and challenges faced by Finansiel Stabilitet. Moreover, the Board of Directors seeks to achieve a composition in which the members complement each other in the best possible way in terms of age, background, gender, etc. with a view to ensuring a competent and versatile contribution to the board work in Finansiel Stabilitet.

At the Company's general meetings, proposals for candidates for board membership, including their experience and background, will be explained where relevant.

Information on the individual board members is provided on pages 108 and 109 of this Annual Report and on Finansiel Stabilitet's website, www.finansielstabilitet.dk.

The Chairman of the Board of Directors does not comply with the Committee on Corporate Governance’s recommendation regarding the number of directorships held outside the Company. However, this is not deemed to have any adverse impact on the Chairman’s commitment to or work for the Company.

Board member Christian Th. Kjølbye deviates from the Committee on Corporate Governance’s definition of independence due to his affiliation with one of the law firms providing legal advice to the Company. The Deputy Chairman of the Board of Directors, Jakob Brogaard, and board member Visti Nielsen deviate from the recommendations with respect to independence, as they are each chairman and member, respectively, of the board of directors of one of the Group's subsidiaries.

Management Board

The Management Board consists of one person appointed by the Board of Directors, which determines the employment terms of members of the Management Board.

The Management Board is responsible for the day-to-day management of Finansiel Stabilitet. Guidelines for the Management Board’s reporting and submission of resolutions to the Board of Directors and for the distribution of powers and responsibilities between the Board of Directors and the Management Board are laid down in instructions to the Management Board.

Remuneration of the Board of Directors and the Management Board

Each member of the Board of Directors receives a fixed annual remuneration, and the total annual emoluments paid to the Board of Directors are approved at the general meeting in connection with the approval of the annual report. The remuneration of the Chairman and the

Deputy Chairman consists of a fixed part and a variable part determined on the basis of the work performed. In the financial year 2011, the remuneration paid to the Board of Directors amounted to DKK 2,181,000 (2010: DKK 2,250,000), including DKK 1,281,000 (2010: DKK 1,200,000) to the Chairman and the Deputy Chairman. The remuneration payable to the Chairman and the Deputy Chairman is distributed largely evenly between Roskilde Bank/FS Finans and Finansiel Stabilitet. Finansiel Stabilitet has no pension obligations towards the members of the Board of Directors.

The remuneration of the Management Board is determined by the Board of Directors, and in 2011 the remuneration of the Management Board consisted of a basic salary and a variable cash supplement determined at the discretion of the Board of Directors. Finansiel Stabilitet has no pension obligations towards the Management Board. The Management Board does not receive a separate fee for directorships in subsidiaries. The total remuneration paid to the Management Board amounted to DKK 2.5 million in 2011 (2010: 2.5 million). The terms of employment of the Management Board, including remuneration and severance terms, are deemed to be consistent with ordinary standards for a position of this nature and do not entail any special obligations on the part of the Company.

The Finansiel Stabilitet Group has generally made consistent and successful efforts to adhere to the Danish State's salary policy for state-owned public companies, including by not paying top-bracket salaries. At the same time, Finansiel Stabilitet obviously abides by legally binding agreements with employees entered into in connection with the takeover of distressed banks. Finansiel Stabilitet also regularly considers the risks involved in a unilateral termination by Finansiel Stabilitet of key employees in the event that an adjustment to the Group's salary policy by way of a voluntary agreement proves impossible. See page 6 of the annual report of Amagerbanken af 2011 for additional information.

Internal control and risk management systems used in the financial reporting process

The Board of Directors and the Management Board check the financial reporting, including compliance with relevant legislation and other regulations related thereto. Finansiel Stabilitet has set up the necessary internal controls to ensure that the Company's financial reports give a true and fair view.

The Management Board maintains effective procedures to identify, monitor and report on risks, effective internal control procedures as well as satisfactory IT control and security measures.

In order to prevent misstatements and irregularities in financial reporting, Finansiel Stabilitet assesses and adjusts its internal control and risk management systems on an ongoing basis.

Risks are assessed on an ongoing basis in connection with the financial reporting. In particular, Finansiel Stabilitet focuses on financial items where estimates and judgments could have a material effect on the value of assets and liabilities. The financial items are included in the note on accounting estimates and judgments on pages 58 and 59.

Auditors

Finansiel Stabilitet's independent auditors are appointed at the general meeting for terms of one year. Before nominating a candidate for appointment at the general meeting, the Board of Directors makes a critical assessment of the auditors' independence, qualifications, etc. The framework for the auditors' duties, including their remuneration, audit and non-audit assignments are written into a contract.

Finansiel Stabilitet uses the same auditors throughout the Group.

The members of the Board of Directors receive the external auditors' long-form audit report on the auditors' review of the annual report. The Board of Directors reviews the annual report and the long-form audit report at a meeting with the external auditors, at which the auditors' observations and any material issues discovered in connection with the audit are discussed. The audit and any associated significant reservations are also reviewed, as are the most important accounting policies and the auditors' assessments.

Corporate social responsibility

Finansiel Stabilitet A/S is required to contribute to ensuring financial stability in Denmark, in particular by taking over distressed banks. This corporate social responsibility has been imposed on Finansiel Stabilitet by law.

Finansiel Stabilitet and the Group's subsidiaries are also required to comply with responsibilities as an employer, business partner and consumer of natural resources. Due to the nature of the Group's work and its role, Finansiel Stabilitet has not to date signed up to any special corporate social responsibility standards and, therefore, it is not possible to state specific results for all areas and activities below. This and the description below apply to all Group companies.

Ensuring financial stability

The Finansiel Stabilitet Group endeavours to wind up exposures taken over as quickly as possible, with financial prudence and in a proper and fair manner. The Group openly provides information on the development and performance of the Group's activities on a quarterly basis. This information is available at www.finansielstabilitet.dk.

The Group solves tasks for which there has not previously been a practice in Denmark. As a result, in several areas it has not been possible to use already tried and established practices as a basis. This imposes special demands on the Finansiel Stabilitet Group to define and prepare internal business procedures, practices and solution models that match the special challenges involved in, for example, taking over and subsequently winding up exposures of distressed banks.

Throughout 2011, Finansiel Stabilitet's efforts to create financial stability included:

- that acquired banks were wound up in a controlled process and not through forced realisation of the assets. Focus was on mitigating losses on assets and allowing Finansiel Stabilitet to contribute to maintaining stability in other sectors, including the property market;
- that Finansiel Stabilitet handled distressed banks in accordance with applicable rules and hence took over three banks as part of the Exit Package and the Consolidation Package, respectively.

Since its establishment in 2008, Finansiel Stabilitet has taken over a total of 11 banks. Priority has been given to ensuring that the remaining customers of these banks receive fair and proper treatment. This includes holding debtor meetings with a view to determining scenarios for winding-up processes and processing customer complaints in connection with advisory services provided by the original banks.

Customers

Finansiel Stabilitet seeks to dispose of healthy and financially viable customers as quickly as possible after having acquired a distressed bank. This is done partly to protect the assets acquired and partly to ensure that the customers of acquired banks are transferred to a new bank. Business with customers remaining with Finansiel Stabilitet should, to the extent possible, also be continued under the auspices of other banks. The Group is making proactive efforts to find new financial business partners wherever possible.

Pursuant to the Winding-up Order, Finansiel Stabilitet is not allowed to distort competition in the banking sector. The customer terms offered by the Group's companies should therefore always be less favourable than those offered by commercial banks. Among other thing, this means that lending rates should be in the upper 10th percentile for Danish banks.

The Group's winding-up activities are described on page 20 et seq. Moreover, information on the winding-up activities is provided in the annual reports of the individual subsidiaries. The annual reports are available at www.finansielstabilitet.dk.

Employees

Several activities of the Group are of a time-limited and special nature. This imposes special demands on employee competencies and commitment, as the employees are required to handle tasks and projects that involve a high degree of complexity and professional expertise. Finansiel Stabilitet has succeeded in attracting and retaining employees possessing the right qualifications, among other things because the Group is able to offer challenging tasks that provide the employees with specialist know-how. As a workplace, the Group is characterised by a dynamic corporate culture demanding flexibility and adaptability from each individual employee.

In 2011, a standard collective agreement was concluded between the Danish Employers’ Association for the Financial Sector and the Danish Financial Services Union for all of the Group's employees.

Environmental awareness

As part of its business activities, Finansiel Stabilitet seeks to limit its environmental impact. However, no policies and business procedures have been drawn up in this respect due to the nature of the Group's work.

Financial statements

Income and comprehensive income statement

(DKKm)	Note	Group 2011	Group 2010	Parent 2011	Parent 2010
Interest and fees					
Interest income	4	1,769	1,360	458	538
Interest expense	5	817	724	430	611
Net interest income		**952**	**636**	**28**	**(73)**
Share dividends, etc.		5	5	1	0
Commission received from the Private Contingency Association		0	5,625	0	5,625
Fees and commissions received	6	1,617	664	1,638	601
Fees and commissions paid	6	1,806	644	1,779	619
Net interest and fee income		**768**	**6,286**	**(112)**	**5,534**
Market value adjustments	7	(684)	101	(305)	(68)
Other operating income	8	1,374	756	307	19
Staff costs and administrative expenses	9	1,109	906	89	74
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	10	23	28	1	2
Other operating expenses		531	974	17	0
Impairment losses on loans, advances and receivables, etc.	11	4,192	3,788	3,528	85
Losses on takeover of subsidiaries		0	2,921	0	2,921
Profit/(loss) from investments in associates and subsidiaries	12	(162)	22	(814)	(3,855)
Loss guarantee from the Danish State relating to individual government guarantees		3,549	0	3,549	0
Loss guarantee from the Private Contingency Association		0	4,209	0	4,209
Loss guarantee from the Danish State relating to Roskilde Bank		0	2,327	0	2,327
Profit/(loss) for the year before tax		**(1,010)**	**5,084**	**(1,010)**	**5,084**
Tax	13	0	0	0	0
Profit/(loss) for the year		**(1,010)**	**5,084**	**(1,010)**	**5,084**
Statement of comprehensive income					
Profit/(loss) for the year		(1,010)	5,084	(1,010)	5,084
Other comprehensive income after tax		0	0	0	0
Total comprehensive income		**(1,010)**	**5,084**	**(1,010)**	**5,084**
Appropriation of profit/(loss)					
Proposed dividend		4,600	0	4,600	0
Retained earnings		(5,610)	5,084	(5,610)	5,084
Total amount appropriated		**(1,010)**	**5,084**	**(1,010)**	**5,084**

Balance sheet

(DKKm)	Note	Group 2011	Group 2010	Parent 2011	Parent 2010
ASSETS					
Cash in hand and demand deposits with central banks		7,992	8,365	5,273	6,395
Due from credit institutions and central banks	14	3,474	2,300	352	8,239
Loans, advances and other receivables at fair value	15	1,089	1,048	0	0
Loans, advances and other receivables at amortised cost	15	17,535	16,150	3,610	1,683
Bonds at fair value	16	3,524	1,914	210	0
Shares, etc.	17	1,467	1,420	1,032	918
Investments in associates, etc.	18	400	90	350	43
Investments in subsidiaries		0	0	7,952	6,618
Intangible assets	19	1	176	0	0
Total land and buildings	20	1,566	1,624	0	0
Investment properties		1,553	1,619	0	0
Domicile properties		13	5	0	0
Other property, plant and equipment	21	45	16	2	2
Assets held temporarily	22	2,226	12,037	0	0
Loss guarantee from the Danish State re. individual government guarantees		3,549	0	3,549	0
Receivable re. loss guarantee from the Private Contingency Association		0	10,000	0	10,000
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank		8,931	8,931	8,931	8,931
Other assets	23	2,648	562	525	50
Prepayments		19	16	5	0
Total assets		**54,466**	**64,649**	**31,791**	**42,879**

(DKKm)	Note	Group 2011	Group 2010	Parent 2011	Parent 2010
EQUITY AND LIABILITIES					
Liabilities:					
Due to credit institutions and central banks	24	977	684	1,944	0
Deposits and other payables	25	4,090	7,738	1,415	2,061
Loans through the state-funded re-lending scheme	26	14,567	25,981	14,567	25,981
Issued bonds at amortised cost	27	13,431	1,754	0	0
Liabilities re. assets held temporarily		0	10,593	0	0
Due to mortgage credit institutions		206	0	0	0
Other liabilities	28	3,069	1,355	140	248
Deferred income		4	0	0	0
Total segment assets		**36,344**	**48,105**	**18,066**	**28,290**
Provisions					
Provision for losses on guarantees		880	814	0	0
Purchase price adjustment (earn-out)	29	1,569	-	-	-
Other provisions	30	2,094	1,141	146	0
Total provisions		**4,543**	**1,955**	**146**	**0**
Total liabilities		**40,887**	**50,060**	**18,212**	**28,290**
Equity					
Share capital		1	1	1	1
Retained earnings		8,978	14,588	8,978	14,588
Proposed dividend		4,600	0	4,600	0
Total equity		**13,579**	**14,589**	**13,579**	**14,589**
Total equity and liabilities		**54,466**	**64,649**	**31,791**	**42,879**

Statement of changes in equity

Group	2011				
(DKKm)	Share capital	Retained earnings	Proposed dividend	Total equity	2010
Equity at 1 January 2011	1	14,588	0	14,589	9,505
Changes in equity during the period					
Comprehensive income for the period	-	(1,010)	-	(1,010)	5,084
Proposed dividend		(4,600)	4,600	-	-
Equity at 31 December 2011	**1**	**8,978**	**4,600**	**13,579**	**14,589**

Parent company	2011				
(DKKm)	Share capital	Retained earnings	Proposed dividend	Total equity	2010
Equity at 1 January 2011	1	14,588	0	14,589	9,505
Changes in equity during the period					
Profit/(loss) for the period	-	(1,010)	-	(1,010)	5,084
Proposed dividend		(4,600)	4,600	-	-
Equity at 31 December 2011	**1**	**8,978**	**4,600**	**13,579**	**14,589**

The DKK 0.5 million share capital consists of 500 shares of DKK 1,000 each. All shares confer equal rights on their holders.

In 2010, there were no changes in equity other than retained earnings.

Cash flow statement

(DKKm)	Group 2011	2010
Cash flows from operating activities		
Profit/(loss) for the year after tax	(1,010)	5,084
Impairment of loans, etc., net	4,192	3,788
Depreciation/amortisation	23	28
Loss guarantee from the Private Contingency Association/the Danish State	(3,549)	(6,536)
Losses on takeover of subsidiaries	(355)	2,921
Other	(753)	(918)
Total operating activities	**(1,452)**	**4,367**
Working capital		
Changes in credit institutions, net	2,705	(2,574)
Change in loans, advances and other receivables	17,572	729
Changes in securities	8,587	3,420
Change in deposits and other payables	(22,375)	1,609
Changes in other assets and liabilities	12	(704)
Total working capital	**6,501**	**2,480**
Total cash flows from operating activities	**5,049**	**6,847**
Cash flows from investing activities		
Net investment in subsidiaries	4,806	1,852
Cash flows from discontinued operations	-	(2,000)
Purchase/sale of property, plant and equipment	1,380	(662)
Total	**6,186**	**(810)**
Cash flows from financing activities		
Re-lending	(10,770)	(3,314)
Total	**(10,770)**	**(3,314)**
Change in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	10,445	7,722
Change during the year	465	2,723
Cash and cash equivalents at the end of the year	**10,910**	**10,445**
Cash and cash equivalents comprise:		
Cash in hand, etc.	7,992	8,365
Due from credit institutions and central banks within less than three months	2,918	2,080
Cash and cash equivalents at the end of the year	**10,910**	**10,445**

Notes

1. Accounting policies

Finansiel Stabilitet presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU and with related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements also comply with the Danish FSA's disclosure requirements for financial statements.

The financial statements of the parent company, Finansiel Stabilitet A/S, are presented in accordance with the provisions of the Financial Business Act, including the Danish FSA's Executive Order on financial reports presented by credit institutions, investment companies, etc. The rules are consistent with the Group's valuation principles under IFRS, except that investments in subsidiaries are valued according to the equity method.

The accounting policies are consistent with those applied in 2010.

Certain comparative figures have been reclassified.

Standards and interpretations not yet in force

The International Accounting Standards Board (IASB) has issued a number of international financial reporting standards and the International Financial Reporting Interpretations Committee (IFRIC) has issued a number of interpretations that have not yet come into force.

None of these are expected to materially affect the future financial reporting of Finansiel Stabilitet.

In October 2010, the IASB published IFRS 9, Financial Instruments. The standard represents phase 1 in a project to replace the existing IAS 39. Phase 1 deals with classification and measurement of financial instruments and derecognition, while the next phases will address rules on impairment, hedge accounting and offsetting of financial instruments. The EU has decided to postpone adoption of IFRS 9 until the details of the remaining phases are known. The standard is scheduled for implementation in 2015 at the latest.

In May 2011, in connection with its consolidation project, the IASB issued three new standards, IFRS 10, Consolidated Financial Statements; IFRS 11, Joint Arrangements and IFRS 12, Disclosure of Interest in Other Entities, as well as amendments to the two existing standards IAS 27, Consolidated and Separate Financial Statements and IAS 28, Investments in Associates. In accordance with the new standards, group relations are determined based on a common definition of control and the disclosure requirements are extended. In addition, the standard IFRS 13, Fair Value Measurement was issued. This standard concerns a number of clarifications in relation to fair value measurement. The standards, which have not yet been adopted by the EU, are scheduled for implementation in 2013 at the latest.

In June 2011, the IASB issued an amended IAS 19, Employee Benefits. The amendment eliminates the use of the corridor method for defined benefit plans. This amendment to IAS 19, which has not yet been adopted by the EU, must be implemented in 2013 at the latest.

In December 2011, the IASB issued a clarification of the offsetting provisions in IAS 32 and in continuation thereof extended the disclosure requirements in IFRS 7. Amendments that have yet to be adopted by the EU must be implemented in 2013 and 2014.

Accounting estimates and judgments

The determination of the carrying amount of certain assets and liabilities requires assessments, estimates and assumptions of future events.

The estimates and assumptions applied are based on historical experience and other factors that Management considers reasonable, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, the Group and parent company are subject to risks and uncertainties that may cause actual outcomes to deviate from the estimates and assumptions made.

It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or of new information or subsequent events.

Estimates significant to the financial reporting include the following:

- the accounting treatment of Finansiel Stabilitet's takeover of distressed banks, including assessment of the fair values of assets and liabilities taken over;
- impairment losses on loans and advances and provision for losses on guarantees and legal disputes, etc.;
- fair values of financial instruments, including mortgage deeds.

Accounting policies for the Group

Foreign currency translation
The functional currency of the Financial Stabilitet Group is Danish kroner, which is also the functional currency.

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the payment date are recognised in the income statement as market value adjustments.

Receivables, payables and other monetary items in foreign currencies are translated to the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate ruling at the date when the receivable or payable arose or the exchange rate applied in the most recent financial statements is recognised in the income statement as market value adjustments.

Offsetting
Receivables and payables are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle them on a net basis or to realise assets and settle the liability simultaneously.

Financial instruments – general
At the date of recognition, financial assets and liabilities are divided into the following categories:

- trading portfolio, measured at fair value;
- loans and advances and receivables, measured at amortised cost;
- financial assets at fair value through profit and loss;
- other financial liabilities, measured at amortised cost.

Derivative financial instruments
Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively, and positive and negative values are set off only when the Company has the right and the intention to settle several financial instruments on a net basis. Fair values of derivative financial instruments are determined on the basis of current market data and generally accepted valuation methods.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets or liabilities are recognised in the income statement together with changes in the fair value of the hedged asset or liability as regards the hedged portion.

If the hedge criteria cease to be met, the accumulated value adjustments of the hedged items are amortised over the term to maturity.

For derivatives that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as they occur.

Certain contracts include terms and conditions similar to derivative financial instruments. Such embedded derivatives are recognised separately and measured at fair value if they differ significantly from the host contract, unless the entire contract is recognised and measured at fair value.

Consolidated financial statements
The consolidated financial statements comprise the parent company Finansiel Stabilitet A/S and subsidiaries

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which Finansiel Stabilitet A/S controls. Control is obtained when the Company directly or indirectly holds 50% or more of the voting rights or otherwise has the power to control the enterprise.

Enterprises in which the Group exercises significant influence but not control are classified as associates. Significant influence is generally achieved by directly or indirectly holding or having the disposal of more than 20%, but less than 50%, of the voting rights.

In assessing whether Finansiel Stabilitet A/S exercises control or significant influence, potential voting rights exercisable at the balance sheet date are taken into account.

The consolidated financial statements have been prepared consolidating the financial statements of the parent company and the individual subsidiaries stated under the Group's accounting policies, eliminating intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions. Unrealised gains on transactions with associates are eliminated in proportion to the Group's share of the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that no impairment has occurred.

Investments in subsidiaries are eliminated at the proportionate share of the subsidiaries' fair value of identifiable net assets and recognised contingent liabilities at the takeover date.

Financial statement items of subsidiaries are fully consolidated. The share of profit for the year and equity attributable to non-controlling interests in subsidiaries that are not wholly owned are included in the consolidated profit and equity, respectively, but as separate items under equity.

Business acquisitions
Enterprises taken over are recognised in the consolidated financial statements from the takeover date. Enterprises divested or wound up are recognised in the consolidated income statement until the date of disposal. Comparative figures are not adjusted to reflect takeovers or divestments.

Takeovers are accounted for using the purchase method if Finansiel Stabilitet A/S gains control of the company taken over. The identifiable assets, liabilities and contingent liabilities of enterprises taken over are measured at fair value at the takeover date. Identifiable intangible assets are recognised if they can be separated or if they arise from a contractual right and the fair value can be reliably measured. Deferred tax on revaluations made is recognised.

The takeover date is the date on which control of the company taken over actually passes to Finansiel Stabilitet A/S.

If the measurement of identifiable assets, liabilities or contingent liabilities taken over is subject to uncertainty at the takeover date, initial recognition will be made on the basis of a preliminary calculation of fair values. If it subsequently turns out that the identifiable assets, liabilities or contingent liabilities had another fair value at the takeover date than that originally assumed, the value is adjusted up to 12 months after the takeover. The effect of any adjustments relating to prior financial periods is recognised in the opening equity, and comparative figures are restated accordingly.

Balance sheet

Due from credit institutions and central banks
Amounts due from credit institutions and central banks comprise amounts due from credit institutions and time deposits with central banks. Reverse transactions, that is purchases of securities from credit institutions and central banks to be resold at a later date, are recognised as amounts due from credit institutions and central banks.

Loans, advances and receivables at fair value
Loans, advances and receivables at fair value comprise loans, advances and receivables for which the price is fixed in active markets and loans, advances and receivables designated at fair value through profit or loss, because the conditions for using the fair value option are met.

The loans, advances and other receivables involved are measured at fair value on initial and subsequent recognition.

Mortgage deeds are measured at fair value using a valuation method based on the parameters which it is assumed that a qualified, willing and independent market participant would use.

Given the lack of market input and the relatively limited loss experience, the assumptions applied are largely based on qualified estimates. As and when more loss experience is gained and/or market input can be applied, these will replace the qualified estimates.

Loans, advances and receivables at amortised cost
Loans, advances and receivables are initially recognised at fair value plus transaction costs and less fees and commissions received that are directly related to the establishment. Subsequently, loans, advances and receivables are measured at amortised cost using the effective interest method less write-downs for bad debt losses.

Regular assessment is made of whether there is any objective indication of impairment, whether at portfolio level or individually.

Objective indication of impairment on an individual basis exists if at least one of the following events has occurred:

- the borrower is experiencing significant financial difficulty;
- the borrower's actions, such as default on interest or principal payments, lead to a breach of contract;
- the Group, for reasons relating to the borrower's financial difficulty, grants to the borrower a concession that the Group would not otherwise have granted;
- it becomes probable that the borrower will enter bankruptcy or other financial reconstruction.

Individual write-down for impairment of loans, advances and receivables is made when there is an objective indication of impairment and the impairment loss can be calculated. The impairment loss is calculated as the difference between the carrying amount of the loan and the present value of expected future cash flows from the loan. The expected future cash flows are determined based on the most probable outcome.

For fixed-rate loans, the original effective interest rate is used as discount rate. For floating-rate loans, the current effective interest rate on the loan is used.

Collective impairment write-downs are made when there is an objective indication of impairment at portfolio level and the impairment loss can be estimated.

An objective indication of impairment at portfolio level exists when observable data indicate a fall in expected future cash flows from the group of loans, advances or receivables which can be reliably measured and which cannot be attributed to individual loans, advances or receivables in the group.

Collective impairment write-downs are calculated using rating and segmentation models. The model-based collective impairment write-downs are subsequently adjusted to the extent that it is found that events have occurred that the models do not take into account or that the historical loss experience on which the models are based does not reflect the actual circumstances.

Individual as well as collective write-downs are reversed through profit and loss if there is no longer any objective indication of impairment or if a lower impairment loss is calculated.

Loan impairment losses are booked in allowance accounts. Loans and advances that are considered uncollectable are written off. The write-off is deducted from the allowance accounts.

For accounting purposes, interest on the individual loans and advances is recognised as income net of impairment losses.

Bonds, shares, etc.
Listed securities are measured at fair value at the settlement date. Fair values are measured at closing prices at the balance sheet date.

Unlisted securities are recognised at fair value using the fair value option, because risk management is based on fair value and is included on this basis in the internal man-

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agement reporting. Fair values of unlisted securities are determined on the basis of models, agreed trading prices according to articles of association, or the like.

If it is assessed that the fair value cannot be determined with sufficient reliability, the securities are measured at cost less any impairment losses.

The item includes Finansiel Stabilitet's holding of shares, cooperative share certificates and guarantee certificates received from banks in payment of guarantee commission in relation to the government guarantee scheme for banks having joined the Private Contingency Association.

Leases
Leases are classified as finance leases when all significant risks and rewards of ownership of an asset are transferred to the lessee.
All other leases are classified as operating leases.

Receivables from lessees in finance leases are recognised as loans in an amount corresponding to the net investment in the leases. Income from finance leases is accrued over the term of the lease so as to reflect a constant periodical return on the investment.

Where the Group is the lessor, operating lease assets are recognised as operating equipment and depreciated as the Group's other operating equipment. Income from operating leases is recognised on a straight-line basis over the term of the lease according to the effective interest method. Gains or losses on the sale of lease assets are recognised as other operating income.

Associates
Associates are recognised at the lower of the proportionate share of net asset value and recoverable amount.

Intangible assets
Software
Software acquired is measured at cost, including the expenses incurred to make each software application ready for use. Software acquired is amortised on a straight-line basis over the expected useful life, usually three years.

Proprietary software is recognised if its cost can be measured reliably and analyses indicate that future earnings from the use of the software match the related development costs.

Development projects
Clearly defined and identifiable development projects where the technical feasibility of the project, the availability of adequate resources and a potential use can be demonstrated and where the intention is to use the project, are recognised as intangible assets if the cost can be measured reliably and there is sufficient certainty of expected future cash flows. Other development costs are recognised in the income statement as incurred.

Recognised development costs are measured at cost less accumulated amortisation and impairment. Cost comprises the development costs incurred to make the project ready for use, including direct remuneration and consultants' fees.

After completion of the development work, development projects are amortised on a straight-line basis over their estimated economic lives from the time the asset is ready for use. The amortisation period is usually three years. The basis of amortisation is reduced by any impairment write-downs.

Costs incurred in the planning phase are not included; instead such expenses are recognised as incurred. Costs attributable to the maintenance of development projects are recognised in the year of maintenance.

Impairment of intangible assets
The carrying amount of intangible assets is assessed regularly and is written down through the income statement if the carrying amount exceeds the expected future net income from the entity or the asset.

Properties
Properties comprise investment properties and domicile properties.

Investment property is real property owned for the purpose of receiving rent and/or obtaining capital gains. Fair value adjustments are recognised in Market value adjustments.

Investment property is recognised at cost on acquisition and subsequently at fair value. Fair value is calculated on the basis of current market data based on a rate of return model. The fair value of each property is reassessed annually, taking into consideration current rental market conditions and current return requirements.

Domicile property is real property occupied by the Group's operations and administrative functions.

Domicile property is initially recognised at cost and subsequently depreciated on a straight-line basis, taking into account the individual components and residual value of the property, at estimated useful lives of between 10 and 50 years.

The residual value is determined at the date of acquisition and revalued each year. Where the residual value exceeds the carrying amount, the property ceases to be depreciated. If the depreciation period or the residual value is changed, the effect on depreciation going forward is recognised as a change in accounting estimates. Properties are valued by the Group's own expert valuers. Every two years, the measurement of the principal investment and domicile properties is verified by external valuers.

Domicile properties in the consolidated financial statements are measured at estimated fair value (revalued amount).

Land is not depreciated.

Other property, plant and equipment
Other property, plant and equipment includes operating equipment and fixtures, including IT equipment, which are measured at cost less depreciation. The assets are depreciated using the straight-line method based on their expected useful lives of between three and five years.

Leasehold improvements are measured at cost less depreciation, which is calculated on a straight-line basis over an estimated useful life of five years.

Impairment of property, plant and equipment
The carrying amount of property, plant and equipment is assessed regularly and is written down through the income statement if the carrying amount exceeds the expected future net income from the entity or the asset.

Tax payable and deferred tax
Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated tax on the taxable income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and tax base of assets and liabilities. However, deferred tax on temporary differences relating to goodwill which is not deductible for tax purposes and office buildings and other items is not recognised where temporary differences – other than business acquisitions – arise at the date of acquisition without affecting either the profit/(loss) for the year or the taxable income. In cases where the tax base may be computed according to several sets of tax regulations, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability planned by Management.

Deferred tax assets, including the tax base of tax losses carried forward, are recognised at the expected value of their utilisation, either as a set-off against tax on future earnings or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets are reviewed in connection with the year-end closing and recognised only to the extent that it is probable that they will be utilised.

Deferred tax assets and tax liabilities are offset if the enterprise has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and settle the liabilities simultaneously.

Adjustment is made to deferred tax relating to eliminations of unrealised intra-group profits and losses.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

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Assets held temporarily
Assets held temporarily comprise non-current assets and disposal groups held for sale. A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction. Liabilities regarding assets held for sale are liabilities directly associated with those assets that will be transferred in the transaction. Assets are classified as "held temporarily" if their carrying amount will be recovered principally through a sale transaction within 12 months in accordance with a formal plan rather than through continuing use.

Assets or disposal groups, other than property, held temporarily are measured at the lower of the carrying amount at the date when the assets were classified as "held temporarily" and fair value less costs to sell. Assets are not depreciated or amortised as from the date they are classified as "held temporarily".

Impairment losses occurring in connection with the initial classification as "assets held temporarily", and gains or losses in relation to subsequent measurement at the lower of the carrying amount and fair value less costs to sell are recognised in the income statement under the items to which they relate.

Assets and related liabilities are recognised separately in the balance sheet, and the main items are specified in the notes to the financial statements.

Property held temporarily is measured according to the principles applying to investment property.

Other assets
The item comprises assets not classified under any other asset item, including positive market values of spot transactions and derivative financial instruments, interest and commissions receivable.

Prepayments
Prepayments comprise costs incurred prior to the balance sheet date but which relate to a subsequent period, including prepaid commissions and prepaid interest.

Financial liabilities
At the date of borrowing, deposits, issued bonds and debt to credit institutions, central banks, etc. are recognised at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost, applying the "effective interest method", to the effect that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan. Other financial liabilities are measured at amortised cost.

Subordinated debt consists of liabilities in the form of subordinated loan capital and other capital contributions which, in the event of the Company's voluntary or compulsory winding up, will not be repaid until after the claims of ordinary creditors have been met. Subordinated debt is also measured at amortised cost.

Other liabilities
The item comprises liabilities not classified under any other liability item, including negative securities holdings arising in connection with reverse transactions, negative market values of derivative financial instruments, and interest due.

Deferred income
Deferred income comprises income received prior to the balance sheet date but which relates to a subsequent period, including interest and commissions received in advance.

Purchase price adjustment
Purchase price adjustment comprises the potential additional dividend payable to creditors and providers of dowry in the banks taken over under the Exit and Consolidation Packages.

Provisions
Provisions comprise provisions made in connection with legal disputes, guarantees, undrawn irrevocable credit facilities, employee benefits, etc. The item also comprises guarantee commitments for unsecured debt in banks, individual government guarantees for existing and new unsubordinated, unsecured debt in banks.

Provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, the Group has a legal or constructive obligation, and it is probable that there may be an outflow of economic benefits to meet the obligation.

Provisions are measured as Management's best estimate of the amount which is expected to be required to settle the liability.

In the measurement of provisions, the costs required to settle the liability are discounted if such discounting would have a material effect on the measurement of the liability. A pre-tax discount factor is used that reflects the general level of interest rates with the addition of risks specific to the provision. The changes in present values for the financial year are recognised in financial expenses.

Restructuring costs are recognised as liabilities when a detailed, formal restructuring plan has been announced not later than at the balance sheet date to the parties affected by the plan. On takeover of enterprises, restructuring provisions relating to the enterprise taken over are included in the calculation of the negative balance only if the enterprise taken over has a liability at the takeover date.

A provision for onerous contracts is recognised when the unavoidable costs under a contract exceed the expected benefits to the Group from the contract.

Equity

Proposed dividend

Proposed dividend is recognised as a liability at the time of adoption by the shareholder at the annual general meeting (the declaration date). Dividend expected to be paid in respect of the financial year is stated as a separate line item under equity.

Interim dividend is recognised as a liability at the date of resolution.

Non-controlling interests

Non-controlling interests' share of equity equals the carrying amount of the net assets in group enterprises not owned directly by Finansiel Stabilitet A/S.

Contingent assets and liabilities

Contingent assets and liabilities consist of possible assets and liabilities arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Finansiel Stabilitet Group.

Contingent assets are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are disclosed when an outflow of economic resources from the Group is possible but not probable. Disclosure also includes current liabilities which have not been recognised because it is not probable that the liability will entail an outflow of economic resources or where the liability cannot be reliably measured.

Income statement

Interest income and expense

Interest income and expense and current commission in respect of interest-bearing financial instruments measured at amortised cost are recognised in the income statement applying the effective interest method based on the cost of the financial instrument.

Interest includes amortisation of fees which are an integral part of the effective yield of the financial instrument, including origination fees, and amortisation of any additional difference between cost and redemption price.

Interest income and expense include interest on financial instruments carried at fair value, including forward premiums on forward contracts.

Recognition of interest on loans and advances with individual impairment write-downs is made on the basis of the value net of impairment.

Fee and commission income, net

The item comprises fees, commissions, remuneration, etc. which are not an integral part of the effective yield of a financial instrument. Income and expenses for services provided over a period of time, such as guarantee commissions, are accrued over the period. Transaction fees, such as brokerage and custody fees, are recognised at the transaction date.

Market value adjustments

Market value adjustments comprise value adjustments of assets and liabilities measured at fair value. The item also includes exchange rate adjustments.

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Other operating income
Other operating income comprises income of a secondary nature in relation to the Group's activities and gains on the sale of activities, property, plant and equipment and the like.

Staff costs and administrative expenses
Staff costs and administrative expenses comprise salaries, social security costs, holiday allowances, anniversary bonus, pension costs, etc.

Most of the Group's employees are covered by defined contribution plans. Under defined contribution plans, the Group makes regular contributions to pension funds or pension companies, and the contributions are recognised as expenses as they are earned by the employees.

With a few former members of Management, the Group has entered into defined benefit plans. The pension liability in this respect is based on an actuarial assessment of the present value of expected benefits. The present value is calculated on the basis of the expected future trends in interest rates, time of retirement, mortality rates and other factors, and amounts are fully set off against the income statement.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprises depreciation, amortisation and impairment losses for the year.

Other operating expenses
Other operating expenses comprise items of a secondary nature relative to the Group's activities, including losses on the sale of intangible assets and property, plant and equipment, properties taken over and operating expenses relating to letting activities, etc.

Impairment losses on loans, advances and receivables
The item comprises losses and impairment write-downs on loans, advances and receivables as well as provisions for guarantees and undrawn credit facilities.

Profit/(loss) from investments in associates
Profit/(loss) from investments in associates comprises the proportionate share of the net profit or loss of the individual enterprise.

Tax
The current Danish income tax liability is allocated among the jointly taxed companies in proportion to their taxable incomes. Companies utilising tax losses in other companies pay joint taxation contributions equal to the tax base of the utilised losses, while companies whose tax losses are utilised by other companies receive joint taxation contributions equal to the tax base of the utilised losses (full allocation). The jointly taxed companies pay tax under the on-account tax scheme.

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Special accounting issues relating to the parent company financial statements

Loss guarantee from the Private Contingency Association
Loss guarantee from the Private Contingency Association comprises receivables from the banks comprised by the Bank Package.

Loss guarantee from the Danish State relating to Roskilde Bank
The Company's loss relating to Roskilde Bank is stated as a receivable because of the government guarantee.

Loss guarantee from the Danish State relating to individual government guarantees
The Company's loss relating to individual government guarantees is stated as a receivable pursuant to the government guarantees.

Investments in associates and subsidiaries
In the parent company financial statements, investments in associates and subsidiaries are recognised at the proportionate share of fair values.

In connection with Finansiel Stabilitet taking over a distressed bank pursuant to the Bank Package, the assets and liabilities taken over are measured at fair value. Where the value of the net assets taken over is negative, the loss is recognised under ”Loss on takeover of subsidiaries” and set off by coverage by the Private Contingency Association.

On the parent company's acquisition of Roskilde Bank A/S, the difference between the cash consideration and the fair value of net assets taken over was recognised as a loss on the takeover of Roskilde Bank A/S and offset by coverage of the loss by the Danish State.

Tax payable and deferred tax
Finansiel Stabilitet A/S is exempt from taxation.

Commission from the Private Contingency Association
This item comprises the current guarantee commission charged until 30 September 2011 totalling DKK 15 billion from the Private Contingency Association.

Other fees and commissions received
This item comprises commissions for individual guarantees, according to which Finansiel Stabilitet A/S is authorised on behalf of the Danish State to enter into agreements to provide individual government guarantees to existing and new unsubordinated secured debt, etc. (the Credit Package).

Consolidated cash flow statement

The cash flow statement shows cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of takeovers and divestments of enterprises is shown separately under cash flows from investing activities. In the cash flow statement, cash flows concerning enterprises taken over are recognised from the takeover date, while cash flows concerning divested companies are recognised until the date of divestment.

Cash flows from operating activities are calculated according to the indirect method as the profit for the year before tax adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities comprise payments made in connection with the takeover and divestment of enterprises and activities and the purchase and sale of intangible assets, property, plant and equipment and other non-current assets.

Cash flows from financing activities comprise changes in the size or composition of share capital, issued bonds, subordinated debt and related costs and distribution of dividend.

Cash and cash equivalents comprise cash as well as securities with a term to maturity of less than three months at the purchase date which can readily be converted to cash and are only subject to an insignificant risk of value changes.

Cash and cash equivalents consist of cash in hand and demand deposits with central banks, amounts due from credit institutions and central banks with remaining terms to maturity of less than three months and bonds with remaining terms to maturity of less than three months.

Segment information for the Group

Segment reporting is based on the internal operating segments applied in the management reporting which the executive operational management uses for resource allocation and performance follow-up. As a result of the restructuring of the Group and the takeover of activities under the new bank packages, the Group's segments have changed compared with previous years. Segment information is prepared on the basis of the accounting policies applied by the Group.

Inter-segment transactions are settled on market terms. Costs incurred such as salaries, rent, depreciation, amortisation, etc. are allocated to individual segments based on direct and proportionate consumption.

Notes

Accordingly, the Group's reporting segments are:

- The Bank Package
  The Bank Package segment comprises Finansiel Stabilitet's activities in relation to the guarantee scheme for unsecured creditors of banks, cf. the Act on Financial Stability, including:
  - loss on takeover of distressed banks;
  - activities taken over from distressed banks which are to be transferred or wound up;
  - a total of DKK 15 billion in guarantee commission charged on a current basis until 30 September 2010 by the Private Contingency Association and returns on this amount;
  - further loss cover provided by the Private Contingency Association in the form of a loss guarantee of DKK 10 billion, settled in 2010;
  - financing costs and administrative expenses in relation to the above.

  The segment further comprises Finansiel Stabilitet's activities in relation to the winding up of Roskilde Bank. Until the end of 2010, losses on the operation of Roskilde Bank were covered by a loss guarantee from the Danish State. In 2010, Roskilde Bank was considered a separate segment.

  As from 2011, activities in relation to both of the above areas are for the account and risk of Finansiel Stabilitet. To reflect this, a new group structure was established in 2011, according to which the segments Roskilde Bank and the Bank Package are considered a single segment for 2011.

- The Credit Package
  The Credit Package segment comprises the granting of individual government guarantees, cf. the Danish Act on Financial Stability, according to which Finansiel Stabilitet is authorised, on behalf of the Danish State, upon application to grant individual government guarantees for existing or new unsubordinated secured debt, etc.

- The Exit and Consolidation Packages
  Under the Exit Package, the role of Finansiel Stabilitet in the winding up of a distressed bank is to establish and capitalise a new subsidiary, which takes over the assets and part of the liabilities of the distressed bank. If the finalisation of the winding up produces a profit exceeding Finansiel Stabilitet's contribution with the addition of a statutory market-based return requirement, this profit will be used for an increase of dividend and thus coverage of the liabilities not transferred to the subsidiaries. Amagerbanken af 2011 and Fjordbank Mors af 2011 were taken over under the Exit Package.

  Under the Consolidation Package, Finansiel Stabilitet takes over a distressed bank and divests the saleable part. The newly established subsidiary of Finansiel Stabilitet receives a dowry from the Guarantee Fund. The Subsidiary also receives a dowry from Finansiel Stabilitet. At the same time, the saleable part of the distressed bank is taken over by another bank. This is done without any loss being incurred by uncovered, unsecured creditors, including depositors. Max Bank af 2011 was taken over under the Consolidation Package.

  Finansiel Stabilitet has received a loss guarantee from the Danish Guarantee Fund for Depositors and Investors, which covers any loss that Finansiel Stabilitet may suffer on capitalisation, financing and any loss in connection with the winding up of Amagerbanken af 2011, Fjordbank Mors af 2011 and Max Bank af 2011. Finansiel Stabilitet is required to pay a guarantee commission on the loss guarantee to the winding-up department of the Guarantee Fund to ensure that Finansiel Stabilitet does not have any net earnings in connection with the winding up.

2. Segment information for the Group

2011 (DKKm)	Bank Package	Credit Package	Exit and Consolidation Packages	Total
Net interest income	486	(44)	510	952
Commission received from the Private Contingency Association	-	-	-	0
Guarantee commission on government guarantees	(8)	1,617	(101)	1,508
Other net fee income and market value adjustments	(500)	(1,617)	(259)	(2,376)
Movements in purchase price adjustment	-	-	348	348
Other operating income/(expenses), net	(150)	19	341	210
Operating expenses	628	6	498	1,132
Impairment losses on loans, advances, guarantees etc.	243	3,518	431	4,192
Losses on takeover of subsidiaries	0	-	-	0
Profit/(loss) from investments in subsidiaries and associates	(13)	-	(149)	(162)
Loss guarantee from the Danish State re. individual government guarantees	-	3,549	-	3,549
Loss guarantee from the Guarantee Fund for Depositors and Investors	-	-	285	285
Loss guarantee from the Private Contingency Association	0	-	-	0
Loss guarantee from the Danish State relating to Roskilde Bank	0	-	-	0
Profit/(loss) for the year before tax	**(1,056)**	**0**	**46**	**(1,010)**
Tax	(46)	0	46	0
Profit/(loss) for the year	**(1,010)**	**0**	**0**	**(1,010)**
Total segment assets	**25,724**	**3,549**	**25,193**	**54,466**

Notes

2. Segment information for the Group – continued

2010 (DKKm)	Bank Package	Credit Package	Exit and Consolidation Packages	Total
Net interest income	636	0	-	636
Commission received from the Private Contingency Association	5,625	-	-	5,625
Guarantee commission on government guarantees	-	576	-	576
Other net fee income/(expenses) and market value adjustments	126	(576)	-	(450)
Other operating income/(expenses), net	(236)	18	-	(218)
Operating expenses	916	18	-	934
Impairment losses on loans, advances, guarantees etc.	3,788	0	-	3,788
Losses on takeover of subsidiaries	2,921			2,921
Profit/(loss) from investments in subsidiaries and associates	22	-	-	22
Loss guarantee from the Danish State re. individual government guarantees	-	0	-	0
Loss guarantee from the Guarantee Fund for Depositors and Investors	-	-	-	-
Loss guarantee from the Private Contingency Association	4,209	-	-	4,209
Loss guarantee from the Danish State re. Roskilde Bank	2,327	-	-	2,327
Profit/(loss) for the year before tax	**5,084**	**-**	**-**	**5,084**
Tax	0	-	-	0
Profit/(loss) for the year	**5,084**	**0**	**-**	**5,084**
Total segment assets	**64,649**	**0**	**-**	**64,649**

The Exit and Consolidation Packages do not impact the Group's operations until 2011

3. Takeover of enterprises - the Group

In performing its objects under the Act on Financial Stability, Finansiel Stabilitet has taken over all assets and liabilities of distressed banks until 30 September 2010 pursuant to the Bank Package and subsequently pursuant to the Exit and Consolidation Packages.

Under the Exit Package, the role of Finansiel Stabilitet in the winding up of a distressed bank is to establish and capitalise a new subsidiary, which takes over the assets and part of the liabilities of the distressed bank. The subsidiary must take over all employees of the bank and may take over other bilateral contracts according to agreement with the distressed bank. The portion of the bank's liabilities to be taken over is provisionally determined and all unsubordinated creditors receive a preliminary dividend. Subsequently, a new valuation of the assets is made by two independent auditors appointed by the Institute of State Authorised Public Accountants in Denmark, which is used to determine the final dividend and thus adjustment of the liabilities taken over. If the finalisation of the winding up produces a profit exceeding Finansiel Stabilitet's contribution with the addition of a statutory market-based return requirement, this profit will be used for an increase of dividend and thus coverage of the liabilities not transferred to the subsidiaries at the takeover. The activities of Amagerbanken Aktieselskab and Fjordbank Mors A/S were taken over under the Exit Package.

The Consolidation Package applies two different models: Model 1 is used in situations where a viable bank takes over a distressed bank and receives a dowry from Finansiel Stabilitet and the Guarantee Fund. This model has not been applied yet.

Model 2 provides a framework for Finansiel Stabilitet to acquire a distressed bank and divest the saleable part The newly established subsidiary of Finansiel Stabilitet receives a dowry from the Guarantee Fund. The subsidiary also receives a dowry from Finansiel Stabilitet reflecting the losses on the individual government guarantees which would have materialised if the distressed bank had been wound up under the Exit Package. At the same time, the saleable part of the distressed bank is taken over by another bank. This is done without any loss being incurred by uncovered, unsecured creditors, including depositors. The activities of Max Bank A/S were taken over under the Consolidation Package.

Finansiel Stabilitet has received a loss guarantee from the Danish Guarantee Fund for Depositors and Investors, which covers any loss that Finansiel Stabilitet may suffer on capitalisation, financing and any loss in connection with the winding up of Amagerbanken af 2011, Fjordbank Mors af 2011 and Max Bank af 2011. Finansiel Stabilitet A/S is required to pay a guarantee commission on the loss guarantee to the winding-up department of the Guarantee Fund to ensure that Finansiel Stabilitet does not have any net earnings in connection with the winding up.

In connection with the takeovers, the activities are to the widest possible extent to be transferred or continued with a view to winding up. Amagerbanken af 2011, Fjordbank Mors af 2011 and Max Bank af 2011 are working on winding up the remaining activities with a view to achieving the optimum financial results.

The hypothetical revenue and financial performance calculated for the Group as if the acquisition of Amagerbanken af 2011, Fjordbank Mors af 2011 and Max Bank af 2011 had been effected at 1 January 2011 is not disclosed, given the practical difficulties and lack of relevance of providing such information.

Notes

3. Takeover of enterprises - the Group - continued

Acquisitions in 2011

Amagerbanken af 2011 A/S
Effective at 5 February 2011, Finansiel Stabilitet took over all assets in the estate in bankruptcy of Amagerbanken through a newly established subsidiary, Amagerbanken af 2011. The assets taken over primarily comprise a loan portfolio and portfolios of cash deposits and securities.

Payment for the assets was preliminarily fixed at DKK 15.2 billion, equivalent to 58.8% of the unsecured, unsubordinated claims. Payment was made by Amagerbanken af 2011 taking over liabilities in a corresponding amount.

The valuation of assets was performed by two independent auditors appointed by the Institute of State Authorised Public Accountants in Denmark. Similarly, Amagerbanken af 2011, assisted by a firm of auditors and the estate in bankruptcy of Amagerbanken, made a revaluation of liabilities.

The renewed valuation of the assets and liabilities warranted an increase of the dividend rate from 58.8% to 84.4%.

The Group has incurred total transaction costs of DKK 12 million in connection with the takeover.

The fair value of acquired loans, advances and other receivables at amortised cost has been calculated at DKK 13,459 million, and the nominal residual debt amounts to DKK 20,260 million. The difference between fair value and nominal residual debt is significant and is mainly due to uncertainty in the determination of fair value, including what proportion of the loans and advances should be considered irrecoverable in whole or in part.

In connection with the establishment of Amagerbanken af 2011, Finansiel Stabilitet has contributed equity of DKK 1,200 million and provided a subordinated loan of DKK 500 million. The subordinated loan was repaid in the second half of 2011.

Effective at 1 July 2011, Amagerbanken af 2011 transferred a significant part of its activities to P/F BankNordik, including some 92,000 customers with total loans of DKK 4.5 billion, total deposits of DKK 5.3 billion and 200 employees.

During the period from the takeover date until 31 December 2011, a profit of DKK 128 million was recognised.

The estimated fair values at the takeover date have been calculated as follows:

(DKKm)	
Estimated fair values at takeover date	
Cash in hand and balances at call with central banks	321
Due from credit institutions and central banks	2,177
Loans, advances and other receivables at amortised cost	
(loans and advances with nominal residual debt of DKK 20,260 million)	13,459
Bonds at fair value and shares, etc.	6,487
Intangible assets and other property, plant and equipment	469
Other assets and prepayments	3,425
Due to credit institutions and central banks	(1,596)
Deposits and issued bonds	(22,318)
Other liabilities	(389)
Other provisions	(2,035)
Net assets taken over	**0**
Acquisition price	**0**

3. Takeover of enterprises - the Group - continued

Fjordbank Mors af 2011 A/S

Effective at 24 June 2011, Finansiel Stabilitet took over all assets in the estate in bankruptcy of Fjordbank Mors through a newly established subsidiary Fjordbank Mors af 2011. The assets taken over primarily comprised a loan portfolio and portfolios of cash deposits and securities.

Payment for the assets was preliminarily fixed at DKK 8.1 billion, equivalent to 73.6% of the unsecured, unsubordinated claims. Payment was made by Fjordbank Mors af 2011 taking over liabilities in a corresponding amount.

The valuation of assets was performed by two independent auditors appointed by the Institute of State Authorised Public Accountants in Denmark. Similarly, Fjordbank Mors af 2011, assisted by a firm of auditors and the estate in bankruptcy of Fjordbank Mors, made a revaluation of liabilities.

The renewed valuation of the assets and liabilities warranted an increase of the dividend rate from 73.6% to 86.0%.

The Group has incurred total transaction costs of DKK 12 million in connection with the takeover.

The fair value of acquired loans, advances and other receivables at amortised cost has been calculated at DKK 5,484 million, and the nominal residual debt amounts to DKK 9,160 million. The difference between fair value and nominal residual debt is significant and is mainly due to uncertainty in the determination of fair value, including what proportion of the loans and advances should be considered irrecoverable in whole or in part.

In connection with the establishment of Fjordbank Mors af 2011, Finansiel Stabilitet has contributed equity of DKK 720 million and provided hybrid Tier 1 capital of DKK 180 million.

Effective at 30 September 2011, Fjordbank Mors af 2011 transferred a significant part of its activities to Jyske Bank, including some 47,000 customers with total loans of DKK 2.3 billion, total deposits of DKK 3.5 billion and 65 employees. Also, a number of bank branches were sold to other banks. Divestment and winding up of the remaining just over 200 customer exposures is under way.

During the period from the takeover date until 31 December 2011, a loss of DKK 285 million has been recognised.

The estimated fair values at the takeover date have been calculated as follows:

(DKKm)	
Estimated fair values at takeover date	
Cash in hand and balances at call with central banks	138
Due from credit institutions and central banks	534
Loans, advances and other receivables at amortised cost (loans and advances with nominal residual debt of DKK 9,160 million)	5,484
Bonds at fair value and shares, etc.	2,305
Intangible assets and other property, plant and equipment	386
Other assets and prepayments	743
Due to credit institutions and central banks	(649)
Deposits, other payables and issued bonds at amortised cost	(7,821)
Other liabilities	(973)
Other provisions	(147)
Net assets taken over	**0**
Acquisition price	**0**

Notes

3. Takeover of enterprises - the Group - continued

Max Bank af 2011 A/S
Effective at 8 October 2011, Finansiel Stabilitet took over all assets in the estate in bankruptcy of Max Bank through a newly established subsidiary, Max Bank af 2011. Immediately after this, the viable parts of the bank, including all retail customers, were sold to Sparekassen Sjælland. The sale comprised some 35,000 customers with total deposits of DKK 3.8 billion and loans totalling DKK 3.0 billion. The remaining assets primarily comprised a loan portfolio and portfolios of cash deposits and securities.

The Group has incurred total transaction costs of DKK 2 million in connection with the takeover.

The fair value of loans taken over, advances and other receivables at amortised cost has been calculated at DKK 3,850 million, and the nominal residual debt amounts to DKK 6,375 million. The difference between fair value and nominal residual debt is significant and is mainly due to uncertainty in the determination of fair value, including what proportion of the loans and advances should be considered irrecoverable in whole or in part.

In connection with the establishment of Max Bank af 2011, Finansiel Stabilitet has contributed equity of DKK 730 million and provided a subordinated loan of DKK 120 million.

During the period from the takeover date until 31 December 2011, a profit of DKK 19 million was recognised.

The estimated fair values at the takeover date have been calculated as follows:

(DKKm)	
Estimated fair values at takeover date	
Cash in hand and balances at call with central banks	162
Due from credit institutions and central banks	1,024
Loans, advances and other receivables at amortised cost	
(loans and advances with nominal residual debt of DKK 6,375 million)	3,850
Bonds at fair value and shares, etc.	1,588
Intangible assets and other property, plant and equipment	330
Other assets and prepayments	149
Due to credit institutions and central banks	(417)
Deposits, other payables and issued bonds at amortised cost	(7,261)
Other liabilities	(191)
Other provisions	(977)
Acquired net assets	**(1,733)**
Dowry from the Guarantee Fund for Depositors and Investors	**911**
Dowry from Finansiel Stabilitet A/S	**822**
Loss at the takeover date	**0**

Agreement with FIH Erhvervsbank A/S and FIH Holding A/S
On 2 March 2012, Finansiel Stabilitet announced an agreement with FIH Erhvervsbank A/S and FIH Holding A/S on the takeover of property exposures and related financial instruments of approximately DKK 17 billion.

The agreement implies that Finansiel Stabilitet will take over a company from FIH to which FIH has merged exposures of approximately DKK 17 billion. A management agreement will be made with FIH to manage the loans. The sole object of the company will be to wind up the exposures taken over as quickly as possible, in a financially prudent manner and in a proper and fair manner.

The agreement implies a close collaboration between Finansiel Stabilitet and FIH. The agreement may result in financial gains for both parties, but under the agreement Finansiel Stabilitet is ensured a loss guarantee FIH in case of financial losses.

3. Takeover of enterprises - the Group - continued

Takeovers in 2010

Takeovers in 2010 (DKKm)	Take-over date	Fair value of net assets	Take-over costs	Loss at the takeover date	Profit/loss from takeover to 31 Dec. 2010
Finansieringsselskabet af 11/2 2010	11.02.2010	700	5	0	(1)
Eik Bank Danmark 2010 A/S	30.09.2010	(1,726)	1	1,726	29

(DKKm)	Finansierings-selskabet af 11/2 2010 A/S	Eik Bank Danmark 2010 A/S
Cash in hand and balances at call with central bank	49	197
Due from credit institutions and central banks	246	572
Loans, advances and other receivables at fair value	0	68
Loans, advances and other receivables at amortised cost	258	4,598
Bonds and shares, etc. at fair value	72	2,109
Intangible assets and other property, plant and equipment	1	178
Assets held temporarily	0	43
Other assets and prepayments	88	111
Due to credit institutions and central banks	0	(305)
Deposits, other payables and issued bonds at amortised cost	0	(8,600)
Other liabilities	(4)	(308)
Other provisions	(10)	(389)
Net assets taken over	**700**	**(1,726)**

Effective at 14 October 2010 Finansiel Stabilitet A/S took over all activities and unsubordinated liabilities from Eik Banki P/F through a newly formed subsidiary, Eik Banki Føroya P/F. On 3 February 2011, 70% of the shares in the new company were sold to TF Holding P/F. The remaining 30% of the share capital constitutes a separate class of shares with preferential status in terms of dividend and other distributions. Against this background, the company is treated as a discontinued operation in accordance with the rules on assets held for sale.

Compared with the calculation of the total sales value of Eik Banki Føroya P/F, Finansiel Stabilitet's loss from the acquisition of Eik Banki Føroya P/F is DKK 1,195 million.

Based on the available financial information for 2011, the value of shares is estimated at DKK 350 million.

Notes

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010
4. Interest income				
Due from credit institutions and central banks	167	61	217	469
Loans, advances and other receivables at amortised cost	1,303	1,124	208	53
Loans, advances and other receivables at fair value	125	96	0	0
Bonds	97	55	5	0
Total derivative financial instruments	(9)	2	-	-
Foreign exchange contracts	(8)	2	-	-
Interest rate contracts	(1)	(2)	-	-
Share contracts	-	-	-	-
Commodity contracts	-	-	-	-
Other contracts	-	2	-	-
Other interest income	86	22	28	16
Total	**1,769**	**1,360**	**458**	**538**
Interest income relates to:				
Assets at amortised cost	1,537	1,191	434	522
Assets at fair value	232	169	24	16
Total	**1,769**	**1,360**	**458**	**538**
Interest on financial assets written down individually	394	255	-	-
5. Interest expense				
Credit institutions and central banks	27	19	45	0
Deposits and other payables	123	55	0	1
Issued bonds	227	33	0	0
Loans through the state-funded re-lending scheme	380	610	380	610
Other interest expense	60	7	5	0
Total	**817**	**724**	**430**	**611**
6. Fees and commissions received				
Fees and commissions received				
Securities trading and custody accounts	35	13	0	0
Payment transfers	9	7	0	0
Loan arrangements	8	4	0	0
Guarantees	1,531	576	1,620	576
Other fees and commissions	34	64	18	25
Total	**1,617**	**664**	**1,638**	**601**
Fees and commissions paid				
Guarantees	1,620	583	1,617	576
Commissions paid on loss guarantees provided by the Guarantee Fund for Depositors and Investors	135	-	135	-
Payment transfers	6	5	0	0
Other fees and commissions paid	45	56	27	43
Total	**1,806**	**644**	**1,779**	**619**

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010

7. Market value adjustments

	Group 2011	Group 2010	Parent 2011	Parent 2010
Adjustment for credit risk for loans and advances at fair value	(85)	34	0	0
Other adjustment for loans and advances at fair value	(3)	(20)	0	0
Bonds	(101)	52	(22)	0
Shares, etc.	(345)	(205)	(256)	(68)
Investment properties	(80)	154	0	0
Currency	(13)	12	0	0
Currency, interest, share, commodity and other contracts and derivative financial instruments	13	55	0	0
Other assets and liabilities	(70)	19	(27)	0
Total	**(684)**	**101**	**(305)**	**(68)**
Market value adjustments relate to:				
Assets and liabilities at fair value	(656)	99	(278)	(68)
Other assets and liabilities	(28)	2	(27)	0
Total	**(684)**	**101**	**(305)**	**(68)**

8. Other operating income

	Group 2011	Group 2010	Parent 2011	Parent 2010
Sale of activities	18	385	0	0
Rental income, property	107	55	0	0
Sale of management services	69	0	0	0
Gain from disposal of exposures	287	0	0	0
Reversed provisions for litigation	184	164	0	0
Loss guarantee from the Guarantee Fund for Depositors and Investors re. Fjordbank Mors af 2011	285	0	285	0
Movements in outstanding purchase price adjustment for the year	348	0	0	0
Other items	76	152	22	19
Total	**1,374**	**756**	**307**	**19**

9. Staff costs and administrative expenses

	Group 2011	Group 2010	Parent 2011	Parent 2010
Salaries and remuneration to Board of Directors and Management Board:				
Management Board	2	2	2	2
Board of Directors	2	2	1	1
Total	**4**	**4**	**3**	**3**
Staff costs:				
Salaries	453	376	23	20
Pensions	42	35	-	-
Social security costs	47	28	-	-
Total	**542**	**439**	**23**	**20**
Other administrative expenses	563	463	63	51
Total	**1,109**	**906**	**89**	**74**
Average number of employees during the financial year converted into full-time equivalents	853	619	26	18

Notes

(DKK'000)	Group 2011	Group 2010	Parent 2011	Parent 2010

9. Staff costs and administrative expenses - continued

	Group 2011	Group 2010	Parent 2011	Parent 2010
Board emoluments paid				
Henning Kruse Petersen (Chairman)	450	600	300	300
Jakob Brogaard (Deputy Chairman)	831	600	300	300
Anette Eberhard	150	150	150	150
Claus Gregersen - resigned in 2010	-	112		37
Christian Th. Kjølbye	150	150	150	150
Birgitte Nielsen	150	150	150	150
Visti Nielsen	300	450	150	150
Flemming Hansen	150	38	150	38
Total emoluments	**2,181**	**2,250**	**1,350**	**1,275**

	Group 2011	Group 2010	Parent 2011	Parent 2010
Management Board remuneration paid				
Henrik Bjerre-Nielsen:				
Base salary	2,266	2,077	2,266	2,077
Variable cash supplement	234	400	234	400
Total	**2,500**	**2,477**	**2,500**	**2,477**

The remuneration of the Chairman and the Deputy Chairman consists of a fixed and a variable part determined on the basis of the work performed.

The Management Board does not receive a separate fee for directorships in subsidiaries.

Other significant risk takers

The Finansiel Stabilitet Group has identified seven other significant risk takers. With due consideration for its objects and the planning and organising until the end of the year, the Group has determined that other significant risk takers comprise management members in the subsidiaries. Finansiel Stabilitet A/S has no other significant risk takers.

Remuneration includes salaries to seven other significant risk takers in the total amount of DKK 16.1 million, of which fixed salaries account for DKK 16.0 million and variable fees account for DKK 0.1 million.

The Group has no pension obligations in relation to other significant risk takers, as all have defined contribution plans. No disclosures for 2010 are made, as no other significant risk takers had been identified at the time.

For disclosure requirements in accordance with the Danish executive order on remuneration policy and public disclosure of salaries in financial institutions and financial holding companies, which are not comprised by audits, see www.finansielstabilitet.dk.

	Group 2011	Group 2010	Parent 2011	Parent 2010
Audit fee				
Total fees to the auditors appointed in general meeting can be specified as follows:				
Statutory audit	11	11	1	1
Assurance engagements	12	6	1	0
Tax advice	1	0	-	-
Non-audit services	23	13	10	2
Total audit fees	**47**	**30**	**12**	**3**

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010

10. Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	Group 2011	Group 2010	Parent 2011	Parent 2010
Intangible assets, amortisation	1	3	-	-
Operating equipment, depreciation	21	9	1	2
Domicile properties, depreciation	1	1	-	-
Domicile properties, impairment losses	1	15	-	-
Total	**23**	**28**	**1**	**2**

(DKKm)	Group

11. Impairment losses on loans, advances and receivables etc.

2011

Loans, advances and other receivables at amortised cost

	Loans, etc., individual write-down	Loans, etc., collective write-down	Total	Impact on operations
Impairment losses, beginning of year	14,460	600	15,060	
Additions from takeovers of subsidiaries	314	0	314	
Impairment losses	6,744	24	6,768	6,768
Reversed impairment losses	(6,063)	(102)	(6,165)	(6,165)
Impairment losses, end of year	**15,455**	**522**	**15,977**	**603**
Losses recorded, provisions re. individual government guarantees, etc.				3,589
Impairment losses charged to income statement				**4,192**

Impairment losses/adjustment for credit risk, end of year

	Impairment losses beginning of year	Additions from takeover of subsidiary	Impairment losses	Reversed Impairment losses	Impairment losses
Due from credit institutions	0	0	0	0	0
Loans and advances at amortised cost	14,246	0	6,454	(5,603)	15,097
Loans and advances at fair value	712	42	184	(91)	847
Subsidiaries' share of loss guarantee to the Private Contingency Association	0	0	0	0	0
Guarantees	814	314	314	(562)	880
Total	**15,772**	**356**	**6,952**	**(6,256)**	**16,824**

Notes

(DKKm)	Group

11. Impairment losses on loans, advances and receivables, etc. - continued

2010

Loans, advances and other receivables at amortised cost

	Loans, etc., individual write-down	Loans, etc., collective write-down	Total	Impact on operations
Impairment losses, beginning of year	11,778	829	12,607	
Additions from takeovers of subsidiaries	439	0	439	
Impairment losses	5,628	107	5,735	5,735
Reversed impairment losses	(3,385)	(336)	(3,721)	(3,721)
Impairment losses, end of year	**14,460**	**600**	**15,060**	**2,014**
Losses recorded, provisions re. individual government guarantees, etc.				1,774
Impairment losses charged to income statement				**3,788**

Impairment losses/adjustment for credit risk, end of year

	Impairment losses beginning of year	Additions from takeover of subsidiary	Impairment losses	Reversed Impairment losses	Impairment losses
Due from credit institutions	0	0	0	0	0
Loans and advances at amortised cost	12,070	0	5,307	(3,131)	14,246
Loans and advances at fair value	889	87	398	(662)	712
Subsidiaries' share of loss guarantee to the Private Contingency Association	173	40	65	(278)	0
Guarantees	364	399	283	(232)	814
Total	**13,496**	**526**	**6,053**	**(4,303)**	**15,772**

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010

12. Profit/(loss) from investments in associates and subsidiaries

	Group 2011	Group 2010	Parent 2011	Parent 2010
Profit/(loss) from investments in associates	(162)	22	0	0
Profit/(loss) from investments in subsidiaries	0	0	(814)	(3,855)
Total	**(162)**	**22**	**(814)**	**(3,855)**

13. Tax

	Group 2011	Group 2010	Parent 2011	Parent 2010
Estimated tax on the profit for the year	0	0		
Adjustment of deferred tax	3	0		
Prior-year tax adjustments	(3)	0		
Total	**0**	**0**	**-**	**-**

13. Tax – continued

Finansiel Stabilitet is exempt from taxation and consequently is not in a position to act as an administrative company in respect of the computation and settlement of the subsidiaries' income under the joint taxation. Instead, FS Pantebrevsselskab has been appointed as administrative company for the jointly taxed Group.

The Group has a significant deferred tax asset relating to tax loss carryforwards totalling DKK 6.2 billion. Due to the uncertainty as to whether this can be utilised, the tax asset has not been recognised in the balance sheet.

	2011	2010
Effective tax rate for the Group		
Corporate tax rate in Denmark	25%	25%
Unrecognised deferred tax assets	(25%)	(25%)
Effective tax rate	**0%**	**0%**

	Group		Parent	
(DKKm)	**2011**	**2010**	**2011**	**2010**

14. Due from credit institutions and central banks

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010
Term deposits with central banks	3,300	1,250	0	0
Due from credit institutions	174	1,050	352	8,239
	3,474	2,300	352	8,239
Impairment losses	0	0	0	0
Total balances due from credit institutions and central banks	**3,474**	**2,300**	**352**	**8,239**
Reverse transactions thereof	0	0	0	0
broken down by term to maturity				
Demand deposits	1,587	830	52	4,487
3 months or less	1,331	1,250	0	1,282
Between 3 months and 1 year	0	77	0	0
Between 1 and 5 years	26	143	0	0
More than 5 years	530	0	300	2,470
Total	**3,474**	**2,300**	**352**	**8,239**

15. Loans, advances and other receivables

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010
Loans, advances and other receivables at fair value	1,089	1,048	0	0
Loans, advances and other receivables at amortised cost	17,535	16,150	3,610	1,683
Impairment losses	15,097	14,246	95	85
Fair value adjustment	884	749	0	0
Total loans, advances and other receivables before impairment losses	**34,605**	**32,193**	**3,705**	**1,768**
broken down by term to maturity				
On demand	19,683	8,497	3,472	1,550
3 months or less	2,128	5,313	0	0
Between 3 months and 1 year	2,760	4,583	0	27
Between 1 and 5 years	5,778	5,948	233	191
More than 5 years	4,256	7,852	0	0
Total	**34,605**	**32,193**	**3,705**	**1,768**
Loans and advances at fair value				
Nominal value	1,973	1,797	0	0
Fair value adjustment	(37)	(37)	0	0
Adjustment for credit risk	(847)	(712)	0	0
Total	**1,089**	**1,048**	**0**	**0**

Notes

15. Loans, advances and other receivables - continued

Credit risk

Credit risk is defined as the risk of loss as a result of unrecoverable customer exposures due to lacking ability or willingness to make timely payments. In consequence of Finansiel Stabilitet's objective of winding up or restructuring distressed banks, the Company has taken over a considerable credit risk exposure. During the period after Finansiel Stabilitet's acquisition of subsidiaries, new credits have to a limited extent been granted in cases where this has been deemed to reduce the overall risk of losses.

	Group	
(DKKm)	**2011**	**2010**
Credit exposure		
Balance sheet items:		
Cash in hand and balances at call with central banks	7,992	8,365
Due from credit institutions and central banks	3,474	2,300
Loans, advances and other receivables at fair value	1,089	1,048
Loans, advances and other receivables at amortised cost	32,632	30,396
Total credit exposure recognised in balance sheet:	**45,187**	**42,109**
Off-balance sheet items:		
Guarantees	2,625	2,343
Individual government guarantees	161,954	193,608
Credit exposure re. lending activity	**209,766**	**238,060**

Individual government guarantee

In pursuance of the Credit Package, Finansiel Stabilitet provided individual government guarantees of DKK 162 billion to 45 Danish banks. In 2010, government guarantees of DKK 194 billion were provided to 50 banks.

Banks that applied for individual government guarantees were required to submit an application containing a wide range of information for use in connection with Finansiel Stabilitet's credit assessment. The credit assessment formed the basis for Finansiel Stabilitet's evaluation of whether it would be able to enter into an agreement with a bank for an individual government guarantee. In a number of cases, Finansiel Stabilitet set out additional terms if this was deemed necessary for the issuance of government guarantees to be prudent.

Banks that have used the individual government guarantee are required to submit information on material negative changes.

Amagerbanken, Fjordbank Mors and Max Bank, all of which entered into bankruptcy in 2011, had all issued bonds backed by individual government guarantees. The loss on individual government guarantees at 31 December 2011 amounted to DKK 3,518 million. The loss may be reduced as a result of a possible earn out.

Moreover, Finansiel Stabilitet carries out regular credit assessments in order to detect any changes in financial standing that would require a provision. No provision was made for impairment losses on individual government guarantees in 2011.

15. Loans, advances and other receivables - continued

Credit institutions and central banks
Of the remaining credit exposure, DKK 3.5 billion relates to amounts due from credit institutions and central banks. No impairment losses have been recognised on amounts due from central banks and credit institutions.

Loans, advances and other receivables at fair value
Loans, advances and other receivables at fair value (DKK 1,973 million) relate to mortgage deeds which have been adjusted for credit risk in the total amount of DKK 847 million.

Loans and advances at amortised cost and guarantees
The remaining part of the credit exposure relates to the subsidiary banks' lending activities proper. In the following table, loans, advances and guarantees are broken down by line of business.

(DKKm)	Group 2011		2010	
Loans, advances and guarantees				
1. Public authorities	10	0%	4	0%
2. Commercial sector				
2.1 Agriculture, hunting, forestry and fishing	1,559	4%	854	3%
2.2 Industry and raw materials extraction	495	1%	306	1%
2.3 Energy supply	723	2%	1,052	3%
2.4 Construction	1,756	5%	3,225	10%
2.5 Trade	1,124	3%	759	2%
2.6 Transport, hotel and restaurant business	684	2%	741	2%
2.7 Information and communication	224	1%	199	1%
2.8 Finance and insurance	6,307	18%	4,904	15%
2.9 Property	14,457	41%	12,773	39%
2.10 Other commercial sector	5,261	15%	2,607	8%
Total commercial sector	**32,590**	**92%**	**27,419**	**84%**
3. Retail sector	2,657	8%	5,315	16%
Total	**35,257**	**100%**	**32,738**	**100%**

Lending is concentrated around the commercial sector, and the property sector in particular. The lending activity is largely limited to Danish customers.

Risk exposure has been identified in relation to virtually all loans. A break-down of loans by degree of security is shown on the following page.

Notes

15. Loans, advances and other receivables - continued

(DKKm)	Group 2011	2010
Break-down of loans by degree of security (partially based on estimates)		
Commercial sector		
Loans without any security	8,894	9,935
Loans secured on charges or other security:		
- secured in full	3,015	3,458
- secured in part	18,133	13,064
Total	**30,042**	**26,457**
Retail sector		
Loans without any security	1,299	1,358
Loans secured on charges or other security:		
- secured in full	200	1,091
- secured in part	1,091	1,490
Total	**2,590**	**3,939**
Total	**32,632**	**30,396**

The loan value of the collateral security received relates largely to properties.
The table below shows a break-down on main categories.

Collateral security
Collateral security has been provided at a fair value of DKK 14.7 billion (2010: DKK 13.2 billion).
The main categories of security are listed below.

(DKKm)	2011	2010
Mortgages on property	11,126	10,377
Mortgages on vehicles, ships, etc.	577	541
Security in deposits	139	1,038
Custody accounts	479	521
Guarantees	564	73
Other	1,829	671
Total	**14,714**	**13,221**

Enforcement of collateral security will generally happen on behalf of the borrower. However, in certain situations, the Group as the highest bidder will take over properties in forced sales. Properties thus taken over will either be sold quickly or be considered investment properties if the Group sees a potential increase in value.

At 31 December 2011, the Group had a portfolio of 323 (2010: 149) properties temporarily taken over, representing a total value of DKK 2,226 million (2010: 639 million).

As a result of the risk on loans, advances and guarantees and the limited collateral security, significant impairment write-downs and provisions have been made, shown by line of business on the following page.

15. Loans, advances and other receivables - continued

(DKKm)	Group 2011		Group 2010	
Impairment losses by line of business				
1. Public authorities	-	0%	28	0%
2. Commercial sector				
2.1 Agriculture, hunting, forestry and fishing	764	5%	487	3%
2.2 Industry and raw materials extraction	235	1%	169	1%
2.3 Energy supply	191	1%	436	3%
2.4 Construction	706	4%	1,480	10%
2.5 Trade	470	3%	325	2%
2.6 Transport, hotel and restaurant business	271	2%	323	2%
2.7 Information and communication	85	1%	85	1%
2.8 Finance and insurance	3,120	20%	2,684	18%
2.9 Property	5,211	33%	5,504	37%
2.10 Other commercial sector	2,879	18%	1,273	8%
Total commercial sector	13,932		12,766	
3. Retail sector	1,496	9%	1,856	12%
Total	**15,428**	**97%**	**14,650**	**97%**
Collective impairment write-downs	522	3%	410	3%
Total impairment write-downs	**15,950**	**100%**	**15,060**	**100%**

For a more detailed description of the Group's credit risk management goals and policies, see page 39 of the management's review.

16. Bonds at fair value

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010
Government bonds	2	63	0	0
Mortgage bonds	247	1,620	0	0
Other bonds	3,275	231	210	0
Total	**3,524**	**1,914**	**210**	**0**

Notes

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010
17. Shares, etc.				
Shares/unit trust certificates listed on Nasdaq OMX Copenhagen A/S	39	324	0	292
Unlisted shares at fair value	1,426	1,090	1,032	626
Unlisted shares at cost	2	6	0	0
Total	**1,467**	**1,420**	**1,032**	**918**
18. Investments in associates				
Cost, beginning of year	94	62	43	0
Additions on takeover of subsidiary	228	8	0	0
Additions	350	94	350	43
Disposals	72	70	43	0
Cost, end of year	600	94	350	43
Adjustments, beginning of year	4	35		
Adjustments for the year	52	(22)		
Other adjustments	144	(9)		
Adjustments, end of year	200	4		
Total	**400**	**90**	**350**	**43**

Investments in associates	**Ownership (%)**	**Domicile**	**Total assets**	**Total liabilities**	**Revenue**	**Profit/(loss)**
Ejendomsselskabet Vestio A/S	50%	Horsens	434	375	35	(18)
EBH Tyskland 1 A/S	25%	Horsens	12	0	(7)	(7)
Lake Dümmer Invest ApS	38%	Lyngby-Taarbæk	24	57	(8)	(12)
Fredensborg ejendomsudvikling A/S	50%	Copenhagen	193	189	1	(2)
Jakob Dannefærds Vej 15-19 ApS	40%	Copenhagen	104	114	(1)	(6)
Alpha Invest ApS	50%	Aabenraa	57	173	0	(117)
Mercon A/S	28%	Aarhus	9	8	(8)	(19)
Bella Center A/S	35%	Copenhagen	2,668	1,904	27	(39)
EIK Banki Føroya P/F*	30%	Torshavn	n/a	n/a	n/a	n/a

Financial information is provided in accordance with the companies' most recent annual reports.

*2011 was EIK Banki Føroya P/F's first financial year, and the company has yet to publish its financial statements.

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010
19. Intangible assets				
Cost at beginning of year	180	58		
Additions on takeover of subsidiary	726	175		
Disposals during the year	901	53		
Cost, end of year	**5**	**180**		
Amortisation and impairment, beginning of year	4	52		
Amortisation during the year	1	3		
Disposals during the year	1	51		
Amortisation and impairment, end of year	4	4		
Carrying amount, end of year	**1**	**176**	**-**	**-**
20. Land and buildings				
Investment properties				
Fair value, beginning of year	1,619	839		
Additions on takeover of subsidiary	211	0		
Other additions	315	766		
Disposals	512	140		
Fair value adjustment for the year	(80)	154		
Fair value, end of year	**1,553**	**1619**	**0**	**0**

Rental income from investment properties amounted to DKK 81 million (2010: DKK 55 million). Direct costs in relation to investment properties generating revenue amounted to DKK 30 million, and in relation to investment properties not generating revenue amounted to DKK 2 million. The corresponding costs for 2010 were DKK 23 million and DKK 1 million.

Properties are valued by the Group's own expert valuers. The value is calculated on the basis of the net return expected and on the basis of the rate of return fixed.

Return requirements are determined based on the development in market conditions for the property type in question and on experience from sales for the year and changes in the conditions relating to the individual property. For commercial properties, the return rates applied were generally between 5.00% and 10.00% (2010: 5.00% – 10.00%), and the return rates applied for residential properties were generally between 5.00% and 7.00% (2010: 4.75% – 6.00%).

Notes

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010
20. Land and buildings – continued				
Domicile properties				
Fair value, beginning of year	5	181		
Additions on takeover of subsidiary	121	1		
Disposals	111	161		
Depreciation	(1)	(1)		
Revalued amount at balance sheet date	0	(15)		
Fair value adjustment for the year	(1)	0		
Carrying amount, end of year	**13**	**5**	**0**	**0**
21. Other property, plant and equipment				
Cost, beginning of year	34	31	5	4
Additions on takeover of subsidiary	164	3	-	-
Other additions	2	8	1	1
Disposals	127	8	0	0
Cost, end of year	73	34	6	5
Depreciation and impairment, beginning of year	18	9	3	1
Depreciation	21	9	1	2
Disposals during the year	11	0	0	0
Depreciation and impairment, end of year	28	18	4	3
Carrying amount, end of year	**45**	**16**	**2**	**2**
22. Assets held temporarily				
Balance, beginning of year	12,037	370		
Additions on takeover of subsidiary	1,750	43		
Additions on acquisition of Eik Banki Føroya P/F	0	11,398		
Additions during the year	668	615		
Disposals during the year	12,171	411		
Value adjustment for the year	(58)	22		
Carrying amount, end of year	**2,226**	**12,037**	**0**	**0**
Hereof:				
Residential properties	1,206	123		
Single-family houses	184	33		
Commercial properties	787	456		
Land	49	27		
Additions on acquisition of Eik Banki Føroya P/F	0	11,398		
Total	**2,226**	**12,037**	**0**	**0**

The properties were taken over in connection with the winding up of exposures and are expected to be sold within 12 months.

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010
23. Other assets				
Interest receivable	81	76	35	0
Positive market values of unsettled spot transactions and derivative financial instruments	190	88	0	0
Other assets	2,377	398	490	50
Total	**2,648**	**562**	**525**	**50**
24. Due to credit institutions and central banks				
Due to central banks	500	150	0	
Due to credit institutions	477	534	1,944	
Due to credit institutions and central banks	**977**	**684**	**1,944**	**0**
Repo transactions thereof	0	0	0	0
broken down by term to maturity				
Due on demand	389	271	0	
3 months or less	588	3	1,944	
Between 3 months and 1 year	0	89	0	
Between 1 and 5 years	0	43	0	
More than 5 years	0	278	0	
Total	**977**	**684**	**1,944**	**0**
25. Deposits and other payables				
On demand	1,317	4,711	1,415	2,061
Subject to term of notice	645	1,620	0	0
Time deposits	2,102	162	0	0
Special types of deposits	26	1,245	0	0
Total deposits	**4,090**	**7,738**	**1,415**	**2,061**
broken down by term to maturity				
On demand	1,317	4,711	1,415	2,061
3 months or less	97	881	0	0
Between 3 months and 1 year	0	116	0	0
Between 1 and 5 years	2,663	1,169	0	0
More than 5 years	13	861	0	0
Total	**4,090**	**7,738**	**1,415**	**2,061**

Notes

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010

26. Loans through the state-funded re-lending scheme

The Company is covered by the state-funded re-lending scheme. This means that the Company has access through Danish Government Debt Management at Danmarks Nationalbank to loans based on specific government bonds at the same terms as those at which the bonds can be sold in the market.

Year end 2011	Principal	Interest rate	Maturity	Carrying amount
Danish State	11,120	5.0%	2013	11,677
Danish State	1,115	4.0%	2015	1,174
Danish State	1,667	2.5%	2016	1,716
Total	**13,902**			**14,567**

Year end 2010				
Danish State	13,425	6.0%	2011	14,013
Danish State	11,120	5.0%	2013	11,968
Total	**24,545**			**25,981**

27. Issued bonds at amortised cost

	Group 2011	Group 2010	Parent 2011	Parent 2010
DKK 6,600 million nominal amount, floating interest, expiry 2013	6,600			
SEK 450 million nominal amount, floating interest, expiry 2013	377			
DKK 250 million nominal amount, floating interest, expiry 2013	250			
DKK 1,525 million nominal amount, floating interest, expiry 2013	1,525			
DKK 600 million nominal amount, floating interest, expiry 2013	600			
DKK 600 million nominal amount, floating interest, expiry 2013	600			
DKK 600 million nominal amount, floating interest, expiry 2013	600			
DKK 600 million nominal amount, floating interest, expiry 2013	600			
DKK 350 million nominal amount, floating interest, expiry 2013	350			
DKK 600 million nominal amount, floating interest, expiry 2013	600			
SEK 500 million nominal amount, floating interest, expiry 2013	417			
DKK 450 million nominal amount, floating interest, expiry 2013	450			
DKK 450 million nominal amount, floating interest, expiry 2013	450			
DKK 750 million nominal amount, floating interest, expiry 2013		750		
DKK 500 million nominal amount, floating interest, expiry 2013		500		
DKK 500 million nominal amount, floating interest, expiry 2013		500		
Total	**13,419**	**1,750**	**-**	**-**
Employee bonds				
DKK 12 million nominal amount, floating interest, expiry 2014	12	4		
Issued bonds at amortised cost	**13.431**	**1.754**	**-**	**-**

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010

28. Other liabilities

Negative market values of derivative financial instruments	247	155	0	0
Interest and commissions payable	188	211	116	214
Other liabilities	2,634	989	24	34
Total	**3,069**	**1,355**	**140**	**248**

29. Purchase price adjustment (earn-out)

Beginning of year				
Additions from acquisitions of subsidiaries	1,917			
Disposals during the year	348			
End of year	**1,569**	**-**	**-**	**-**

30. Other provisions

Litigation	1,591	1,073	17	0
Other provisions	503	68	129	0
Total	**2,094**	**1,141**	**146**	**0**

Provisions for litigation are determined based on an assessment of the risk in each individual case. Other provisions comprise pensions, other employee benefits, onerous contracts, etc.

Litigation				
Beginning of year	1,073	391	0	
Additions from takeovers of subsidiaries	406	35	0	
Additions during the year	484	811	17	
Disposals during the year	372	164	0	
End of year	**1,591**	**1,073**	**17**	**0**

Other provisions				
Beginning of year	68	230	0	
Additions from takeovers of subsidiaries	511	0	-	
Additions during the year	178	66	129	
Disposals during the year	254	228	0	
End of year	**503**	**68**	**129**	**0**

Notes

31. Contingent assets and liabilities

Taxation

Finansiel Stabilitet is exempt from taxation and consequently is not in a position to act as an administrative company in respect of the computation and settlement of the subsidiaries' income under the joint taxation. Instead, FS Pantebrevsselskab has been appointed as administrative company for the jointly taxed Group.

The Group has a significant deferred tax asset relating to tax loss carryforwards totalling DKK 6.2 billion. Due to the uncertainty as to whether this can be utilised, the tax asset has not been recognised in the balance sheet.

Individual government guarantees

In addition, pursuant to the Act to amend the Act on Financial Stability of 4 February 2009, the Company's object is to enter into agreements for the provision of individual government guarantees for existing and new unsubordinated, unsecured debt with a maturity of up to three years. At 31 December 2011, guarantees had been issued in the amount of DKK 162 billion (2010: DKK 194 billion). The Danish State guarantees the Company's guarantee commitments under the scheme. At 31 December 2011, the Company had receivables of DKK 3,549 million.

Roskilde Bank

Roskilde Bank was transferred from Danmarks Nationalbank to Finansiel Stabilitet on 10 August 2009. Roskilde Bank was not covered by the general government guarantee under the Act on Financial Stability. The Danish State has issued a separate guarantee to Finansiel Stabilitet to cover the winding up of the bank. In connection with this, the Company has a receivable of DKK 8,931 million. In 2012, the Company expects DKK 4,600 million to be settled.

Other contingent liabilities

The subsidiaries are parties to legal disputes in relation to ordinary operations. Within the past 12 months, a considerable number of complaints have been brought before the Danish Financial Institutions' Complaints Board by customers of banks taken over by Finansiel Stabilitet.

	Group		Parent	
(DKKm)	**2011**	**2010**	**2011**	**2010**
Financial guarantees	243	358	0	0
Loss guarantees for mortgage loans	1,217	911	0	0
Registration and conversion guarantees	66	5	0	0
Loss guarantee for loans to group companies	0	0	225	0
Government guarantee pursuant to the Credit Package	161,954	193,608	161,954	193,628
Other	621	654	0	0
Total	**164,101**	**195,536**	**162,179**	**193,628**
Other contingent liabilities				
Irrevocable credit commitments	0	21		
Other commitments	59	0		
Total	**59**	**21**	**-**	**-**

(DKKm)	Group 2011	Group 2010	Parent 2011	Parent 2010

32. Charges

	Group 2011	Group 2010	Parent 2011	Parent 2010
As security for loans, settlement and clearing, etc. at Danmarks Nationalbank and VP Securities Services, bonds and shares have been lodged, representing a market value of:	506	566		
Total	**506**	**566**	**-**	**-**

33. Derivative financial instruments

	2011			2010		
Group	**Nominal value**	**Positive market value**	**Negative market value**	**Nominal value**	**Positive market value**	**Negative market value**
Foreign exchange contracts						
Forward/futures, purchase	395	11	3	200	14	-
Forward/futures, sale	4,481	11	75	4,774	5	30
Options, purchase	-	-	-	-	-	-
Options, sale	-	-	-	-	-	-
Swaps	1,959	102	70	534	31	7
	6,835	124	148	5,508	50	37
Interest rate contracts						
Forward contracts, purchase	-	-	-	-	-	-
Forward contracts, sale	-	-	-	3	-	-
Forward Rate Agreements, purchase	-	-	-	-	-	-
Forward Rate Agreements, sale	-	-	-	-	-	-
Swaps	1,563	66	99	1,621	30	109
Options, purchase	-	-	-	350	8	9
Options, sale	-	-	-	-	-	-
	1,563	66	99	1,974	38	118
Share contracts						
Forward contracts, purchase	-	-	-	-	-	-
Forward contracts, sale	-	-	-	-	-	-
Options, purchase	-	-	-	-	-	-
Options, sale	-	-	-	-	-	-
Total	**8,398**	**190**	**247**	**7,482**	**88**	**155**

Notes

34. Market risk

Market risk
Market risk is defined as the risk of loss as a result of changes in the market value of assets and liabilities due to changing underlying market prices. Market risk comprises interest rate, currency and equity risk.

Finansiel Stabilitet pursues a basic market risk management policy of minimise exposure to market risk. To the extent that the Company is exposed to market risk, the intention is for subsidiaries to either wind up activities exposing the Company to market risk or, alternatively, hedge such exposures. Finansiel Stabilitet does not apply hedge accounting.

The Board of Directors has set limits for the Group's total exposure to market risk. So far, on takeover, the subsidiaries taken over have had limited exposure to activities subject to market risk. Market risk is monitored on an ongoing basis, and the Board of Directors is kept informed of the Group's overall exposure.

In its risk management and reporting, Finansiel Stabilitet differentiates between who will bear the risk. See page 39 of the management's review. The calculation of risk and exposure generally includes risks borne by Finansiel Stabilitet. Risks borne by the Danish State or by the winding-up department of the Guarantee Fund will not have an impact on Finansiel Stabilitet's profit/(loss). Such risk are nonetheless monitored and managed.

The major part of the Group's market risk is in the form of interest rate risks arising in connection with differences in the maturities of assets and liabilities. The majority of loans to subsidiaries carry floating interest, while liabilities principally consist of loans raised through the state-funded re-lending scheme. Re-lending corresponds to bond loans and carries a fixed rate of interest.

In order to minimise the risk, Finansiel Stabilitet has raised loans via the state-funded re-lending schemes in short-term bonds. At 31 December 2011, the Group's total interest rate risk was calculated at DKK (278) million (2010: DKK (482) million). Of this amount, Finansiel Stabilitet bore an interest rate risk of DKK (183) million at 31 December 2011 (2010: DKK (482) million), i.e. a 1 percentage point increase in interest rates would result in a DKK 183 million increase in operating profit (2010: DKK 482 million).

The Finansiel Stabilitet Group's currency risk, arising from activities in relation to the winding up of distressed banks, is hedged by the individual subsidiaries, and the overall currency exposure is thus limited. At 31 December 2011, exchange rate indicator 1 was calculated at 1.3% (2010: 10%) of Finansiel Stabilitet's equity. Excluding banks taken over under the Exit and Consolidation Packages, exchange rate indicator 1 was 1.8% of equity (2010: 10%). A 2.25% decline in the EUR exchange rate and a 10% decline in all other exchange rates would result in a DKK 11 million deterioration of Finansiel Stabilitet's profit/(loss) (2010: DKK 58 million).

The Group's share portfolio largely consists of "sector equities" and shares in banks received in connection with the settlement of the Bank Package. A 10% drop in all shares would result in a DKK 51 million deterioration of Finansiel Stabilitet's profit/(loss) (2010: DKK 81 million).

See note 17, Shares, etc. for a specification of share positions. Guarantee certificates are not included in the specification of the exposure. These amounted to DKK 544 million (2010: DKK 612 million).Associates, see note 18, are not included in the calculation of share positions and are not included in the calculation of the sensitivity to share price drops. Associates amounted to DKK 400 million (2010: DKK 90 million).

Liquidity risk
Liquidity risk is defined as the risk of loss as a result of existing cash resources being insufficient to cover payment obligations.

Finansiel Stabilitet has access to funding itself via the state-funded re-lending scheme and is the main source of liquidity for its subsidiaries. To obtain an overview of its cash flow position, Finansiel Stabilitet regularly prepares estimates of future cash requirements. This ensures that the Company has sufficient cash resources to meet future liabilities.

The access to the state-funded re-lending scheme means that, when necessary, Finansiel Stabilitet can contact Danish Government Debt Management at Danmarks Nationalbank in order to obtain loans. The terms are set out on the basis of the prevailing market conditions for government bond loans. Having access to the re-lending scheme enables Finansiel Stabilitet to handle unforeseen large payments without necessarily having to maintain a very large demand deposit.

Capital adequacy
The Danish FSA has granted Finansiel Stabilitet dispensation from the capital requirement rules, and Finansiel Stabilitet does not prepare a calculation of solvency need for the Group. Accordingly, Finansiel Stabilitet is not subject to any special considerations in terms of raising capital, but can focus solely on maintaining sufficient cash funds.

Finansiel Stabilitet's subsidiaries, which are subject to the rules of the Danish FSA, must comply with the capital and liquidity requirements. Accordingly, Finansiel Stabilitet generally provides subsidiaries with the necessary capital and cash funds.

(DKKm)	Group 2011	2010

34. Market risks – continued

	2011	2010
Currency risk		
Total assets in foreign currency	7,145	4,530
Total liabilities in foreign currency	3,731	1,503
Exchange rate indicator 1	249	1,466
Exchange rate indicator 1 in per cent of equity	1.8%	10.0%
Interest rate risk		
Exposures in the trading portfolio:		
On-balance sheet securities, including spot transactions	-	20
Futures, forward transactions and FRAs	-	(5)
Options	-	(2)
Swaps	-	-
Exposures outside the trading portfolio:		
On-balance sheet items, excluding positions with limited or hedged interest rate exposure	(183)	(495)
Positions with special interest rate formulas	-	-
All positions	**(183)**	**(482)**
Interest rate risk by modified duration		
0 - 3 mths.	2	23
3 - 6 mths.	-	1
6 - 9 mths.	1	(1)
9 - 12 mths.	2	(98)
1 – 2 years	(222)	1
2 – 3.6 years	1	(395)
More than 3.6 years	33	(13)
Total	**(183)**	**(482)**
Interest rate risk by currency subject to the greatest risk		
Currency		
DKK	(184)	(503)
USD	1	-
EUR	-	21
Total	**(183)**	**(482)**

Notes

(DKKm)	Group

35. Related parties

Related parties comprise the Danish State, including companies/institutions over which the Danish State exercises control.

As a general rule, transactions with related parties are entered into and settled on market terms
or on a cost-recovery basis. The settlement prices for individual types of transaction are set out by law.

Related party	Relation	Transaction	Amount	Balance at 31.12.2011	Amount	Balance at 31.12.2010
Parties exercising significant influence						
The Danish State	100% ownership of Finansiel Stabilitet A/S	Loans through the state-funded re-lending scheme. Market rate of interest plus 0.15% commission	(406)	(14,567)	(653)	(25,981)
Subsidiaries						
FS Bank A/S, Odense	Subsidiary of Finansiel Stabilitet A/S	Loans on market terms	77	0		
		Deposits on market terms	(15)	(1,415)		
		Individual government guarantees	8	743		
Amagerbanken af 2011 A/S, Copenhagen	Subsidiary of Finansiel Stabilitet A/S	Subordinated loan, statutory rate of interest	49	0		
		Deposits on market terms	(23)	(1,369)		
		Individual government guarantees	78	8,750		
		Liquidity commitment	6			
Fjordbank Mors af 2011 A/S, Morsø	Subsidiary of Finansiel Stabilitet A/S Partial overlap of board members	Subordinated loan, statutory rate of interest	11	180		
		Deposits on market terms	(7)	(571)		
		Individual government guarantees	17	4,109		
		Liquidity commitment	4			
Max Bank af 2011 A/S, Næstved	Subsidiary of Finansiel Stabilitet A/S	Subordinated loan, statutory rate of interest	3	180		
		Individual government guarantees	9	2,475		
FS Pantebrevsselskab A/S, Copenhagen	Subsidiary of Finansiel Stabilitet A/S	Loans on market terms	47	1,216		
FS Finans A/S, Roskilde	Subsidiary of Finansiel Stabilitet A/S Partial overlap of board members	Loans on market terms	152	1,854		
		Loss guarantees for selected exposures	4	225		
		Liquidity commitment	1			

(DKKm) Group

35. Related parties – continued

Related party	Relation	Transaction	Amount	Balance at 31.12.2011	Amount	Balance at 31.12.2010
Subsidiaries – continued						
FS Ejendomsselskab A/S, Copenhagen	Subsidiary of Finansiel Stabilitet A/S	Loans on market terms	9	392		
Roskilde Bank A/S, Roskilde	Subsidiary of Finansiel Stabilitet A/S	Loans on market terms			273	4,383
	Partial overlap of board members	Loss guarantees for selected exposures			10	-
Nova Bank Fyn A/S, Odense	Subsidiary of Finansiel Stabilitet A/S	Loans on market terms			115	2,660
		Loss guarantees for selected exposures			1	-
EBH Bank A/S, Aalborg Løkken Sparebank A/S, Aalborg merged in 2010	Subsidiary of Finansiel Stabilitet A/S Partial overlap of board members	Loans on market terms			44	582
Pantebrevsselskabet af 2. juni 2009 A/S	Subsidiary of Finansiel Stabilitet A/S Partial overlap of board members	Loans on market terms			53	1,550
Finansieringsselskabet af 11/2 2011 A/S	Subsidiary of Finansiel Stabilitet A/S	Deposits on market terms			(1)	(561)
Eik Bank Danmark 2010 A/S	Subsidiary of Finansiel Stabilitet A/S	Deposits on market terms			-	(1,500)
		Loans on market terms			2	410
Other government entities						
Danmarks Nationalbank	Controlled by the Danish State	Deposit	67	5,273	34	6,395

Notes

(DKKm)

36. Group overview

	Share capital	Profit/(loss)	Equity	Ownership (%)
Finansiel Stabilitet A/S, Copenhagen	1	(1,010)	13,578	
Credit institutions:				
FS Bank A/S, Odense	184	(280)	1,672	100%
Amagerbanken af 2011 A/S, Copenhagen	100	128	1,328	100%
Fjordbank Mors af 2011 A/S, Morsø	100	(285)	435	100%
Max Bank af 2011 A/S, Næstved	80	19	749	100%
Investment and property companies, etc.				
FS Pantebrevsselskab A/S, Copenhagen	181	7	760	100%
FS Finans A/S, Roskilde	735	(218)	1,913	100%
FS Ejendomsselskab A/S, Copenhagen	60	(55)	1,041	100%
Ejendomsselskab af 30. december 2010 ApS, Copenhagen	-	-	-	100%

(DKKm)	Group

37. Break-down of balance sheet items by contractual and expected terms to maturity

2011	On demand 0-3 mths.	Between 3 mths. and 1 year	Between 1 and 5 years	More than 5 years	Total
Assets					
Cash in hand and demand deposits with central banks	7,992	0	0	0	7,992
Due from credit institutions and central banks	2,918	0	26	530	3,474
Loans, advances and other receivables at fair value	19	50	269	751	1,089
Loans, advances and other receivables at amortised cost	7,112	2,743	5,205	2,475	17,535
Bonds at fair value	6	13	3,268	237	3,524
Shares, etc.	93	17	1,206	151	1,467
Investments in subsidiaries and associates, etc.	50	0	350	0	400
Intangible assets	0	1	0	0	1
Total land and buildings	12	137	1,417	0	1,566
Other property, plant and equipment	38	3	4	0	45
Assets held temporarily	1,597	624	5	0	2,226
Loss guarantee from the Danish State re. individual government guarantees	0	0	3,549	0	3,549
Receivable re. loss guarantee from the Private Contingency Association	-	-	-	-	-
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank	0	4,600	4,331	0	8,931
Other assets, etc.	2,009	122	495	22	2,648
Prepayments	19	-	-	-	19
Total assets	**21,865**	**8,310**	**20,125**	**4,166**	**54,466**

	On demand 0-3 mths.	Between 3 mths. and 1 year	Between 1 and 5 years	More than 5 years	Total
Equity and liabilities					
Due to credit institutions and central banks	977	0	0	0	977
Deposits and other payables	1,414	0	2,663	13	4,090
Loans through the state-funded re-lending scheme	0	0	14,567	0	14,567
Issued bonds at amortised cost	1,468	450	11,513	0	13,431
Liabilities re. assets held temporarily	1,203				1,203
Due to mortgage credit institutions	3	0	8	195	206
Other liabilities	574	1,148	42	102	1,866
Deferred income	4	0	0	0	4
Provisions	56	89	4,312	86	4,543
Equity	0	4,600	8,979	-	13,579
Total liabilities	**5,699**	**6,287**	**42,084**	**396**	**54,466**

(DKKm)	Group

37. Break-down of balance sheet items by contractual and expected terms to maturity – continued

2010	On demand 0-3 mths.	Between 3 mths. and 1 year	Between 1 and 5 years	More than 5 years	Total
Assets					
Cash in hand and demand deposits with central banks	8,365	0	0	0	8,365
Due from credit institutions and central banks	2,080	77	143	0	2,300
Loans, advances and other receivables at fair value	28	36	150	834	1,048
Loans, advances and other receivables at amortised cost	5,321	2,705	3,945	4,179	16,150
Bonds at fair value	586	514	624	190	1,914
Shares, etc.	29	932	254	205	1,420
Investments in subsidiaries and associates, etc.	0	43	47	0	90
Intangible assets	0	1	175	0	176
Total land and buildings	8	0	1,505	111	1,624
Other property, plant and equipment	0	6	7	3	16
Assets held temporarily	10,728	1,309	-	-	12,037
Loss guarantee from the Danish State re. individual government guarantees	-	-	-	-	-
Receivable re. loss guarantee from the Private Contingency Association	10,000	0	0	0	10,000
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank	0	8,931	0	0	8,931
Other assets, etc.	308	223	2	29	562
Prepayments	16	0	0	0	16
Total assets	**37,469**	**14,777**	**6,852**	**5,551**	**64,649**

	On demand 0-3 mths.	Between 3 mths. and 1 year	Between 1 and 5 years	More than 5 years	Total
Equity and liabilities					
Due to credit institutions and central banks	274	89	43	278	684
Deposits and other payables	5,592	116	1,169	861	7,738
Loans through the state-funded re-lending scheme	0	14,013	11,968	0	25,981
Issued bonds at amortised cost	0	0	1,754	0	1,754
Liabilities relating to assets held temporarily	10,593	0	0	0	10,593
Due to mortgage-credit institutions					-
Other liabilities	607	599	11	138	1,355
Deferred income					-
Provisions	20	217	1,528	190	1,955
Subordinated capital					-
Equity	0	8,931	5,658	0	14,589
Total liabilities	**17,086**	**23,965**	**22,131**	**1,467**	**64,649**

The break-down of liabilities on maturities is made on the basis of the earliest contractual maturity date. Loans, bonds and amounts due from credit institutions are similarly listed on the basis of contractual terms. Other assets and provisions are stated based on expected maturities.

(DKKm) Group

38. Fair value disclosure

Financial instruments are recognised in the balance sheet at fair value or amortised cost.

The following table for each item breaks down financial instruments according to valuation method.

Break-down of financial instruments by valuation method

	2011			2010		
Group	**Amor-tised cost**	**Fair value**	**Total**	**Amor-tised cost**	**Fair value**	**Total**
Financial assets						
Cash in hand and demand deposits with central banks	7,992	0	7,992	8,365	0	8,365
Due from credit institutions and central banks	3,474	0	3,474	2,300	0	2,300
Loans, advances and other receivables at amortised cost	17,535	0	17,535	16,150	0	16,150
Loans, advances and other receivables at fair value	0	1,089	1,089	0	1,048	1,048
Bonds	0	3,523	3,523	0	1,914	1,914
Shares, etc.	2	1,465	1,467	6	1,414	1,420
Loss guarantee from the Private Contingency Association	0	0	0	10,000	0	10,000
Loss guarantee from the Danish State relating to Roskilde Bank	8,931	0	8,931	8,931	0	8,931
Loss guarantee from the Danish State relating to individual government guarantees	3,549	0	3,549	0	0	0
Derivative financial instruments	0	190	190	0	88	88
Total financial assets	**41,483**	**6,267**	**47,750**	**45,752**	**4,464**	**50,216**
Financial liabilities						
Due to credit institutions and central banks	977	0	977	684	0	684
Deposits and other payables	4,090	0	4,090	7,738	0	7,738
Loans through the state-funded re-lending scheme	14,567	0	14,567	25,981	0	25,981
Issued bonds	13,431	0	13,431	1,754	0	1,754
Due to mortgage credit institutions	206	0	206	0	0	0
Derivative financial instruments	0	247	247	0	155	155
Total financial assets	**33,271**	**247**	**33,518**	**36,157**	**155**	**36,312**

(DKKm)	Group

38. Fair value disclosure - continued

Instruments recognised at fair value
Fair value is the amount at which a financial asset can be traded between independent parties. If an active market exists, the market price in the form of a listed price or price quotation is used.

If a financial instrument is quoted in a market that is not active, the valuation is based on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. For a number of financial assets and liabilities, no market exists. In such situations, an estimated value is used instead, taking account of recent transactions in similar instruments, and discounted cash flows or other recognised estimation and assessment techniques based on the market terms existing at the balance sheet date. In most cases, the valuation is largely based on observable input. As for the valuation of unlisted shares in banking enterprises, the Group, among other things, uses prices in connection with sales and prices disclosed by the Association of Local Banks in Denmark. The Group also uses DCF models.

The Group's portfolio of mortgage deeds is valued at fair value on the basis of a model developed by the Company, the basic elements of which are the underlying property value, a bond-based basic rate of interest and a credit margin. The model's point of departure is the rules governing covered bonds, adjusted for use in the valuation of mortgage deeds. In connection with the financial crisis, no normally functioning market has existed for mortgage deeds. Therefore, it is not possible to compare the model's results with observable market input.

The model's sensitivity to changes in the basic assumptions can be summed up as follows: A 1 percentage point change in the basic rate of interest, equal to normal interest rate risk consideration, would result in a DKK 38 million (2010: 31 million) change in value, principally arising from the fixed-interest part of the portfolio. It should be noted that the model does not take into account any early redemption of the mortgage deeds.

This possibility is difficult to quantify in light of the credit quality of the customer. A 1 percentage point change in the required rate of return would result in a DKK 52 million (2010: DKK 72 million) change in value.

A 10 percent change in the underlying property value would result in a DKK 54 million (2010: DKK 86 million) change in value.

Unlisted shares are valued using either DCF models or market-based multiples for peer companies. Finansiel Stabilitet considers it less than likely that using an alternative pricing method to fair value measurement of unlisted shares would result in a significantly different fair value.

(DKKm) Group

38. Fair value disclosure - continued

2011	Listed prices	Observ-able input	Non-observ-able input	Total
Fair value, Group				
Financial assets at fair value broken down into:				
Loans, advances and other receivables at fair value	0	0	1,089	1,089
Bonds	3,298	224	2	3,524
Shares, etc.	39	0	1,426	1,465
Derivative financial instruments	0	190	0	190
Total	**3,337**	**414**	**2,517**	**6,268**
Financial liabilities				
Derivative financial instruments	0	247	0	247
Total	**0**	**247**	**0**	**247**

2010				
Fair value, Group				
Financial assets				
Loans, advances and other receivables at fair value	0	0	1,048	1,048
Bonds	1,733	154	27	1,914
Shares, etc.	381	0	1,033	1,414
Derivative financial instruments	0	88	0	88
Total	**2,114**	**242**	**2,108**	**4,464**
Financial liabilities				
Derivative financial instruments	0	155	0	155
Total	**0**	**155**	**0**	**155**

Fair value based on non-observable input	2011	2010
Beginning of year	2,108	2,263
Additions on takeover of subsidiaries	451	116
Additions during the year	259	88
Value adjustment through profit or loss (note 7)	(76)	(115)
Completed cases	(225)	(244)
Fair value, end of year	**2,517**	**2,108**

Notes

(DKKm)	Group

39. Fair value of balance sheet items at amortised cost

The vast majority of the Group's receivables, loans and deposits cannot be transferred without the customer's prior acceptance, and no active market exists for trading in such financial instruments. Estimated fair values are based on situations where changes in market conditions have been identified after initial recognition of the instrument, affecting the price that would have been agreed if the terms had been agreed at the balance sheet date. As a result, the fair values below are subject to considerable uncertainty.

	Amortised cost	Fair value	Amortised cost	Fair value
	2011	**2011**	**2010**	**2010**
Financial assets				
Cash in hand and demand deposits with central banks	7,992	7,992	8,365	8,365
Due from credit institutions and central banks	3,474	3,474	2,300	2,300
Loans, advances and other receivables	17,535	17,512	16,150	14,737
Shares, etc.	2	2	6	6
Loss guarantee from the Danish State re. individual government guarantees	3,549	3,549	0	0
Loss guarantee from the Private Contingency Association	0	0	10,000	10,000
Loss guarantee from the Danish State re. Roskilde Bank	8,931	8,931	8,931	8,931
Total financial assets	**41,483**	**41,460**	**45,752**	**44,339**
Financial liabilities				
Due to credit institutions and central banks	977	977	684	684
Deposits and other payables	4,090	4,090	7,738	7,738
Loans through the state-funded re-lending scheme	14,567	15,242	25,981	26,292
Issued bonds	13,431	13,485	1,754	1,752
Due to mortgage credit institutions	206	206	0	0
Total financial assets	**33,271**	**34,000**	**36,157**	**36,466**

40. Return on financial instruments

	2011			2010		
	Assets and liabilities at cost	**Assets and liabilities at fair value**	**Total**	**Assets and liabilities at cost**	**Assets and liabilities at fair value**	**Total**
Interest income	1,537	232	1,769	1,191	169	1,360
Interest expense	817	0	817	724		724
Net interest income	720	232	952	467	169	636
Share dividends etc.	0	5	5	0	5	5
Fees and commissions received	1,561	54	1,615	655	9	664
Fees and commissions paid	1,794	2	1,796	637	7	644
Net interest and fee income	487	289	776	485	176	661
Market value adjustments	(28)	(656)	(684)	2	99	101
Other operating income	26	81	107	60	272	332
Total	**485**	**(286)**	**199**	**547**	**547**	**1,094**

(DKKm)	Group
	31.12.2011

41. Leases

The Group acts as lessor in the areas of: machinery, equipment and cars and the like.
The Group offers finance leases as well as operating leases.

The item Loans and advances at amortised cost comprises finance leases	1,225
Net investments in financial items	
Terms up to 1 year	262
Terms between 1 and 5 years	959
Terms of 5 years or more	4
Total	**1,225**
Gross investments in finance leases	
Terms up to 1 year	507
Terms between 1 and 5 years	1,531
Terms of 5 years or more	13
Total	**2,051**
Write-down of finance leases	195

Financial highlights and financial ratios

(DKKm)	2011	2010
Financial highlights		
Commission received from the Private Contingency Association	0	5,625
Other interest and fee income, net	(112)	(91)
Market value adjustments	(305)	(68)
Other operating income and expenses	290	19
Costs	90	76
Losses on takeover of subsidiaries	0	2,921
Impairment losses on loans and advances	3,528	85
Profit/(loss) from investments in subsidiaries and associates	(814)	(3,855)
Loss guarantee from the Danish State re. individual government guarantees	3,549	0
Loss guarantee from the Private Contingency Association	0	4,209
Loss guarantee from the Danish State re. Roskilde Bank	0	2,327
Profit/(loss) for the year	(1,010)	5,084
Equity	13,579	14,589
Total assets	31,791	42,879
Financial ratios		
Return on equity before tax	(7.2%)	42.0%
Return on equity after tax	(7.2%)	42.0%
Income/cost ratio	72.2%	265.0%

The financial ratios are in accordance with the Danish FSA's executive order on financial reports presented by credit institutions, etc. The financial ratios relevant to Finansiel Stabilitet are included.

Statement by Management

The Board of Directors and the Management Board have today considered and adopted the annual report of Finansiel Stabilitet A/S for the final year 1 January – 31 December 2011.

The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU in respect of the Group and in accordance with the Financial Business Act in respect of the parent company. Further, the Annual Report is presented in accordance with the additional Danish disclosure requirements for the annual reports of state-owned public companies.

The consolidated and parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2011 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January – 31 December 2011.

The management's review includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, together with a description of the principal risks and uncertainties that the Group and the parent company face.

We recommend that the annual report be adopted by the shareholder at the annual general meeting.

Copenhagen, 29 March 2012

Management Board

Henrik Bjerre-Nielsen
CEO

Board of Directors:

Henning Kruse Petersen Chairman	Jakob Brogaard Deputy Chairman	Anette Eberhard
Flemming Hansen	Christian Th. Kjølbye	Birgitte Nielsen
Visti Nielsen		

Independent auditors' report

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the Parent Company financial statements of Finansiel Stabilitet A/S, pp. 53 - 105, for the financial year 2011. The consolidated financial statements and the Parent Company's financial statements comprise the income statement, statement of comprehensive income, balance sheet, statement of capital and notes for the Group as well as for the Parent Company and the consolidated cash flow statement for the Group. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU, and the Parent Company's financial statements have been prepared in accordance with the Danish Financial Business Act. Furthermore, the consolidated financial statements and the Parent Company's financial statements have been prepared in accordance with Danish disclosure requirements for state-owned public companies.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for preparing consolidated financial statements and Parent Company financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU (the consolidated financial statements), the Danish Financial Business Act (the Parent Company's financial statements) and Danish disclosure requirements for state-owned public companies and for such internal control that management determines is necessary to enable the preparation of consolidated financial statements and Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the Parent Company's financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the Parent Company's financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the Parent Company's financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the Parent Company's financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the consolidated financial statements and the Parent Company's financial statements that give a true and fair view in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements and the Parent Company's financial statements.

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

Our audit did not result in any qualification.

Opinion

In our opinion, the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders' equity and financial position at 31 December 2011 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 2011 in accordance with the International Financial Reporting Standards as adopted by the EU in respect of the consolidated financial statements, in accordance with the Danish Financial Business Act in respect of the Parent Company's financial statements, and in accordance with Danish disclosure requirements for state-owned public companies for the consolidated financial statements and the Parent Company's financial statements.

Statement on the Management's review

Pursuant to the Danish Financial Business Act, we have read the management's report. We have not performed any other procedures in addition to the audit of the consolidated financial statements and the Parent Company's financial statements.
On this basis, it is our opinion that the information given in the management's report is consistent with the consolidated financial statements and the Parent Company's financial statements.

Copenhagen, 29 March 2012

KPMG
Statsautoriseret Revisionspartnerselskab

Lars Rhod Søndergaard	Henrik Barner Christiansen
State Authorised	State Authorised
Public Accountant	Public Accountant

Board of Directors and Management Board

From left to right: Visti Nielsen, Jakob Brogaard, Anette Eberhard, Henning Kruse Petersen, Birgitte Nielsen, Henrik Bjerre-Nielsen, Christian Th. Kjølbye and Flemming Hansen

Board of Directors

Henning Kruse Petersen
- Chairman of the Board of Directors
- Joined the Board of Directors in 2008
- Born in 1947
- CEO of 2KJ A/S

Chairman of the boards of directors of:
- A/S Det Østasiatiske Kompagni
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- Øresundsbro Konsortiet
- Femern A/S
- A/S Femern Landanlæg
- C.W. Obel A/S
- Erhvervsinvest Management A/S
- Den Danske Forskningsfond
- Scandinavian Private Equity Partners A/S
- Soclé du Monde ApS

Deputy chairman of the boards of directors of:
- Asgard Ltd.
- Skandinavisk Holding A/S
- Skandinavisk Holding II A/S
- Fritz Hansen A/S

Member of the boards of directors of:
- Scandinavian Private Equity A/S
- William H. Michaelsens Legat
- Tesch Allé ApS
- Det Østasiatiske Kompagnis Almennyttige Fond
- Scandinavian Tobacco Group A/S

Jakob Brogaard
- Deputy Chairman of the Board of Directors
- Joined the Board of Directors in 2008
- Born in 1947

Chairman of the board of directors of:
- FS Finans A/S

Deputy chairman of the board of directors of:
- LR Realkredit A/S

Member of the boards of directors of:
- DONG Energy A/S
- O.W. Bunker & Trading A/S
- Newco Aep A/S

Anette Eberhard
- Joined the Board of Directors in 2008
- Born in 1961
- CEO of Eksport Kredit Fonden

Member of the boards of directors of:
- Industrialiseringsfonden for Udviklingslandene, IFU
- Industrialiseringsfonden for Østlandene, IØ

Christian Th. Kjølbye
- Joined the Board of Directors in 2008
- Born in 1957
- Attorney-at-law. Partner of Advokatfirmaet Plesner

Chairman of the boards of directors of:
- A. Rindom A/S – Poul H. Larsen & Co.
- A.R. Holding af 1999 A/S
- A/S Østerhovedgård Magleby Sogn
- Skagen Design A/S
- Skagen Design Holding A/S

Member of the boards of directors of:
- A/S Hanias
- Det Obelske Familiefond

- Grosserer Jørgen Rindom og Hustrus Fond
- Ida og Jørgen Rindoms Fond

CEO of:

- Kipo Holding ApS

Birgitte Nielsen

- Joined the Board of Directors in 2008
- Born in 1963

Member of the boards of directors of:

- Arkil A/S
- Arkil Holding A/S
- Buy Aid Group A/S
- Buy Aid Holding A/S
- Kirk AG
- Novenco A/S
- Novenco Marine & Offshore A/S
- Storebrand ASA

Visti Nielsen

- Joined the Board of Directors in 2008
- Born in 1942

Member of the boards of directors of:

- Fjordbank Mors af 2011 A/S
- Dansk Erhvervsprojekt A/S
- Jyske Banks Almennyttige Fond
- Jyske Banks Almennyttige Fond Holdingselskab A/S
- Jyske Banks Medarbejderfond
- Jyske Banks Medarbejderfond Holdingselskab A/S

Flemming Hansen

- Joined the Board of Directors in 2010
- Born in 1944

Member of the board of directors of:

- Professionel Forening Corporate Bonds Portfolios

Management Board

Henrik Bjerre-Nielsen

- Chief Executive Officer
- Appointed in 2008
- Born in 1955

Chairman of the boards of directors of:

- FS Ejendomsselskab A/S
- FS Pantebrevsselskab A/S

Member of the boards of directors of:

- Pensiondanmark Holding A/S
- Pensiondanmark Pensionsforsikringsaktieselskab
- Ejendomsselskabet af 30. december 2010 ApS
- Tænk - Mer A/S

Company details

Finansiel Stabilitet A/S
Kalvebod Brygge 43
DK-1560 Copenhagen V

Telephone:	+45 70 27 87 47
Fax:	+45 33 93 13 33
Website:	www.finansielstabilitet.dk
E-mail:	mail@finansielstabilitet.dk
CVR No.:	+45 30 51 51 45
Established:	13 October 2008
Municipality of registered office:	Copenhagen

Board of Directors
Henning Kruse Petersen (Chairman)
Jakob Brogaard (Deputy Chairman)
Anette Eberhard
Flemming Hansen
Christian Th. Kjølbye
Birgitte Nielsen
Visti Nielsen

Management Board
Henrik Bjerre-Nielsen

Auditors
KPMG
Statsautoriseret
Revisionspartnerselskab
Osvald Helmuths Vej 4
DK-2000 Frederiksberg

General meetings
Annual General Meeting to be held on 27 April 2012.

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Finansiel Stabilitet A/S

Kalvebod Brygge 43
1560 Copenhagen V
Denmark

Phone:	+45 70 27 87 47
Fax:	+45 33 93 13 33
Website:	www.finansielstabilitet.dk
E-mail:	mail@finansielstabilitet.dk