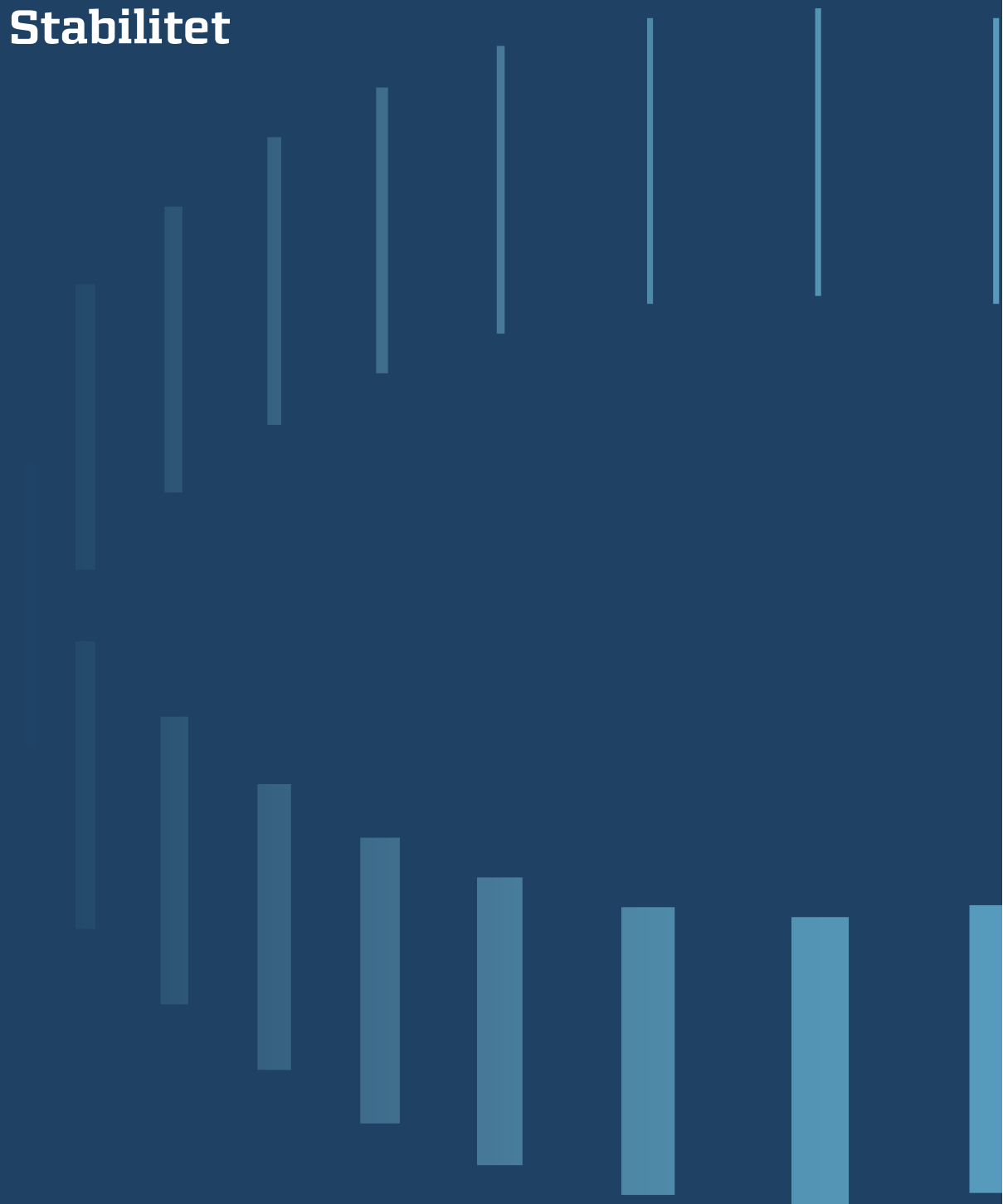


Finansiel **Stabilitet**



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# Introduction

## Anne Louise Eberhard

Chairman of the Board of Directors



### **Contingency planning set-up for efficient crisis management of credit institutions strengthened and new tasks and functions added**

Finansiel Stabilitet is an institution that is critical to society in that it, together with the sector, the Danish Financial Supervisory Authority (FSA) and Danmark's Nationalbank, contributes to ensuring financial stability in Denmark. If a credit institution is failing, Finansiel Stabilitet is ready to take it over and ensure that businesses and individuals still have access to their accounts and other payment infrastructure.

Despite geopolitical challenges and risks and volatility in a number of areas, the Danish financial sector is strong. However, we have learned from experience the prudence of having a reliable and strong contingency planning set-up that may be activated if a credit institution encounters serious difficulties. When confidence in an institution is lost, prompt action is required to ensure the continuation of critical infrastructure and customers' access to accounts and financial services.

Contingency planning for financial crisis management requires preparation and practice. We therefore regularly update our contingency plans and regularly participate in financial crisis simulation exercises. In 2024, Finansiel Stabilitet coordinated a comprehensive test of the financial authorities' contingency planning for crisis management in the eight Nordic and Baltic countries.

The financial sector saves up contingency funds for crisis management through the Deposit Guarantee Fund and the Resolution Fund, both managed by Finansiel Stabilitet. Our contingency planning for crisis management of credit institutions in Denmark is based on the fundamental principles of fair implementation, safeguarding the public interest and minimising taxpayers' losses. This strengthens confidence in the financial system.

In 2024, Finansiel Stabilitet was able to wind up the last remaining subsidiaries from banks taken over by Finansiel Stabilitet in connection with the financial crisis.

Nevertheless, Finansiel Stabilitet still has exposures acquired in connection with the financial crisis. While outstanding claims in the amount of DKK 8.8 billion have been written off in full, they have not been waived, and Finansiel Stabilitet continues its efforts to fully or partially recover these claims.

"Finansiel Stabilitet is ready to take on other relevant public tasks in addition to its core tasks and to contribute to value creation in our society."

The recently adopted EU Insurance Recovery and Resolution Directive will create a contingency planning set-up for insurance and pension companies comparable to the one in place for credit institutions. The Directive is to be implemented in Danish law by 1 January 2027 at the latest. On implementation of the Directive in Denmark, Finansiel Stabilitet and the Danish FSA have been jointly appointed as the resolution authority, with the same division of duties as for credit institutions.

Finansiel Stabilitet is also ready to take on other relevant public tasks in addition to its core tasks and to contribute to value creation in our society. We consider it an advantage to diversify and expand our area of responsibility, so that we can also ensure an excellent contingency planning set-up in connection with related tasks. With this in mind, we have in recent years taken on tasks on behalf of the Danish government in areas where Finansiel Stabilitet's competencies may be applied.

At 1 November 2024, we took over properties and other assets from Kopenhagen Fur as part of the task of resolving assets acquired by the government from mink-related businesses. More assets will be taken over in 2025.

At a time of increasing digitalisation and geopolitical risks, advanced cyber threats naturally follow. Finansiel Stabilitet actively collaborates with other authorities to ensure a coordinated and effective response to the risks and consequences of cyber incidents that may affect the financial system.

Our core task of ensuring a financial contingency planning set-up requires that the organisation's expertise and contingency plans are maintained and continually developed and that we remain able to attract, develop and retain talented people to handle our tasks. We must be able to quickly scale up the contingency planning set-up and address the complexity of the next crisis, which we do not know the scope of in advance. International sharing of experience, cooperation on contingency plans and crisis exercises are essential in this respect, and our new tasks and functions contribute to maintaining and honing our skills.

On behalf of the Board of Directors, I would like to extend my sincere thanks to our skilled employees and Management, our owner, business partners and the financial institutions for their competent and good collaboration in 2024.

## Finansiel Stabilitet at a glance

Finansiel Stabilitet is an institution that is critical to society in that it, together with the sector, the Danish FSA and Danmark's Nationalbank, contributes to ensuring financial stability in Denmark. If a credit institution is failing, Finansiel Stabilitet is ready to take it over and provide a safety net for Danish customers to ensure that businesses and individuals have access to their accounts and other payment infrastructure at all times.

Finansiel Stabilitet was established in 2008 as part of the so-called Bank Package I to address the consequences of the international financial crisis and its effects on the financial sector. Although the financial situation in Denmark is very different today, the objective of Finansiel Stabilitet remains to contribute to ensuring financial stability in Denmark by restructuring and resolving failing credit institutions if they are unable to continue operations on their own. In this connection, Finansiel Stabilitet also handles the task under the deposit guarantee scheme of ensuring customers' access to bank deposits, which are covered up to DKK 745 thousand.

Unlike other EU countries, where failing small financial institutions are generally declared bankrupt, in Denmark failing credit institutions and the like are as a general rule resolved or restructured by Finansiel Stabilitet rather than being declared bankrupt.

To ensure that Finansiel Stabilitet has the funds required for effective crisis management, the institutions that are required to pay contributions have made payments to two funds; the Resolution Fund and the Deposit Guarantee Fund, which are managed by Finansiel Stabilitet.

Finansiel Stabilitet also has the task of resolving activities taken over from previously failing institutions. While a substantial part thereof has been resolved or divested, a portfolio of exposures remains in the form of claims from estates in bankruptcy, small loans and guarantees and unsold plots of land and securities. The results, if these resolution activities are included in the surplus generated by Bank Package activities.

In connection with its tasks on behalf of the government, Finansiel Stabilitet has also taken on several new areas of activity in recent years. They include the issue of guarantees for loans to buy property in rural districts and the management of

assets acquired by the government from mink-related businesses as a consequence of government compensation. The first assets under this latter scheme were taken over by Finansiel Stabilitet in November 2024. A large number of activities are expected to be taken over in 2025 under this scheme.

Finansiel Stabilitet also monitors developments in the EU, which has recently adopted the Insurance Recovery and Resolution Directive, under which the insurance industry will also be covered by a resolution scheme to provide more security for policyholders. In Denmark, Finansiel Stabilitet and the Danish FSA have been jointly appointed as the resolution authority for the insurance industry.

Finansiel Stabilitet's tasks may be summarised as follows:

- Contributing to ensuring financial stability in Denmark and ensuring that customers have access to critical financial infrastructure if a financial institution is failing
- Maintaining a contingency planning set-up by preparing resolution plans, conducting crisis simulation exercises and exchanging experiences with the resolution authorities in other countries, so that Finansiel Stabilitet is always ready to restructure or resolve a failing financial institution
- Managing the Danish Depositor and Investor Guarantee Scheme
- Managing the assets of the Resolution Fund and the Deposit Guarantee Fund
- Establishing a resolution scheme for the insurance industry to provide security for policyholders in the event of an insurance company failing
- Winding up the remaining lending activities taken over from failing institutions
- Handling other activities on behalf of the government in dialogue with the Ministry of Industry, Business and Financial Affairs

Finansiel Stabilitet is an independent public company owned by the Danish State through the Danish Ministry of Industry, Business and Financial Affairs.



# Review and results

## Group results 2024

Finansiel Stabilitet posted a surplus of DKK 1,867 million in 2024 (2023: DKK 2,061 million). The surplus was largely attributable to payment of contributions to the Resolution

Fund in the amount of DKK 1,101 million (2023: DKK 1,206 million), a positive return on the securities portfolio and interest income on deposits with Danmarks Nationalbank.

(DKKm)	Group				
Financial highlights	2024	2023	2022	2021	2020
Net interest and fee income	517	447	119	89	116
Contributions Deposit Guarantee Fund & Resolution Fund	1,096	1,206	1,146	1,061	941
Market value adjustments	273	391	-859	-182	-51
Other operating income and expenses, etc.	49	15	70	104	50
Staff costs and administrative expenses, etc.	95	74	135	99	113
Impairment losses on loans and advances, etc.	-27	-76	-62	-78	-146
<b>Comprehensive income for the year</b>	<b>1,867</b>	<b>2,061</b>	<b>403</b>	<b>1,051</b>	<b>1,089</b>
<b>Balance sheet as at 31 December</b>					
<b>Assets</b>					
Due from central banks and credit institutions	13,579	11,521	9,916	8,162	4,306
Loans and advances	52	53	33	91	247
Bonds and shares	10,540	10,716	10,258	11,627	14,410
Commitments made by banks, mortgage credit institutions and investment companies	3,218	3,218	3,218	3,217	3,218
Other asset items	426	419	467	390	343
<b>Total assets</b>	<b>27,815</b>	<b>25,927</b>	<b>23,892</b>	<b>23,487</b>	<b>22,524</b>
<b>Equity and liabilities</b>					
Other payables	653	347	369	322	363
Provisions	39	324	328	343	390
<b>Equity</b>					
Activities handled on behalf of the government	5,632	5,467	5,270	5,288	5,265
Deposit Guarantee Fund	12,644	12,323	11,919	12,435	12,429
Resolution Fund	8,847	7,466	6,006	5,099	4,077
<b>Total equity</b>	<b>27,123</b>	<b>25,256</b>	<b>23,195</b>	<b>22,822</b>	<b>21,771</b>
<b>Total equity and liabilities</b>	<b>27,815</b>	<b>25,927</b>	<b>23,892</b>	<b>23,487</b>	<b>22,524</b>

In general, Finansiel Stabilitet's financial results can be broken down into the three funds managed by Finansiel Stabilitet, i.e. the Resolution Fund, the Deposit Guarantee Fund and Activities handled on behalf of the government, including the Bank Package activities.

The Resolution Fund generated a surplus of DKK 1,381 million in 2024. The surplus was predominantly attributable to payment of DKK 1,101 million in contributions. Interest income on the securities portfolio and on deposits with Danmarks Nationalbank amounted to DKK 209 million, and market value gains on the securities portfolio amounted to DKK 75 million.

The overall return on the marketable portion of the portfolio under management was 3.5%. The Resolution Fund's surplus was approximately DKK 100 million above the amount guided in the annual report for 2023, mainly driven by a higher return on the securities portfolio.

The Deposit Guarantee Fund generated a surplus of DKK 321 million. The surplus was attributable to interest income on the securities portfolio and deposits with Danmarks Nationalbank in the amount of DKK 116 million and market value gains on the securities portfolio of DKK 193 million. The overall return on the marketable portion of the portfolio under management

was 3.7%. The surplus was approximately DKK 100 million above the amount guided in the annual report for 2023 owing to the decrease in bond yields in 2024.

Activities handled on behalf of the government generated a surplus of DKK 165 million for the period. The surplus was attributable to interest income on deposits with Danmarks Nationalbank and reversed impairment losses. The surplus from this activity was approximately DKK 50 million above the amount guided in the annual report for 2023, mainly driven by continued reversal of impairment losses on written-off claims etc.

The Group's total assets at 31 December 2024 amounted to DKK 27.8 billion (2023: DKK 25.9 billion). The Resolution Fund and the Deposit Guarantee Fund accounted for DKK 8.9 billion and DKK 12.6 billion of this amount respectively, while Activities handled on behalf of the government accounted for DKK 6.8 billion. DKK 0.5 billion related to an intra-group balance.

Total equity stood at DKK 27.1 billion, of which DKK 8.9 billion was attributable to the Resolution Fund, DKK 12.6 billion to the Deposit Guarantee Fund and DKK 5.6 billion to Activities handled on behalf of the government. For a specification of the three funds' income statement items, see the following sections and notes 2 and 3 to the financial statements.

At 31 December 2024, the remaining net loans and guarantees amounted to DKK 0.1 billion (2023: DKK 0.1 billion), while the portfolio of financial assets amounted to DKK 10.5 billion (2023: DKK 10.7 billion).

The rest of the assets mainly consisted of DKK 13.6 billion held on deposit with Danmarks Nationalbank (2023: DKK 11.5 billion) and commitments made by banks, etc. in relation to the Deposit Guarantee Fund amounting to DKK 3.2 billion, unchanged from 2023.

Deposits with Danmarks Nationalbank grew by DKK 2.1 billion in 2024, primarily related to the DKK 1.8 billion surplus for the year and a reduction of the portfolio of financial assets.

Two of the Group's subsidiaries were solvently liquidated during the year: FS Finans III A/S (resolution of the former Amagerbanken) and FS Finans IV A/S (resolution of the former Fjordbank Mors A/S). All companies established in connection with Bank Packages III and IV have thus been liquidated.

The majority of the remaining loans and guarantees related to Activities handled on behalf of the government (DKK 115 million), while a minor portion of loans related to FS Finans V A/S (formerly Andelskassen J.A.K. Slagelse) and FS Finans VI A/S (formerly Københavns Andelskasse), which are wound up under the Resolution Fund (DKK 17 million).

Other remaining exposures mainly consisted of receivables from estates in bankruptcy and other claims. How fast these will be wound up depends largely on external factors such as the progress of trustees' estate administration and the debt recovery process. Guarantees will be gradually phased out as they mature. Finansiel Stabilitet furthermore has the ongoing task of recovering previously written-off claims, which amounted to approximately DKK 8.8 billion at 31 December 2024. In 2024, this resulted in the recognition of income of approximately DKK 23 million.

## Portfolio management of the Resolution Fund and the Deposit Guarantee Fund

Finansiel Stabilitet is responsible for ensuring that sufficient funds are available to maintain an effective contingency planning set-up. In relation to this responsibility, Finansiel Stabilitet manages the Resolution Fund and the Deposit Guarantee Fund, which may be deployed for crisis management of failing financial institutions.

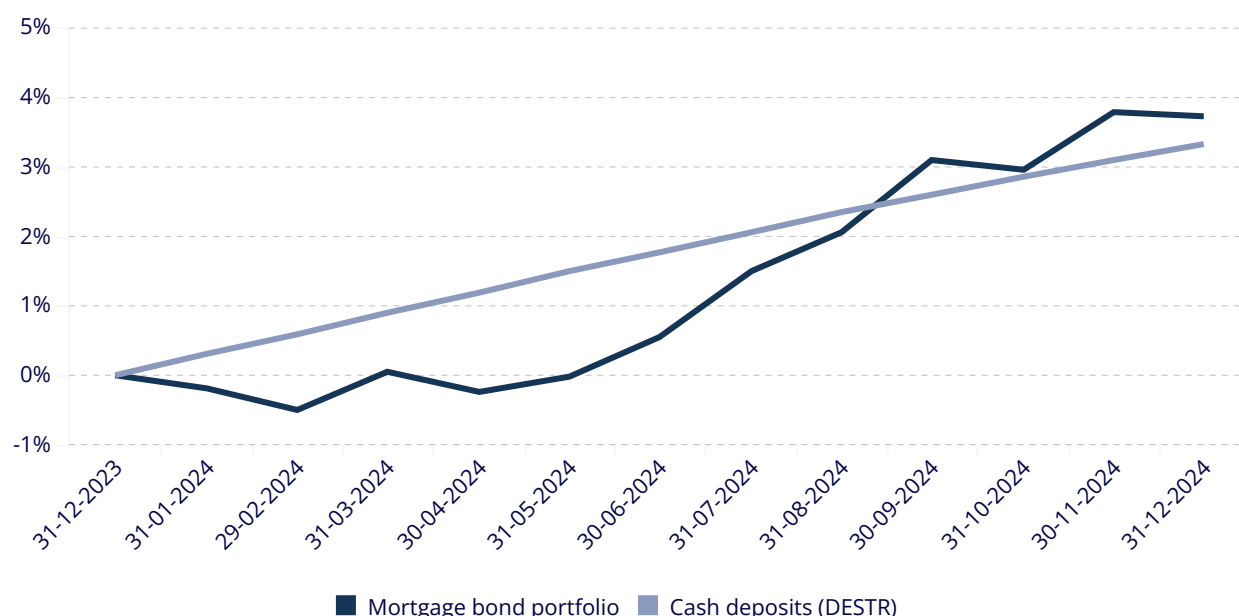
The two funds have been built up through the contributions made by financial institutions. Finansiel Stabilitet is responsible for the investment of the funds and the statutory use of the funds' assets in connection with crisis management. It is important to Finansiel Stabilitet that the management and investment of the two funds generate a market-conform return with low currency, interest rate and credit risk, and that the available financial resources of each fund are at all times proportional to the fund's potential liabilities. Finansiel Stabilitet has developed portfolio management policies for both funds.

For the part of the funds invested in securities, a risk profile has been defined with an duration risk of about 2.5 years.

In 2024, market developments were affected by a number of central bank rate cuts. From June to December 2024, Denmark's Nationalbank cut rates by a total of 1 percentage point. DESTR (Denmark Short-Term Rate), the rate that Finansiel Stabilitet receives on its cash deposits, thus stood at 2.6% at the end of 2024.

The rate cuts supported the performance of the part of the portfolio invested in short-term mortgage bonds. As illustrated by Figure 1 below, the mortgage bond portfolio generated a yield of 0% in the period from January to May, and the yield was thus below the return on cash deposits. From June onwards, however, the mortgage bond portfolio delivered an excess return, mainly driven by capital gains as a result of the interest rate cuts. In 2024, the mortgage bond portfolio generated a yield of 3.7%, compared with a return on cash deposit at DESTR of 3.3%.

Figure 1: Return 2024: Cash deposits and mortgage bond portfolios.



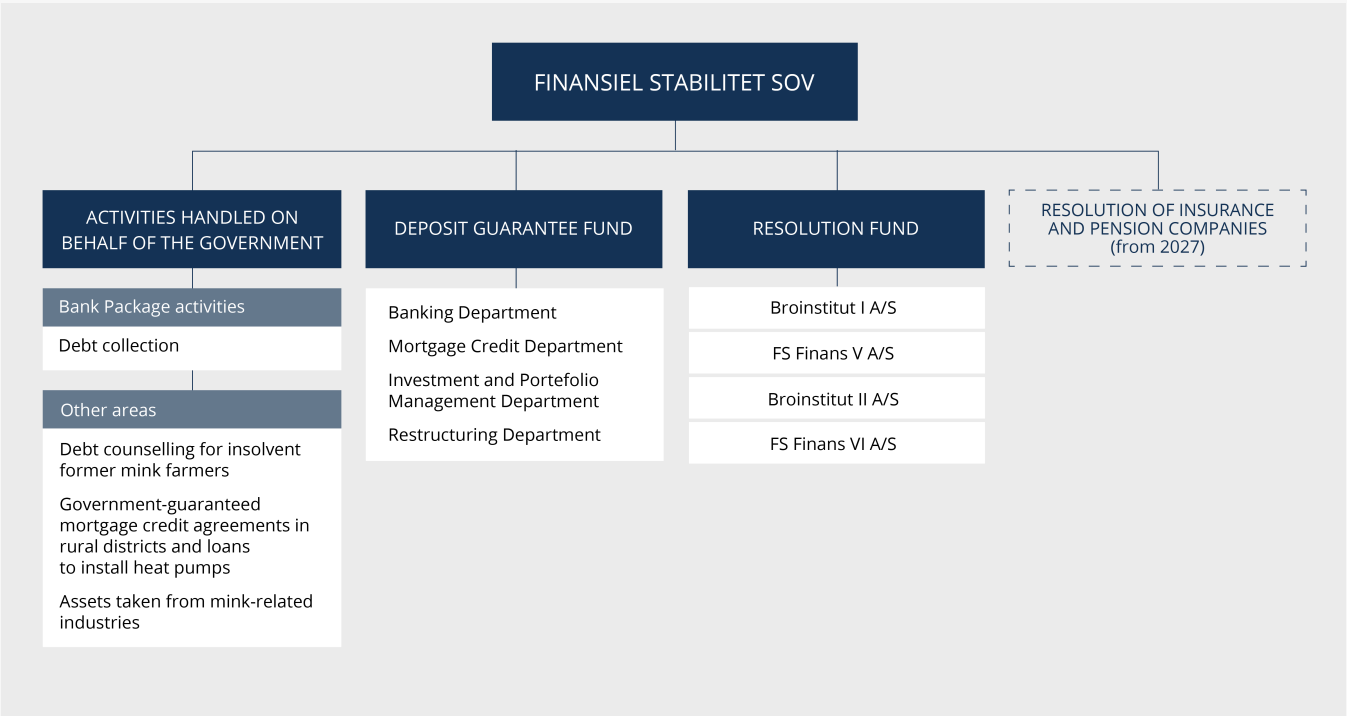
The total return in 2024 on the managed mortgage credit mandates amounted to DKK 394 million, of which DKK 126 million was interest income and DKK 268 million market value gains.

At 31 December 2024, the Resolution Fund and Deposit Guarantee Fund investments in short-term mortgage bonds

amounted to DKK 10.5 billion. In addition, the two funds had DKK 6.9 billion in cash deposits. Taking into account these cash deposits, the Deposit Guarantee Fund and the Resolution Fund posted total returns for 2024 of 3.5% and 3.7% respectively.

# GROUP STRUCTURE

Finansiel Stabilitet is organised with three business areas that are based on the main objectives, Activities handled on behalf of the government, the Deposit Guarantee Fund and the Resolution Fund, as illustrated in the figure below:



## Companies and activities

### ACTIVITIES HANDLED ON BEHALF OF THE GOVERNMENT:

#### Bank Package activities:

In the period from 2008 to 2015, Finansiel Stabilitet took over and resolved a number of failing banks. The legislative framework was Bank Packages I-V, which authorised Finansiel Stabilitet to take over failing banks and subsequently perform a controlled resolution, either by winding up the activities or by selling all or parts of the failing institutions. The legislative framework was adapted along the way: under Bank Package I, a general government guarantee was issued to all unsecured creditors, whereas Bank Packages III and IV involved a risk of losses to creditors, including deposits. Accordingly, the scheme was adapted to the rules applying to the current set-up under the Resolution Fund. The Deposit Guarantee Scheme was adapted along the way, in that coverage was increased from DKK 375 thousand to the current DKK 745 thousand.

#### Other areas:

This segment covers other activities handled on behalf of the government and for the account and risk of the government.

**Debt counselling for insolvent former mink farmers:** On 1 June 2021, the Danish parliament passed an Act to amend the Act on Restructuring and Resolution of Certain Financial

Enterprises, under which Finansiel Stabilitet is required to set up an entity to provide debt counselling free of charge to insolvent former mink farmers.

**Government-guaranteed mortgage credit agreements in rural districts:** On 7 June 2022, the Danish parliament adopted an act on the establishment of a government guarantee on part of the mortgage credit agreements in rural districts. Finansiel Stabilitet manages the government guarantee scheme on behalf of the Danish State.

**Government-guaranteed loans to install heat pumps:** On 24 March 2023, the Danish parliament adopted an act on the establishment of a government guarantee on loans for the replacement of oil or gas-fired furnaces in rural districts. Finansiel Stabilitet manages the government guarantee scheme on behalf of the Danish State.

**Assets taken over from mink-related industries:** Pursuant to the Executive Order on the scheme for the sale and other management of assets taken over from mink-related industries, Finansiel Stabilitet is to assist the government with the management and sale of assets arising from mink-related industries which have received government compensation. The scheme is established in the subsidiary FS Ejendomsselskab A/S for the account and risk of the government.

#### DEPOSIT GUARANTEE FUND:

By Act no. 334 of 31 March 2015, the Guarantee Fund for Depositors and Investors was dissolved effective from 1 June 2015. The rights and obligations of the former Guarantee Fund were continued under the new Deposit Guarantee Fund, managed by Finansiel Stabilitet. The Deposit Guarantee Fund consists of four funds: the Banking Department, the Mortgage Credit Department, the Investment and Portfolio Management Department and the Restructuring Department.

#### RESOLUTION FUND:

By adoption of the Act on Restructuring and Resolution of Certain Financial Enterprises, a resolution financing scheme (the Resolution Fund) was established, which is managed by Finansiel Stabilitet. The Resolution Fund may be used in connection with Finansiel Stabilitet's powers to implement resolution measures against credit institutions that are failing or are expected to fail and where it is in the public interest to do so.

**Broinstitut I A/S:** Subsidiary under the Resolution Fund whose objects are to own shares in FS Finans V A/S.

**FS Finans V A/S:** Financing company established on 31 May 2017 based on Andelskassen J.A.K. Slagelse after the company had deposited its banking licence with the Danish FSA.

**Broinstitut II A/S:** Subsidiary under the Resolution Fund whose objects are to own shares in FS Finans VI A/S.

**FS Finans VI A/S:** Financing company established on 28 June 2019 based on Københavns Andelskasse after the company had deposited its banking licence with the Danish FSA.

#### RESOLUTION OF INSURANCE AND PENSION COMPANIES:

The Insurance Recovery and Resolution Directive (IRRD) is to be implemented in Danish law by 1 January 2027 at the latest. On implementation of the Directive in Denmark, Finansiel Stabilitet and the Danish FSA have been jointly appointed as the resolution authority for the insurance industry, with the same division of duties as for credit institutions. Until the commencement of this Act, expenses incurred will be recognised under Activities handled on behalf of the government.

## Activities handled on behalf of the government

### BANK PACKAGE ACTIVITIES

#### Results in 2024

Bank Package activities generated a surplus of DKK 165 million in 2024 (2023: DKK 197 million). The surplus was mainly attributable to DKK 214 million in interest on deposits with Danmarks Nationalbank. In 2024, impairment losses on loans, advances and receivables of DKK 24 million were reversed, compared with the reversal of DKK 77 million in 2023. Operating expenses amounted to DKK 57 million in 2024, compared with DKK 39 million in 2023. The increased level of expenses in 2024 was mainly driven by expenses related to the management of assets taken over from mink-related businesses, which are covered by the government. Another cause of the higher expenses was the introduction of the new EU Insurance Recovery and Resolution Directive (IRRD).

### Income statement for the Bank Package activities

(DKKm)	2024	2023
Result before costs etc.	198	159
Operating expenses*	-57	-39
Impairment losses	24	77
<b>Comprehensive income for the year</b>	<b>165</b>	<b>197</b>

\*The segment's actual operating expenses for 2024 amounted to DKK 57 million (2023: DKK 39 million), as DKK 32 million (2023: DKK 31 million) were covered by other segments. See note 2.

The segment also includes the results of former subsidiaries which have been wound up.

FS Finans I and II A/S were solvently liquidated in the autumn of 2023, which meant that companies established in connection with Bank Package IV were wound up.

In 2024, FS Finans III A/S reported a surplus of DKK 41 million before purchase price adjustment.

FS Finans III A/S was solvently liquidated in January 2025. In that connection, dividend from the estate in bankruptcy of Amagerbanken was paid out to Finansiel Stabilitet (Bank Package activities and the Deposit Guarantee Fund) in the amounts of DKK 1,164 million and DKK 505 million respectively. The receipt of these amounts caused the interim dividend, fixed at 84.4% in 2011, to be increased to 92.9%.

FS Finans IV A/S was solvently liquidated in the autumn of 2024. There was no purchase price adjustment in FS Finans IV A/S, as the dividend originally fixed at 86% was higher than was warranted. The resulting loss was covered by the Restructuring Department of the Guarantee Scheme. FS Finans IV A/S posted a result of DKK 0 million for 2024, bringing the total deficit of the Restructuring Department to DKK 503 million.

In connection with the liquidation of FS Finans III A/S and FS Finans IV A/S, the remaining loans and guarantees at an approximate value of DKK 2 million were transferred to Finansiel Stabilitet.

Total assets of the Bank Package activities at the end of 2024 amounted to DKK 6.8 billion (2023: DKK 6.6 billion). At 31 December 2024, loans and guarantees totalled DKK 115 million (2023: DKK 134 million), financial assets totalled DKK 8 million (2023: DKK 4 million) and properties totalled DKK 11 million (2023: DKK 11 million).

### Financial highlights FS Finans III - IV

(DKKm)	FS Finans III A/S (liquidated January 2025)		FS Finans IV A/S* (liquidated 2024)	
	2024	2023	2024	2023
<b>INCOME STATEMENT</b>				
<b>Result for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2</b>
Result for the year before purchase price adjustment**	41	52	-	-
<b>BALANCE SHEET AT 31 DECEMBER</b>				
Loans and advances	0	2	0	1
Other assets	1	1,924	0	76
<b>Total assets</b>	<b>1</b>	<b>1,926</b>	<b>0</b>	<b>77</b>
Purchase price adjustment	0	1,904	-	-
Other payables	0	21	0	39
Equity	1	1	0	38
<b>Total equity and liabilities</b>	<b>1</b>	<b>1,926</b>	<b>0</b>	<b>77</b>

\* There is no purchase price adjustment in FS Finans IV

\*\* A significant part of the results of FS Finans III-IV is included in the results of the Finansiel Stabilitet Group's segments (Bank Package activities and the Deposit Guarantee Fund)

## Other areas

### **Debt counselling for insolvent former mink farmers**

On behalf of the government, Finansiel Stabilitet in June 2021 set up an entity to provide debt counselling free of charge to former mink farmers who are, or are presumed to be, insolvent after having received damages and compensation pursuant to the Act on the culling of mink and temporary ban on mink farming. The scheme was established for the account and risk of the government.

The scheme involves debt counselling of natural persons. Individuals with a personally owned business are not eligible to receive debt counselling under the scheme, unless the personally owned business has been discontinued and no business activities are consequently carried on in the business.

As at 31 December 2024, the scheme had not been utilised.

### **Government-guaranteed mortgage credit agreements in rural districts**

On 21 June 2022, a scheme was set up on behalf of the government for the establishment of government guarantees for a part of the mortgage credit agreements in rural districts. The purpose of the act is to improve the possibilities for financing residential property, particularly in rural districts, through a government guarantee for the top part of home loans for certain residential properties. Mortgage providers have subsequently been able to submit applications for government guarantees for specific loan agreements. As at 31 December 2024, 40 agreements on terms and conditions had been concluded with mortgage providers.

The target group for the government guarantee scheme is consumers who are considered creditworthy, but have difficulty obtaining a home loan due to matters related to the location or marketability of the property. With a guarantee scheme, some of the risk of home financing is shifted from the mortgage providers to the government, giving mortgage providers an improved incentive to provide financing for such residential properties.

Finansiel Stabilitet manages the government guarantee scheme on behalf of the Danish government. The scheme was established for the account and risk of the government, but Finansiel Stabilitet provides information in its financial statements on the application of the scheme, including information about guarantee commission received and payments made under the guarantees.

As at 31 December 2024, two guarantees had been issued for a total amount of DKK 954 thousand, while commission income for 2024 amounted to DKK 22 thousand.

### **Government-guaranteed loans to install heat pumps**

On 1 April 2023, a scheme was established on behalf of the government on the issuance of government guarantees for loans for the replacement of oil or gas-fired furnaces in rural districts off the central heating grid with a different source of heating. The purpose of the act is to make it easier to obtain

financing for the replacement of oil or gas-fired furnaces with heat pumps in cases where it may be difficult to obtain a loan on normal terms without a government guarantee.

Mortgage providers have subsequently been able to submit applications for government guarantees for specific loan agreements. As at 31 December 2024, seven agreements on terms and conditions had been concluded with mortgage providers.

The government guarantee scheme targets consumers and cooperative housing societies that are considered creditworthy but have difficulty obtaining financing for the replacement of oil or gas-fired furnaces with heat pumps due to uncertainty concerning the long-term value of their properties. The residential property or cooperative housing association must furthermore be situated in an area that is not, and is not scheduled to be, connected to the central heating grid. With a guarantee scheme, some of the financing risk is shifted from the mortgage providers to the government, giving mortgage providers an improved incentive to provide loans to the consumers and cooperative housing societies concerned.

Finansiel Stabilitet manages the government guarantee scheme on behalf of the Danish State. The scheme was established for the account and risk of the government, but in its financial statements Finansiel Stabilitet discloses information on the application of the scheme, including information about guarantee commission received and payments made under the guarantees.

No guarantees had been issued under the scheme as at 31 December 2024.

### **Assets taken over from mink-related industries**

In 2024, Finansiel Stabilitet took over the first assets under this scheme, relating to the former Copenhagen Fur, which entered into an agreement to transfer properties and other movable property to the Danish State in connection with the payment of compensation. Accordingly, Finansiel Stabilitet took over assets such as the former head office in Glostrup.

Finansiel Stabilitet aims to ensure an appropriate and economical resolution of the activities taken over so as to achieve the optimum result for the government. Finansiel Stabilitet has set up a special entity for this task, and legal ownership of activities is anchored in a subsidiary of Finansiel Stabilitet (FS Ejendomsselskab A/S). The scheme was established for the account and risk of the government, and the assets are therefore not recognised in the Group's balance sheet.

After the takeover, Finansiel Stabilitet has begun the process of selling assets such as movables and two properties. This happens through open and transparent sales processes. In connection with this, Finansiel Stabilitet has completed calls for tenders for advisors to assist in the sales process, among other tasks.

The properties have been put up for sale, and for the entity

located in Holstebro, a sales agreement was entered into after the property was listed via an estate agent. Finansiel Stabilitet also sold a substantial part of the movable assets via an auction house.

In 2025, Finansiel Stabilitet expects to take over a significant portfolio of properties and movables in connection with the payment of compensation and the related transfer of assets to the government.



# Deposit Guarantee Fund

## Departments

In 2024, 136 companies with an obligation to pay contributions were covered by the Deposit Guarantee Fund: 60 banks, including 4 foreign banks having applied for supplementary coverage in Denmark and 5 banks in the Faroe Islands and Greenland. 6 mortgage credit institutions, 4 investment managers and 11 managers of alternative investment funds were also covered. These companies were distributed among four departments:

- the Banking Department (60 banks)
- the Mortgage Credit Department (6 institutions)
- the Investment and Portfolio Management Department (investment companies and certain investment management companies and managers of alternative investment funds (70 companies and investment funds)
- The Restructuring Department (56 institutions which are already included in the Banking Department)

## Results in 2024

The Deposit Guarantee Fund generated a surplus of DKK 321 million in 2024 (2023: a surplus of DKK 404 million). The surplus was attributable to interest income on the securities portfolio

and deposits with Danmarks Nationalbank in the amount of DKK 116 million and market value gains on the securities portfolio of DKK 193 million. As a result of mergers in the sector, a net amount of DKK 5 million in contributions to/from the Swedish and Dutch deposit guarantee schemes was expensed in 2024.

At 31 December 2024, the Deposit Guarantee Fund had total assets of DKK 12.6 billion. Of these assets, the Banking Department accounted for DKK 9.1 billion and the Restructuring Department accounted for DKK 3.5 billion, DKK 3.2 billion of which consisted of commitments. In addition, the Mortgage Credit Department had assets of DKK 11 million and the Investment and Portfolio Management Department had assets of DKK 13 million.

## Loss guarantees provided

In 2011, the Restructuring Department issued loss guarantees to Finansiel Stabilitet in connection with the resolution of Amagerbanken af 2011 (FS Finans III A/S) and Fjordbank Mors af 2011 (FS Finans IV A/S). The loss guarantees ceased in connection with the solvent liquidation of FS Finans IV A/S in the autumn of 2024 and of FS Finans III A/S in January 2025.

## Income statement for the Deposit Guarantee Fund

(DKKm)	2024	2023
Contributions to the Deposit Guarantee Fund	-5	0
Interest on deposits with Danmarks Nationalbank	24	16
Yield of listed bonds	92	92
Value adjustment of bond portfolio	193	284
Purchase price adjustment from resolution of banks	10	17
Result of loss guarantee	0	-2
Adjustment of expected dividend etc. from the estates in bankruptcy re. Fjordbank Mors and CapiNordic.	14	3
Administrative expenses	-7	-6
<b>Result for the year</b>	<b>321</b>	<b>404</b>

## Financing of the Deposit Guarantee Fund

The assets of the Banking Department must equal 0.8% of the banks' covered deposits. The annual contribution is determined as the amount required to meet the target level within a period of up to six years. If the assets exceed the determined target level, the obligation to contribute will cease. The obligation to contribute will resume if the assets fall below the determined target level. The individual contributions of the comprised banks is determined on the basis of a ratio-based contribution model. No contributions were collected in 2024.

At 31 December 2024, the assets of the Banking Department amounted to DKK 9.1 billion, against a determined target level of DKK 7.1 billion. As the assets exceeded the target level by an excess coverage of DKK 2 billion, no contributions were

collected for the Banking Department in 2024. Based on applicable rules in the area, the calculation of the target level of total assets currently does not take into account deposits serving certain social purposes.

The most recent study made in August 2023 indicates that deposits serving certain social purposes in Denmark amount to approximately DKK 200 billion. When these are added to the calculation of the Banking Department's target level, the level grows to approximately DKK 8.7 billion, substantially reducing the excess coverage.

The Investment and Portfolio Management Department is required to have total assets of at least DKK 10 million, consisting entirely of commitments. No cash contributions are collected, but adjustments are made to the commitments.

The Restructuring Department is required to have total assets of DKK 3.2 billion in commitments for resolution purposes. As the Department incurred no losses in 2024, it was not necessary to collect cash contributions. Instead, commitments were redistributed among the banks in the Department.

The Mortgage Credit Department is required to have total assets of at least DKK 10 million. However, the part of the assets

collected on the basis of the covered funds must total at least DKK 2.5 million of the total assets. As the assets have reached the target level and Danish mortgage credit institutions no longer have covered cash funds, no cash contributions are collected. Finansiel Stabilitet only carries out an adjustment of commitments totalling DKK 7.5 million.

## Balance sheet for the Deposit Guarantee Fund

(DKKm)	2024	2023
<b>ASSETS</b>		
Demand deposits with credit institutions and central banks	1,166	564
Bonds	7,502	7,792
Commitments made by banks, mortgage credit institutions and investment companies	3,218	3,218
Purchase price adjustment receivable	505	495
Other assets	253	256
<b>Total assets</b>	<b>12,644</b>	<b>12,325</b>
<b>EQUITY AND LIABILITIES</b>		
Other liabilities	0	2
Deposit Guarantee Fund	12,644	12,323
<b>Total equity and liabilities</b>	<b>12,644</b>	<b>12,325</b>

### Area of coverage

The Deposit Guarantee Fund provides financial coverage to depositors and investors of Danish banks, mortgage credit institutions and investment companies as well as certain investment management companies and managers of alternative investment funds. It also provides coverage to depositors in Danish branches of foreign banks that have applied for supplementary coverage to the guarantee scheme in their country of residence.

### Scope of coverage

The Deposit Guarantee Fund covers deposits and cash funds up to an amount of DKK 745 thousand.

In addition, certain special deposits with increased coverage are covered for a limited period, for example deposits which pursuant to legislation have social objects, and which are associated with special life events are covered up to an amount of DKK 1,125 thousand for a period of six months from the amount being deposited. Furthermore, deposits resulting from real estate transactions relating to non-traders are covered by up to DKK 74.5 million for a period of 12 months from the date on which the deposit was made.

Pension funds, e.g. cash deposits into annuity pension and retirement pension schemes, are fully covered.

### Securities

The Deposit Guarantee Fund also manages the investor guarantee scheme. For investors, this means that coverage is provided up to DKK 149 thousand per investor if the institution fails to return financial instruments which belong to the investor and which are held or managed by the institution.

### Branches

Danish branches of foreign banks that are resident in another EU or EEA country are generally covered by the deposit guarantee scheme applicable in the foreign bank's country of residence. It is possible for such branches to apply for supplementary coverage under the Danish scheme. The supplementary coverage is triggered in cases where the Danish scheme provides better coverage than that of the country of residence, e.g. pension accounts and the special deposits subject to increased coverage for a period of 6 to 12 months after the amount was deposited with the bank.

Branches in Denmark of Nordea Bank Abp, Nordnet Bank AB, Ikano Bank AB and Carnegie Investment Bank AB have applied for coverage under the Deposit Guarantee Fund as a supplement to the coverage provided by the national guarantee schemes.

It is the guarantee scheme of the host country which is to make disbursements to depositors on behalf of the guarantee scheme of the country of residence in connection with the resolution of a branch. In certain situations, the Deposit Guarantee Fund may be required to make disbursements on behalf of deposit guarantee schemes of other countries.

For branches of credit institutions that are residents in non-EU or EEA member states, the branch must be a member of the Danish deposit guarantee scheme if the coverage of depositors and investors in the country in which the branch is resident does not equal the coverage of depositors and investors in Denmark.

Additional information on the legislative framework governing the Deposit Guarantee Fund's coverage is provided on [www.fs.dk](http://www.fs.dk).

## Income statement by department for 2024

(DKK'000)	Deposit Guarantee Fund, total	Banking Department	Mortgage Credit Department	Investment and Portfolio Management Department	Restructuring Department
<b>General distribution</b>					
Interest and value adjustment	308,957				
Costs of asset management	-1,205				
<b>Net financials</b>	<b>307,752</b>	<b>297,518</b>	<b>125</b>	<b>84</b>	<b>10,025</b>
<b>Costs</b>					
Management fee, Finansiel Stabilitet	-5,257				
<b>Total shared costs</b>	<b>-5,257</b>	<b>-3,755</b>	<b>-5</b>	<b>-5</b>	<b>-1,492</b>
<b>Total general distribution</b>	<b>302,495</b>	<b>293,763</b>	<b>120</b>	<b>79</b>	<b>8,533</b>
<b>Specific distribution</b>					
Contributions, Banking Department	-5,091	-5,091			
Adjustment of expected dividend etc. from estate in bankruptcy	14,000	14,000			
Surplus from the resolution of banks etc.	10,322	10,322			
Provision for losses on loss guarantees	-237				-237
Various directly attributable costs/income	-88	-88			
<b>Total specific distribution</b>	<b>18,906</b>	<b>19,143</b>			<b>-237</b>
<b>Result for the year</b>	<b>321,401</b>	<b>312,906</b>	<b>120</b>	<b>79</b>	<b>8,296</b>

## Assets by department for 2024

(DKK'000)	Deposit Guarantee Fund, total	Banking Department	Mortgage Credit Department	Investment and Portfolio Management Department	Restructuring Department
<b>Contributions at 31 December 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Commitments made</b>					
Balance at 1 January 2024	3,217,500		7,500	10,000	3,200,000
<b>Balance at 31 December 2024</b>	<b>3,217,500</b>		<b>7,500</b>	<b>10,000</b>	<b>3,200,000</b>
<b>Retained earnings</b>					
Balance at 1 January 2024	9,105,462	8,802,679	3,699	2,493	296,591
Result for the year	321,401	312,906	120	79	8,296
<b>Balance at 31 December 2024</b>	<b>9,426,863</b>	<b>9,115,585</b>	<b>3,819</b>	<b>2,572</b>	<b>304,887</b>
<b>Assets at 31 December 2024</b>	<b>12,644,363</b>	<b>9,115,585</b>	<b>11,319</b>	<b>12,572</b>	<b>3,504,887</b>

## Resolution Fund

### Results in 2024

The Resolution Fund generated a surplus of DKK 1,381 million in 2024 (2023: DKK 1,460 million). The surplus was mainly attributable to payment of contributions to the Resolution Fund of DKK 1,101 million. Interest on the securities portfolio and on deposits with Danmarks Nationalbank amounted to DKK 209 million, and market value gains on the securities portfolio amounted to DKK 75 million.

In 2024, the Resolution Fund's administrative expenses amounted to DKK 24 million, roughly offset by income allotted through the Finance and Appropriation Act. The administrative tasks relate to, among other things, work involved in preparing resolution plans, participation in resolution colleges for cross-border SIFs and building up of the Resolution Fund.

Finally, considerable resources have been spent testing the contingency set-up in a hypothetical crisis situation in the Nordic and Baltic region. The exercise was arranged and led by Finansiell Stabilitet with broad participation from all Nordic and Baltic countries and the European Commission, the European Central Bank (ECB), the Single Resolution Board (SRB), the European Banking Authority (EBA) and the International Monetary Fund (IMF). More than 30 organisations participated

and close to 500 participants had signed up for the exercise, which was completed over the course of three days in September 2024.

The purpose of the exercise was to test communication, information sharing and collaboration between authorities during crisis management of three fictitious financial enterprises. During the exercise, focus was on testing the participants' ability to make coordinated decisions in an environment characterised by significant uncertainty and considerable time pressure.

Including total contributions of DKK 1,101 million, the Resolution Fund amounts to DKK 8.8 billion in aggregate. In 2024, banks contributed DKK 757 million to the Resolution Fund, mortgage credit institutions contributed DKK 344 million and investment companies contributed DKK 83 thousand. Most contributions were paid by the 32 institutions paying contributions based on their key figures, typically Denmark's largest banks and mortgage credit institutions. They paid close to DKK 1,100 million. The remaining approximately DKK 1 million was paid by the remaining 41 institutions based on administratively determined contributions.

### Income statement for the Resolution Fund

(DKKm)	2024	2023
Contributions to the Resolution Fund	1,101	1,206
Other income and expenses	304	274
<b>Result of net financials and coverage activities</b>	<b>1,405</b>	<b>1,480</b>
Administrative expenses etc.	-24	-20
<b>Result for the year</b>	<b>1,381</b>	<b>1,460</b>

### Balance sheet for the Resolution Fund

(DKKm)	2024	2023
<b>ASSETS</b>		
Demand deposits with central banks	5,783	4,524
Securities	3,030	2,920
Investments in subsidiaries, associates, etc.	74	75
Other assets	25	23
<b>Total assets</b>	<b>8,912</b>	<b>7,542</b>
<b>EQUITY AND LIABILITIES</b>		
Other liabilities	58	68
Provisions	7	8
<b>Total liabilities</b>	<b>65</b>	<b>76</b>
Resolution Fund	8,847	7,466
<b>Total equity and liabilities</b>	<b>8,912</b>	<b>7,542</b>

## Activities

In 2024, the work to develop resolution plans for Danish, Faroese and Greenland banks, mortgage credit institutions and investment companies continued. The initiative forms part of a common European effort to strengthen confidence in the management of failing financial institutions and to ensure that losses incurred in connection with the crisis management of such institutions are borne by the owners and creditors.

The resolution plans are intended to define strategies for the continuation of critical functions and to ensure that the strategy may be executed in practice. Finansiel Stabilitet participates actively in international resolution colleges for cross-border systemically important financial institutions (SIFIs). For SIFIs domiciled in Denmark, the Danish resolution authority acts as group resolution authority and manager of the affiliated resolution colleges.

Another important focus area is to continue testing the resolution contingency set-up of institutions. Finansiel Stabilitet assesses whether the institutions have the procedures and data access necessary to quickly deliver critical information in a crisis situation. This work is carried out in close collaboration with the Danish FSA.

### Resolution of FS Finans V A/S' activities

In 2015, Finansiel Stabilitet assumed control of Andelskassen J.A.K. Slagelse, as the institution was failing and needed crisis management. As part of the takeover, all shareholders and a relevant part of the creditors were written down, as a valuation carried out by an independent valuation expert had shown that there were insufficient funds to cover these liabilities. In 2017, the bank was converted into a financing company with the name of FS Finans V A/S, from which the resolution of remaining loans was to take place.

At 31 December 2024, FS Finans V A/S had loans and guarantees representing a total carrying amount of DKK 9 million and total assets of DKK 32 million.

At the end of 2024, the Resolution Fund had a total profit of DKK 2 million in relation to the resolution of Andelskassen J.A.K. Slagelse.

### Resolution of FS Finans VI A/S' activities

In 2018, Finansiel Stabilitet assumed control of Københavns Andelskasse, as the institution was failing and needed crisis management. As part of the takeover, shareholders and a part of the creditors were written down, as a valuation carried out by an independent valuation expert had shown that there were insufficient funds to cover all creditors. In 2019, the bank was converted into a financing company with the name of FS Finans VI A/S, from which the winding up of remaining loans will take place.

In 2019, Finansiel Stabilitet filed two liability lawsuits against the former management of Københavns Andelskasse before the District Court of Copenhagen.

One of these lawsuits concerned Københavns Andelskasse's acquisition of the company OTC-listen. In this case, the District Court of Copenhagen on 25 May 2022 delivered a decision, by which the claims against the management members were dismissed. FS Finans VI A/S was ordered to pay legal costs in a total amount of DKK 5.7 million. FS Finans VI A/S appealed the decision to the High Court of Eastern Denmark. In a decision of 24 October 2024, the High Court of Eastern Denmark affirmed the decision of the District Court and ordered FS Finans VI A/S to pay legal costs to the High Court in a total amount of DKK 1.9 million.

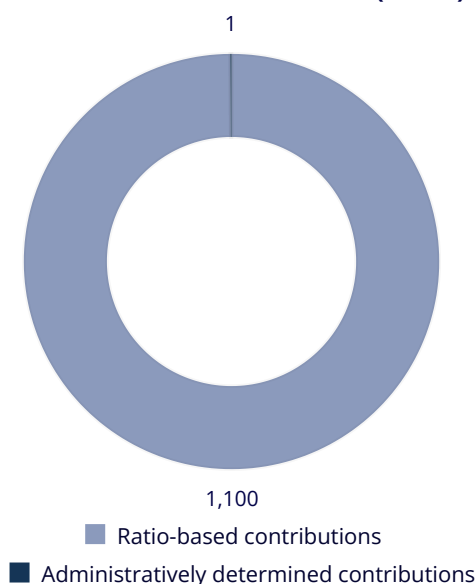
In the other liability lawsuit, which concerned management's liability in connection with losses on two loan exposures, the District Court of Copenhagen on 16 August 2022 delivered a decision, by which two management members were ordered to pay damages of DKK 2.5 million in respect of one of the loan exposures. FS Finans VI A/S was ordered to pay legal costs of DKK 0.7 million to the management members against whom the claim was dismissed. The two management members found liable were ordered to pay legal costs of approximately DKK 0.4 million to FS Finans VI A/S. The two management members found liable appealed the decision to the High Court of Eastern Denmark. Before the High Court, FS Finans VI A/S claimed affirmation of the District Court's decision and that one of the management members also be held liable in damages for the other loan exposure. In December 2024, the case was settled by the two management members found liable paying the amount of DKK 2.5 million imposed by the District Court as well as the legal costs of approximately DKK 0.4 million.

On 9 September 2019, the National Special Crime Unit (National enhed for Særlig Kriminalitet - NSK) charged FS Finans VI A/S with violation of the Danish AML legislation prior to Finansiel Stabilitet's assumption of control over Københavns Andelskasse. NSK subsequently made a series of time-consuming examinations of witnesses and other persons charged, which led to an indictment. As Finansiel Stabilitet was of the opinion that money laundering had taken place in Københavns Andelskasse prior to the takeover, and as Finansiel Stabilitet agreed with the prosecution service's assessment that a punishable violation of the Danish AML legislation had taken place, a judicial fine of DKK 794 million was imposed on 20 January 2025. FS Finans VI A/S is legally barred from paying the fine, as the fine is comprised by the impairment loss recognised in connection with the takeover of Københavns Andelskasse, and the fine will therefore not be paid.

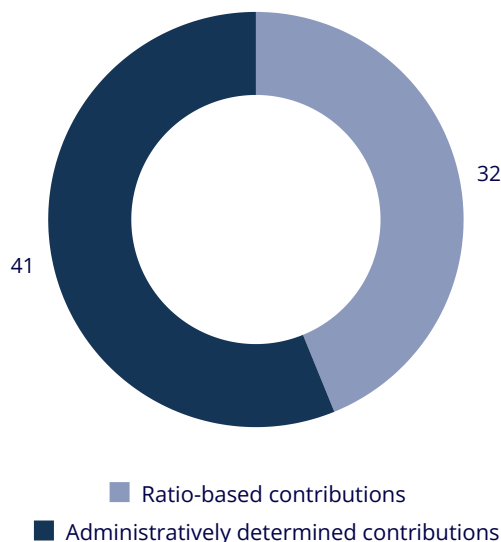
At 31 December 2024, FS Finans VI A/S had net loans and guarantees representing a total carrying amount of DKK 8 million and total assets of DKK 38 million.

At the end of 2023, the Resolution Fund had a total deficit of DKK 4 million in relation to the resolution of Københavns Andelskasse.

**Contributions collected 2024 (DKKm)**



**No. of institution**



### Financing of the Resolution Fund

After payment of contributions in 2024, the Resolution Fund was in compliance with the requirement of the European Commission that the Resolution Fund must have at its disposal funds corresponding to 1% of the covered deposits. This also means that, going forward, the institutions will only be required to make further contributions to the Resolution Fund if it is unable to keep up with developments in the covered deposits or otherwise fails to meet the target requirement. Finansiel Stabilitet will check once annually whether the Resolution Fund has at its disposal sufficient funds to meet the requirement and will inform the institutions if contributions are needed. It is expected that a small contribution will be needed to meet the target requirement in 2025.

With the Resolution Fund, Finansiel Stabilitet has at its disposal cash resources which may be used in case crisis management of a bank, mortgage credit institution or an investment company becomes necessary. The Resolution Fund may in such case be used to grant loans and guarantees, among other things. The Resolution Fund may also in special circumstances and within certain limits be used to cover losses directly when an institution needs crisis management, for instance to protect socially critical functions or to mitigate potential financial contagion in the situation at hand.

### Financial position

The Resolution Fund's cash funds totalled DKK 8.8 billion at 31 December 2024. Finansiel Stabilitet is responsible for ensuring that the available financial means of the Resolution Fund are from time to time proportionate with the Resolution Fund's potential liabilities. As is the case for the Deposit Guarantee Fund, an overall investment profile has been adopted that is based on investments being made in low-risk cash funds.

### Scope

Finansiel Stabilitet may take resolution measures in accordance with the Act on Restructuring and Resolution of Certain Financial Enterprises if the following conditions are met: (1) the Danish FSA has informed Finansiel Stabilitet that the bank is failing or is likely to fail, (2) the Danish FSA has informed Finansiel Stabilitet that there is no prospect that other measures, including measures taken by the private sector or the Danish FSA, within an appropriate time frame would prevent a resolution of the enterprise, (3) Finansiel Stabilitet assesses that a resolution is necessary in the public interest.

When these conditions are met, Finansiel Stabilitet may e.g. assume control over the enterprise, effect a full or partial sale of the enterprise, transfer all or parts of the enterprise to a subsidiary of Finansiel Stabilitet (bridge institution or portfolio management company) or write down or convert the enterprise's liabilities.

In connection with restructuring and resolution, losses are generally to be borne in accordance with the order of priority of creditors. Moreover, the principle applies that no creditor may be placed at a financial disadvantage relative to a bankruptcy process.

This is to be assessed in a subsequent independent valuation. If it is assessed that there are creditors who have been placed at a disadvantage, they will be entitled to compensation from the Resolution Fund.

Depositors may also be affected by restructuring and resolution measures, but the value of their deposits will never be less than the amount of coverage provided under the Deposit Guarantee Fund.

The Resolution Fund may be used to provide guarantees and loans etc. in connection with the use of restructuring or resolution measures. The Resolution Fund may also in special circumstances be used to cover a company's losses when at least 8% of the company's liabilities and own funds have been written down or converted. In such situation, the Resolution Fund may contribute assets equivalent to up to 5% of the enterprise's liabilities and own funds. However, in the preparation of resolution plans, this option is not assumed to be used.

### **Legislative framework**

The legislative framework of the Resolution Fund and Finansiell Stabilitet's restructuring and resolution activities is the Act on Restructuring and Resolution of Certain Financial Enterprises, see Consolidation Act no. 24 of 4 January 2019 and Executive Order no. 823 of 3 July 2015 on the Resolution Fund. In addition, executive orders have been issued on resolution planning and contingency resolution measures, see Executive Order no. 2018 of 26 October 2021, and on Finansiell Stabilitet's use of resolution measures, see Executive Order no. 822 of 3 July 2015.

The Act on Restructuring and Resolution of Certain Financial Enterprises entered into force on 1 June 2015. The Act became effective for the Faroe Islands and Greenland on 1 January 2018 and 1 January 2020, respectively.

The rules implement Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (BRRD) as amended by, among others, Directive 2019/879/EU of the European Parliament and of the Council of 20 May 2019 (BRRD II). With a view to achieving a uniform application of the rules, the European Commission issues delegated acts and implementing acts in this area.

On 11 August 2021, the Danish FSA decided that the Resolution Fund constitutes a public sector entity under Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR) and that exposures to the Resolution Fund are assigned a 0 risk weighting pursuant to Article 116(4) of the Regulation.



## Significant risks

The description of the principal risks affecting Finansiel Stabilitet is based on three segments, as described below. For further information on risks and risk management, see note 18 to the financial statements.

### Recognition and measurement uncertainty

The measurement of certain assets and liabilities is based on accounting estimates made by Management. Areas involving assumptions and estimates that are material to the financial statements include impairment losses on loans and advances and contingent assets, as described in more detail under accounting policies (note 1).

### Activities handled on behalf of the government

Risks under Activities handled on behalf of the government may be subdivided into Bank Package activities and Other areas.

Bank Package activities are to a considerable extent influenced by the special tasks involved in taking over and resolving failing banks. As the customer exposures and lawsuits have been significantly reduced, the risk of losses is considered to be relatively low.

Other areas handled on behalf of the government are operated for the account and risk of the government.

### Deposit Guarantee Fund

Significant risks under the Deposit Guarantee Fund relate to the risk of future losses as a result of the restructuring and resolution of failing banks resulting in losses on covered deposits.

Moreover, the investment of the Deposit Guarantee Fund's investable funds will be subject to risk, depending on the chosen investment profile. The Act on a Depositor and Investor Guarantee Scheme stipulates that the investable funds of the Deposit Guarantee Fund must be invested in low-risk assets. Each year, Finansiel Stabilitet's Board of Directors defines the investment strategy for the Resolution Fund. The investment strategy must be determined so as to ensure that the available financial means of the Deposit Guarantee Fund are from time to time proportionate with the Deposit Guarantee Fund's potential liabilities.

### Resolution Fund

Significant risks under the Resolution Fund relate to losses in connection with the restructuring or resolution of failing institutions in which the Resolution Fund has injected capital.

Currently, this risk is reflected in the ownership of FS Finans V A/S and FS Finans VI A/S, as any impairment of the remaining

assets and lack of profitability will have an adverse effect on the Resolution Fund. Recent developments taken into account, the overall result is a small deficit.

Moreover, going forward, the investment of the Resolution Fund's investable funds will be subject to the same risk factors as those of the Deposit Guarantee Fund, as the general investment strategies of the two funds are identical.

## Events after the balance sheet date

No events have occurred after the balance sheet date that have a significant effect on the Group's financial position.

## Outlook for 2025

The outlook for 2025 is determined for each of the three funds of the Finansiel Stabilitet Group.

For the Deposit Guarantee Fund, a surplus of close to DKK 200 million is expected, mainly arising from returns on the securities portfolio.

For the Resolution Fund, a surplus of approximately DKK 150 million is expected, mainly arising from returns on the securities portfolio and interest on deposits with Danmarks Nationalbank. It should be noted that to build up the Resolution Fund in 2025, only a small contribution will be needed from the institutions that have an obligation to pay contributions.

For Activities handled on behalf of the government, a surplus of approximately 50 million is expected, mainly consisting of interest on deposits with Danmarks Nationalbank.

The outlook is subject to uncertainty.

Any change in interest rates could affect the results of all three funds. Despite an investment strategy based on low-risk assets, slightly higher interest rate risk implies a risk of fluctuations in the results of the Resolution Fund and the Deposit Guarantee Fund.

The results for 2025 of Activities handled on behalf of the government also remain subject to uncertainty as the Bank Package activities may have a potential impact on operations due to value adjustment of assets, if the resolution of these either exceeds or falls short of the carrying amounts.

Furthermore, the geopolitical uncertainty may impact economic developments and, consequently, the Company's results for 2025.



# Corporate governance

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 support financial stability in Denmark.

Finansiel Stabilitet complies with the recommendations for exercising ownership and practising corporate governance in state-owned public companies, as described in the ownership policy of the Danish State published in 2015. In addition, Finansiel Stabilitet has chosen to comply with the recommendations of the Committee on Corporate Governance to the widest extent possible, even though Finansiel Stabilitet is not directly comprised by the recommendations. This annual report includes reporting on compliance with the Corporate Governance Recommendations, which were updated in December 2020 and are effective for financial years beginning on or after 1 January 2021.

At least once a year, the Board of Directors and the Management Board review the principles defined for the management of Finansiel Stabilitet and make ongoing adjustments as and when needed to ensure that the Company complies with good practice in the area.

The overall objectives are defined by the Ministry of Industry, Business and Financial Affairs. In light of the special tasks to be performed by Finansiel Stabilitet in accordance with the legislative framework, compliance with the Committee's recommendations has in certain respects been adapted to Finansiel Stabilitet's activities. With respect to the corporate governance recommendations in relation to risk management, the assessment was previously that these recommendations were of limited relevance as certain parts of the decisions on acceptance of risk, e.g. in connection with taking over assets, are not left to Finansiel Stabilitet's Board of Directors and Management Board, as would normally be the case. In light of the current expansion of Finansiel Stabilitet's areas of activity, risk management will receive more attention going forward.

The Committee's recommendations on the handling of takeover bids are not deemed to be relevant to Finansiel Stabilitet due to the Company's status as an independent public company. Likewise, the Company has chosen not to comply with a few other recommendations as described in the sections below.

With respect to the Committee's recommendations on a tax policy for the Company, the framework governing Finansiel Stabilitet's tax conduct is set out in a separate policy. The policy mainly concerns Finansiel Stabilitet's handling of tax assets. In the interests of any creditors or other stakeholders, Finansiel Stabilitet is required to consider the value of any tax assets in connection with the resolution of failing institutions. At the

same time, focus is on ensuring expedient handling from a social perspective.

## **Communication with the owner and stakeholders of the Company**

The Ministry of Industry, Business and Financial Affairs on behalf of the Danish State is the Company's sole owner. Finansiel Stabilitet maintains an ongoing dialogue with its owner to ensure that the Minister for Industry, Business and Financial Affairs receives relevant information on matters related to Finansiel Stabilitet. The relationship between Finansiel Stabilitet and the Ministry of Industry, Business and Financial Affairs is furthermore governed by a Strategic Governance Document for Finansiel Stabilitet, which also contains guidelines for exchange of information.

Finansiel Stabilitet publishes interim financial statements and releases quarterly announcements. The Company does not publish full interim financial statements for the first and third quarters. In this respect, Finansiel Stabilitet deviates from the recommendations of the Committee on Corporate Governance. It is assessed that the release of quarterly financial statements would not contribute material new information relative to the information already released through the quarterly announcements and other announcements.

Finansiel Stabilitet is subject to the rules applying to state-owned companies, which implies, among other things, that in key areas the Company is subject to the same requirements as listed companies. Announcements and other information from Finansiel Stabilitet and its subsidiaries are released through the Danish Business Authority and through the Company's website, [www.fs.dk](http://www.fs.dk). The website also provides information about the Company's structure, activities, etc.

## **General meeting**

The general meeting is the Company's supreme decision-making body. The Ministry of Industry, Business and Financial Affairs has same powers at general meetings as those awarded to shareholders pursuant to the Companies Act. Representatives of the Ministry of Industry, Business and Financial Affairs, the Board of Directors, the Management Board, the National Audit Office and the Company's auditors attend the annual general meeting.

General meetings are open to the press. However, the Board of Directors of Finansiel Stabilitet may decide that a general meeting should be closed or partially closed to the press if motivated by considerations for the discharge of Finansiel Stabilitet's objects, powers and responsibilities. Notices convening general meetings are published and distributed to the Minister for Industry, Business and Financial Affairs or his proxy not less than two weeks and not more than four weeks

prior to the date of the general meeting.

Prior to election of members to the Board of Directors at the general meeting, information must be provided on the experience and professional background of the individual candidates. As the candidates are nominated by the Company's sole owner, the Ministry of Industry, Business and Financial Affairs, it is assessed that there is no need to distribute information about the competences of the candidates together with the notice convening the general meeting. Finansiel Stabilitet thereby deviates from the recommendations of the Committee on Corporate Governance.

### **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 in part consist of Finansiel Stabilitet's general management. This structure entails that Finansiel Stabilitet is represented on the boards of directors of all subsidiaries.

### **Board work**

The Board of Directors is responsible for the overall management of Finansiel Stabilitet. The general guidelines for the work of the Board of Directors have been defined in the rules of procedure for the Board of Directors, which are revised on an ongoing basis and as required. The rules of procedure in force from time to time are available at Finansiel Stabilitet's website, [www.fs.dk](http://www.fs.dk). 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 8 board meetings were held in 2024. A total of 10 board meetings were held in 2023, including 3 extraordinary board meetings

The Board of Directors is continuously updated on the Company's situation. These updates take place through meetings as well as through written and oral reporting. The Board of Directors receives semi-annual reporting, including information about economic developments and the most important activities and transactions.

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 Industry, Business and Financial Affairs, has not found it necessary to set up remuneration and nomination committees.

The Board of Directors regularly and at least once a year evaluates the tasks and composition of the Board of Directors

and the collaboration between the Board of Directors and the Management Board.

### **Composition of the Board of Directors**

At 31 December 2024, the Board of Directors of Finansiel Stabilitet consisted of seven members.

The Minister for Industry, Business and Financial Affairs appoints the members of the Board of Directors, including the Chairman and the Deputy Chairman. The employees of neither Finansiel Stabilitet nor of Finansiel Stabilitet's subsidiaries are entitled to elect members to the Board of Directors of Finansiel Stabilitet.

The members of the Board of Directors are elected for a term of one year, but are eligible for re-election. At the extraordinary general meeting held on 31 May 2024, Anne Louise Eberhard, Ulrik Rammeskov Bang-Pedersen, Ole Selch Bak, Morten Sommerfeldt, Jesper Rangvid, Ulrikke Ekelund and Gitte Lillelund Bech were re-elected to the Board of Directors.

Anne Louise Eberhard was re-elected as Chairman and Ole Selch Bak was re-elected as Deputy Chairman.

The Chairman of the Board of Directors may not undertake any offices on behalf of Finansiel Stabilitet which do not form a natural 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.

Candidates for the Board of Directors must possess relevant skills, and the Board of Directors as a whole must possess knowledge and experience of the key issues and challenges faced by Finansiel Stabilitet. Based on the Company's business model and related risks, the Board of Directors annually identifies the areas which it deems the Management Board and the Board of Directors of Finansiel Stabilitet should have knowledge of and experience with. The circumstances relating to the Company's management are adjusted as required on the basis of these assessments.

Information about the individual board members is provided in this Annual Report and on Finansiel Stabilitet's website, [www.fs.dk](http://www.fs.dk).

### **Management Board**

The Management Board consists of Karsten Bilot, CEO. The Management Board along with Jens Verner Andersen (EVP Credit, Finance and IT), Attorney Carsten Oppermann (Deputy Director, Legal), Jeanette Bjørnlund Jensen (Head of Division, Credit, Research and Investment) and Karin Lykke Rasmussen (Head of the Management and Communication) constitute the general management of Finansiel Stabilitet.

The Board of Directors appoints the CEO, and the guidelines for the Management Board's reporting and submission of

decisions to the Board of Directors 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.

In the financial year 2024, remuneration paid to the Board of Directors amounted to DKK 1,425 thousand. The remuneration of the Board of Directors is disclosed on [www.fs.dk](http://www.fs.dk).

The remuneration of the Management Board is determined by the Board of Directors, and in 2024 the remuneration of the Management Board consisted of a basic salary.

Finansiel Stabilitet has no pension obligations towards the Management Board. Members of the Management Board are not covered by bonus schemes and do not receive a separate fee for directorships held in subsidiaries. The remuneration of the Management Board is disclosed on [www.fs.dk](http://www.fs.dk).

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.

Finansiel Stabilitet complies with the remuneration recommendations of the Danish State's ownership policy, and the Company's remuneration policy reflects these rules. This includes paying competitive – but not top-bracket – salaries compared with peer companies in the public and private sectors.

Finansiel Stabilitet abides by legally binding agreements with employees entered into in connection with the takeover of failing banks.

### **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.

Finansiel Stabilitet has established a whistleblower scheme for the Group, which is accessible via Finansiel Stabilitet's website, [www.fs.dk](http://www.fs.dk). The objective of the whistleblower scheme is to ensure expedient and confidential reporting of offences – or suspicion of offences – to an independent and autonomous unit, which can evaluate what measures should be taken. Under the whistleblower scheme, employees and other Finansiel Stabilitet stakeholders can report, anonymously or not, on any serious misconduct.

### **Auditors**

The activities of Finansiel Stabilitet are audited by the Auditor General of Denmark and a state-authorised public accountant. The state-authorised public accountant is appointed for a term of one year at the general meeting and must be certified by the Danish FSA.

Before nominating a candidate for appointment at the general meeting, the Board of Directors makes an assessment of the state-authorised public accountant's independence, qualifications, etc.

The framework for the auditors' duties, including their remuneration, audit and non-audit assignments are written into a service contract. EY was appointed auditors of the Finansiel Stabilitet Group's activities in 2024.

# Corporate social responsibility

## Roles in society

In accordance with the legislative framework, Finansiel Stabilitet is required to contribute to ensuring financial stability in Denmark. This is achieved in part by preventive measures in the form of preparation of resolution plans and identification of any obstacles, and in part specifically by restructuring and resolving failing banks. In periods of financial turmoil, Finansiel Stabilitet provides security with respect to customers' access to their accounts and other payment infrastructure by taking over failing institutions, provided this is assessed to be in the public interest. In addition, Finansiel Stabilitet organises crisis management based on the principle that the risk of losses to taxpayers is to be minimised.

In the crisis management of failing institutions, Finansiel Stabilitet is also focused on securing the highest possible value of assets taken over, thus minimising losses incurred by creditors and owners. Moreover, when winding up an institution, Finansiel Stabilitet ensures that the disposal of activities is adapted to prevailing market conditions.

Finansiel Stabilitet aims for business with the Group's customers taken over from failing institutions to continue under the auspices of other institutions to the extent possible or under the auspices of purchasers who are obliged to manage the customers in accordance with the Executive Order on good business practice for financial undertakings.

Finansiel Stabilitet takes over the customers of a failing institution on the existing terms and conditions and with a focus is on ensuring appropriate continuation of activities and subsequent resolution.

In recent years, Finansiel Stabilitet has taken on a number of new tasks on behalf of the government. They include the issue of guarantees for loans to install heat pumps and to buy property in rural districts and the operation of a debt counselling scheme for former milk farmers who remain insolvent after having received compensation from the government. Most recently, Finansiel Stabilitet has been assigned the task of managing the sale and otherwise managing assets that the government takes over from milk-related businesses in continuation of the payment of government compensation.

## Corporate social responsibility

As part of its purpose of contributing to ensuring financial stability, Finansiel Stabilitet has a responsibility to ensure that the activities of a company are managed in a way that, from an overall perspective, is ethical, responsible and beneficial to society.

Finansiel Stabilitet and its subsidiaries strive to live up to their responsibility as employers, business partners and consumers of natural resources. The approach is based on its core activities being conducted in a manner that will minimise any negative environmental, social, human rights and anti-corruption impacts.

Finansiel Stabilitet's core activities, including the potential takeover of failing institutions and the management of the Deposit Guarantee Scheme and the Resolution Fund, are per definition activities of critical importance to society. As a result of a new EU Insurance Recovery and Resolution Directive (IRR), Finansiel Stabilitet and the Danish FSA have been jointly appointed as the resolution authority. Finansiel Stabilitet's other activities comprise the special activity areas which are handled on behalf of the government in dialogue with the Ministry of Industry, Business and Financial Affairs. When carrying out these societal activities, Finansiel Stabilitet seeks to the extent possible to take into account related sustainability and social responsibility aspects.

As a result of the statutory activities, Finansiel Stabilitet, when taking over assets, whether in the case of a failing credit institution or special assets taken over for the government, may be required to "accept the estate with all assets and liabilities". Finansiel Stabilitet cannot refuse to take over an asset by referring to e.g. environmental matters.

## Sustainability reporting

Finansiel Stabilitet is not subject to the Corporate Sustainability Reporting Directive (CSRD) for the 2024 financial year, but may become subject to the CSRD in future. For the time being, Finansiel Stabilitet will work with sustainability reporting on a voluntary basis.

## Human rights

Finansiel Stabilitet will comply with the requirements of relevant recognised standards, first and foremost by ensuring that Finansiel Stabilitet in its work respects human rights and ensures decent working conditions. This requires transparent processes and an ethical approach to the resolution of assets taken over, taking into account the rights and interests of the parties involved.

Finansiel Stabilitet is also focused on using suppliers who comply with applicable and relevant standards in the specific area. This applies in relation to social responsibility as well as to matters relating to reducing any negative environmental impacts of the activities conducted.

## Anti-corruption and anti-bribery

It is a key priority for Finansiel Stabilitet that the company's employees are familiar with the conduct and work ethics expected of them in order that Finansiel Stabilitet may maintain the highest standard of personal and organisational integrity and prudence – both internally and externally.

Finansiel Stabilitet has prepared a number of policies for the prevention of financial crime and has initiated a number of preventive measures related thereto.

The purpose of the policy on measures to prevent money

laundering and financing of terrorism is to ensure that the Finansiel Stabilitet Group complies with the legislation in force from time to time and that the Group organises risk management of known risks and manages of new risks in the area. The policy is also intended to minimise the risk of Group being misused for money laundering or terrorist financing.

Finansiel Stabilitet is also focused on preventing corruption and bribery associated with various elements, such as gifts, donations, conflicts of interest, third-party providers, and customer-related transaction risks. Compliance with the company's policies is ensured through codes of conduct, business procedures, advice and communication, which are available to all employees of Finansiel Stabilitet.

Finansiel Stabilitet has established a whistleblower scheme, which is accessible via the website [www.fs.dk](http://www.fs.dk).

### **Social matters**

Finansiel Stabilitet acknowledges its role and the responsibility it has in Denmark towards owners and employees. Finansiel Stabilitet has adopted and signed policies and business procedures which all employees are required to read and stay regularly updated on.

Finansiel Stabilitet has combined selected guidelines for its employees in a code of conduct, which is available on Finansiel Stabilitet's website. This code of conduct provides clarity as to Finansiel Stabilitet's position on independence, conflicts of interest, etc.

Finansiel Stabilitet wants to contribute to a good and challenging working life for the employees during their employment. Finansiel Stabilitet's corporate culture encourages an open, proper and equal dialogue with emphasis on measures of individual freedom under accountability and common sense. At the same time, Finansiel Stabilitet focuses on continuous skills enhancement for its employees by offering courses and other relevant supplementary training.

Finansiel Stabilitet has a working environment organisation, the focus of which is to provide the framework for a good working environment and to ensure that employee surveys are carried out, including an annual employee satisfaction survey and a workplace assessment at least every three years. The surveys result in action plans, which are regularly followed up on. All employees of Finansiel Stabilitet have the option of contacting a working environment representative or management representative if they want the working environment organisation to take up a matter.

Finansiel Stabilitet's workforce is adjusted on an ongoing basis to fit the scope of work. In 2024, Finansiel Stabilitet had an average of 48 full-time equivalent employees.

### **Environmental and climate impact**

In performing its business activities, Finansiel Stabilitet seeks to limit its negative environmental and climate impact. As a result of Finansiel Stabilitet's current business volume, the company's own environmental and climate impact is relatively limited.

As the primary objective of Finansiel Stabilitet is the resolution of activities, Finansiel Stabilitet will not be able to safeguard the same incentive management considerations expected of other financial enterprises. Finansiel Stabilitet nonetheless makes efforts to measure its impacts on the surrounding environment and set targets for reducing any negative impacts.

In the Deposit Guarantee Fund and the Resolution Fund, Finansiel Stabilitet will place a part of its assets in securities, which, in addition to complying with the set risk limits of future, newly established mandates, will also comprise provisions on responsibility and sustainability.

### **Data ethics**

In performing its activities, Finansiel Stabilitet seeks to support a high level of data ethics. In order to ensure transparency and reliability in terms of data processing, Finansiel Stabilitet has drawn up a data ethics policy, which reflects the relatively simple use of data in the Company. Finansiel Stabilitet regularly arranges IT awareness activities to ensure focus on data ethics in the organisation.

An annual review with subsequent reporting is performed.

### **Gender composition of Management**

Finansiel Stabilitet seeks to promote relevant diversity in terms of e.g. age and gender at the Group's management levels. Against this background, Finansiel Stabilitet has adopted a policy on diversity and balanced gender composition on the Group's boards of directors and other management levels. This policy is available on Finansiel Stabilitet's website.

The target is for the proportion of the underrepresented gender on the companies' boards of directors and at other management levels to be at least 40%.

Three of the seven members of the Board of Directors of Finansiel Stabilitet are women. Women thus account for 43%, and Finansiel Stabilitet meets the gender composition target set for this area. The chairmanship consists of one woman and one man.

Of the board members of Finansiel Stabilitet's subsidiaries Finans V-VI and Broinstitut I and II, the gender composition is one woman and two men. Women thus account for 33% with the number closest to 40%, and the gender composition target is met. In FS Ejendomsselskab, the gender composition is three women and two men. Men thus account for 40%, and the gender composition target is met. Finansiel Stabilitet thus meets its gender composition target with respect to the subsidiaries.

The company also aims to ensure an appropriate gender composition at the Group's other management levels. The Group's employees should feel that they have the same career opportunities and opportunities to be considered for management positions, regardless of gender.

The day-to-day management is composed of two women and three men. Women thus account for 40%, and the gender composition target is met.



# FINANCIAL STATEMENTS 2024





# Income statement and comprehensive income statement

(DKKm)	Note	Group		Parent company	
		2024	2023	2024	2023
Interest and fees					
Interest income calculated according to the effective interest method	4	399	327	398	325
Other interest income	4	126	126	126	126
Interest expense	5	9	7	62	69
Net interest income		516	446	462	382
Contributions to the Deposit Guarantee Fund		-5	0	-5	0
Contributions to the Resolution Fund		1,101	1,206	1,101	1,206
Fees and commissions received		1	1	1	1
Net interest and fee income		1,613	1,653	1,559	1,589
Market value adjustments	6	273	391	273	391
Other operating income	7	74	28	97	43
Staff costs and administrative expenses	8	94	75	81	68
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		2	3	2	3
Other operating expenses	9	22	4	15	1
Impairment losses on loans, advances and receivables, etc.	10	-27	-76	3	-66
Income from investments in associates and subsidiaries		0	0	0	-4
Purchase price and dowry adjustment	15	-1	-6	40	49
Result for the year before tax		1,868	2,060	1,868	2,062
Tax	17	0	0	0	0
Result for the year		1,868	2,060	1,868	2,062
Other comprehensive income					
Items that cannot be reclassified to the income statement					
Actuarial gains/losses		-1	1	-1	-1
Tax on other comprehensive income		0	0	0	0
Total other comprehensive income		-1	1	-1	-1
Total comprehensive income		1,867	2,061	1,867	2,061
Appropriation of surplus					
Deposit Guarantee Fund				321	404
Resolution Fund				1,381	1,460
Activities handled on behalf of the government				165	197
Total amount appropriated				1,867	2,061

# Balance sheet

(DKKm)	Note	Group		Parent company	
		2024	2023	2024	2023
ASSETS					
Cash in hand and demand deposits with central banks		13,569	11,515	13,569	11,515
Demand deposits with credit institutions		10	6	5	6
Loans, advances and other receivables at amortised cost	10.11	52	53	35	33
Bonds at fair value etc.	12	10,535	10,715	10,535	10,715
Shares, etc.	13	5	1	5	1
Investments in subsidiaries		0	0	119	158
Investment properties	14	11	11	11	11
Lease assets		12	14	12	14
Commitments made by banks, mortgage credit institutions and investment companies		3,218	3,218	3,218	3,218
Purchase price and dowry adjustment receivable		0	0	0	1,628
Other assets		399	391	385	401
Prepayments		4	3	3	3
Total assets		27,815	25,927	27,897	27,703



# Balance

(DKKm)	Note	Group		Parent company	
		2024	2023	2024	2023
EQUITY AND LIABILITIES					
Liabilities					
Lease liability		12	14	12	14
Other liabilities		641	333	723	2,393
Total liabilities other than provisions		653	347	735	2,407
Provisions					
Provision for pensions and similar liabilities	8	24	24	24	24
Provision for losses on guarantees		3	3	3	3
Purchase price adjustment (earn-out)	15	0	277	0	0
Other provisions	16	12	20	12	13
Total provisions		39	324	39	40
Total liabilities		692	671	774	2,447
Equity					
Activities handled on behalf of the government		5,632	5,467	5,632	5,467
Deposit Guarantee Fund		12,644	12,323	12,644	12,323
Resolution Fund		8,847	7,466	8,847	7,466
Total equity		27,123	25,256	27,123	25,256
Total equity and liabilities		27,815	25,927	27,897	27,703

## Other notes

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# Statement of changes in equity

Koncern (DKKkm)	Activities handled on behalf of the government		Deposit Guarantee Fund	Resolution Fund	Total equity
	Subordinated assets	Retained earnings			
Equity as at 1 January 2023	1	5,269	11,919	6,006	23,195
Comprehensive income for 2023		197	404	1,460	2,061
Equity as at 31 December 2023	1	5,466	12,323	7,466	25,256
Comprehensive income for 2024		165	321	1,381	1,867
Equity as at 31 December 2024	1	5,631	12,644	8,847	27,123

Parent company (DKKkm)	Activities handled on behalf of the government		Deposit Guarantee Fund	Resolution Fund	Total equity
	Subordinated assets	Retained earnings			
Equity as at 1 January 2023	1	5,269	11,919	6,006	23,195
Comprehensive income for 2023		197	404	1,460	2,061
Equity as at 31 December 2023	1	5,466	12,323	7,466	25,256
Comprehensive income for 2024		165	321	1,381	1,867
Equity as at 31 December 2024	1	5,631	12,644	8,847	27,123

# Cash flow statement

(DKKm)	Group	
	2024	2023
<b>Cash flows from operating activities</b>		
Comprehensive income for the year	1,867	2,061
Impairment of loans, etc., net (income)	-27	-76
Depreciation/amortisation	2	3
Unrealised market value adjustments of securities	-238	-361
Other	0	0
<b>Total operating activities</b>	<b>1,604</b>	<b>1,627</b>
<b>Working capital</b>		
Changes in loans, advances and other receivables	28	56
Changes in securities	-1	10
Changes in other assets and liabilities	12	26
<b>Total working capital</b>	<b>39</b>	<b>92</b>
<b>Total cash flows from operating activities</b>	<b>1,643</b>	<b>1,719</b>
<b>Cash flows from investing activities</b>		
Investment portfolio	415	-107
Purchase/sale of property, plant and equipment	0	-7
<b>Total</b>	<b>415</b>	<b>-114</b>
<b>Total cash flows for operating, investing and financing activities</b>	<b>2,058</b>	<b>1,605</b>
<b>Change in cash and cash equivalents</b>		
Cash and cash equivalents, beginning of year	11,521	9,916
Change during the year	2,058	1,605
<b>Cash and cash equivalents, end of year</b>	<b>13,579</b>	<b>11,521</b>
<b>Cash and cash equivalents comprise</b>		
Cash in hand and demand deposits with central banks	13,569	11,515
Due from credit institutions and central banks within less than three months	10	6
<b>Cash and cash equivalents, end of year</b>	<b>13,579</b>	<b>11,521</b>

# Notes

## 1. Accounting policies

Finansiel Stabilitet presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and with related interpretations issued by the Interpretations Committee (IFRIC).

The parent company, Finansiel Stabilitet IPC, presents its financial statements in accordance with the Danish Financial Business Act.

Certain disclosures have been omitted in order to provide a better overview and reduce the number of note disclosures. This has been the case where the amounts and qualitative information are regarded as insignificant.

As of 1 January 2024, the Finansiel Stabilitet Group has implemented the IFRS standards and interpretations that are effective in the EU for 2024. The implementation of the adopted amendments and new standards has not affected recognition or measurement for 2024.

Apart from the above, the accounting policies are consistent with those applied in 2023.

### Standards and interpretations not yet in force

At the end of the financial year, a number of new or amended standards and interpretations had been issued that have not yet come into force or been adopted by the EU. Finansiel Stabilitet does not expect to implement the new accounting standards and interpretations until they become mandatory. None of the new standards or interpretations are expected to significantly affect the financial reporting of the Group.

### Accounting estimates and judgments

The determination of the carrying amounts of certain assets and liabilities relies on judgments, estimates and assumptions about 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 as a result of new information or subsequent events.

Estimates significant to the financial reporting include the following:

- Impairment losses on loans and advances
- Contingent assets

### Accounting policies for the Group

#### **Foreign currency translation**

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

#### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable that, as a result of past events, future economic benefits will flow to the business and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of past events and it is probable that future economic benefits will flow from the business and the value of the liability can be reliably measured.

#### **Financial instruments – general**

Financial assets are classified and measured on the basis of Finansiel Stabilitet's business model and the underlying contractual cash flows related to the characteristics of the

financial assets, and comprise the following categories:

- Amortised cost
- Fair value through the income statement

Subsequent to initial recognition, financial assets held with the objective of collecting contractual cash flows, and where the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, are measured at amortised cost. This category comprises loans, receivables from credit institutions, commitments made by banks, mortgage credit institutions and investment companies and interest receivable.

Bonds are measured at fair value through the income statement because they are part of an investment strategy based on fair values, and information about the liabilities is provided on that basis in the internal management reporting. Shares and derivative financial instruments are also measured at fair value through the income statement, as contractual cash flows from these instruments are not solely payments of principal and interest on the principal amount outstanding.

Financial liabilities are classified and measured at amortised cost, with the exception of derivative financial instruments, which are measured at fair value and recognised in liabilities if their fair value is negative.

#### **Consolidated financial statements**

The consolidated financial statements comprise the parent company, Finansiel Stabilitet IPC, and subsidiaries which the parent company controls. Control is achieved by directly or indirectly owning or having disposal of more than 50% of the voting rights or otherwise having control of the company in question.

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 the parent company 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.

#### **Balance sheet**

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

Amounts due from credit institutions and central banks are on initial recognition measured at fair value with the addition of directly attributable transaction costs and subsequently at fair value according to the effective interest method less impairment losses. As Finansiel Stabilitet uses credit institutions with high credit ratings only, credit risk is considered low, and consequently the need for impairment write-down is considered insignificant.

##### ***Loans, advances and receivables at amortised cost***

The item consists of loans taken over from distressed banks.

##### ***Classification and measurement:***

Subsequent to initial recognition, loans and advances held with the objective of collecting contractual cash flows, and where the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, are measured at amortised cost.

Finansiel Stabilitet is charged with resolving loans taken over in the best way possible. Accordingly, the business model regarding loans and advances is solely to collect outstanding amounts and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

Loans, advances and receivables are initially measured at fair value plus transaction costs and less fees and commissions received that are directly related to the establishment.

As a result of the above-mentioned classification, loans, advances and receivables are subsequently measured at amortised cost using the effective interest method less write-downs for bad debt losses.

On takeover of existing loans, advances and receivables, any difference between the expected repayment price and fair value at the date of recognition will be amortised over the expected term to maturity as part of the effective rate of interest.

##### ***Impairment losses***

The rules on impairment of loans and provisions for financial guarantees and loan commitments are based on an expected loss model which implies earlier recognition of a loss allowance than the previous impairment model, under which there had to be objective evidence of credit impairment before an impairment loss could and had to be recognised.

Under the new expected credit loss rules, on initial recognition of a financial asset etc., a loss allowance will be recognised in an amount equivalent to the 12-month expected credit losses (stage 1). In the event of a subsequent significant increase in credit risk after initial recognition, a loss allowance will be

recognised in an amount equivalent to the lifetime expected credit losses of the financial asset (stage 2). Where it is established that the instrument is credit-impaired (stage 3), a loss allowance is recognised at an amount equal to the lifetime expected credit losses of the asset, and interest income is recognised in the income statement according to the effective interest method in proportion to the impaired amount.

For assets and guarantees that are credit-impaired (stage 3) on acquisition, the lifetime expected credit loss of the asset or the guarantee is considered to be factored into the determined acquisition price. Such assets and guarantees will remain in stage 3 throughout their remaining life, and the effects of positive and negative changes in credit risk are recognised in the income statement as these occur.

As Finansiel Stabilitet is charged with resolving loans taken over in the best way possible, within a relatively short period after the takeover remaining loans and advances will be designated as credit-impaired on acquisition, as all other loans and advances will have been repaid and replaced by the counterparty by new loans taken out with other credit institutions. Accordingly, Finansiel Stabilitet's portfolio of loans at the balance sheet date is generally considered to consist entirely of loans that were credit-impaired on acquisition. Consequently, Finansiel Stabilitet has not set out principles for the measurement of significant increases in credit risk or definitions of default and credit impairment, other than the above-mentioned assessment when loan portfolios are taken over.

After a long resolution process, the remaining loans and guarantees taken over by the Group from failing banks under Bank Packages I-IV and from Andelskassen J.A.K. Slagelse and Københavns Andelskasse are considered to be stage 3 exposures, which are either credit-impaired or in default. The remaining portfolio of loans is either in bankruptcy, reconstruction or debt restructuring, or their creditworthiness is so poor that no other banks have been willing to take over the exposures.

Accordingly, loss allowances and provisions relating to the Group's loans and guarantees are treated in accordance with the IFRS 9 rules on assets and guarantees that are credit-impaired on acquisition.

The loss allowance is calculated on an individual basis for each exposure 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. Expected future cash flows are calculated with due consideration being given to the exposure's repayment ability, dividends and any enforcement of collateral.

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

### ***Write-off***

Loans and advances are written off when it is assessed that there is no longer a reasonable expectation of full or partial recovery of the outstanding amount. At such time, the final loss is considered to have been incurred, and the loan is removed from the carrying amount of gross loans and accumulated impairment.

Finansiel Stabilitet continues its collection efforts after loans have been written off, based on an individual assessment, including an assessment of the possibility of entering into a voluntary agreement with the customer, a renegotiation of terms or reconstruction of a business, so that debt collection or petition for bankruptcy is the ultimate measure of debt collection.

### ***Bonds, shares, etc.***

Listed securities are recognised at fair value at the trading date. Fair values are measured at closing prices at the balance sheet date. In a less active or inactive market, fair value may, however, be measured based on models or similar approaches.

Unlisted shares are stated at fair value. Fair values of unlisted securities are measured on the basis of models, agreed trading prices according to articles of association or similar approaches.

### ***Investment properties***

Investment properties are properties owned for the purpose of receiving rent and/or obtaining capital gains. Investment properties are 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. Fair value adjustments are recognised in Market value adjustments. Land is not depreciated.

### ***Leases***

All leases entered into (other than leases of short duration) in which the Group is the lessee are recognised in the balance sheet as a right-of-use asset and as a lease liability, measured at the present value of minimum lease payments over the term of the lease. The right-of-use asset is subsequently depreciated in the same way as other fixed assets, typically on a straight-line basis over the term of the lease, and interest is calculated on the lease liability.

### ***Commitments made by banks, mortgage credit institutions and investment companies***

The item comprises commitments made to the Deposit Guarantee Fund and measured at amortised cost, equivalent to nominal value, as the date when a commitment may be invoked cannot be reliably predicted or estimated.

### ***Tax payable and deferred tax***

Finansiel Stabilitet IPC is exempt from taxation and the subsidiaries of the Group are not subject to joint taxation.

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.

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.

### **Provisions**

The item Provisions comprises provisions made in connection with legal disputes, guarantees, employee benefits, etc.

Provision for losses on guarantees is measured by applying the expected loss model described under the accounting policy for loans and advances.

Other 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.

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

### **Purchase price adjustment**

Purchase price adjustment comprises the potential additional dividend payable to creditors and providers of dowry in the banks taken over under Bank Packages III-IV. In 2023 and earlier years, purchase price adjustment was recognised under provisions. In connection with the winding up of the last estate in bankruptcy of banks taken over under Bank Packages III-IV, purchase price adjustment is in 2024 recognised under liabilities other than provisions.

### **Equity**

Activities handled on behalf of the government, the Deposit Guarantee Fund and the Resolution Fund are shown as three separate items. Danish legislation provides that Finansiel

Stabilitet's assets and the two funds are only liable for their own obligations.

### **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 includes 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. Interest expense includes all interest-like expenses, including statutory interest arising from lawsuits.

### **Contributions to the Deposit Guarantee Fund**

The item comprises the banks' premium payments to the Deposit Guarantee Fund.

### **Contributions to the Resolution Fund**

The item comprises the banks', mortgage credit institutions' and investment companies' premium payments to the Resolution Fund.

### **Market value adjustments**

Market value adjustments comprise value adjustments of assets and liabilities measured at fair value.

The item also includes exchange rate adjustments.

### **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, 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 of banks taken over, 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. Present value is calculated on the basis of the most recent yield curve of the Danish FSA and benchmark mortality rates, etc. Any changes other than pension payments for the period are adjusted through the income statement/other comprehensive income.

### **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. See the description under impairment of loans.

## **Special accounting issues relating to the parent company financial statements**

### **Investments in subsidiaries**

Investments in subsidiaries are recognised and measured at net asset value in the parent company financial statements in accordance with the Executive Order on Financial Reporting.

### **Consolidated cash flow statement**

The cash flow statement shows cash flows for the year from operating, investing and financing activities, changes for the year in cash and cash equivalents and 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, i.e. as the result for the year adjusted for non-cash operating items and changes in working capital.

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, subordinated debt, re-lending 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 and amounts due from credit institutions and central banks 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 follow-up on results. 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.

There are three principal reporting segments: Activities handled on behalf of the government, the Deposit Guarantee Fund under the Depositor and Investor Guarantee Scheme and the Resolution Fund.

Accordingly, the Group's reporting segments are:

#### **Activities handled on behalf of the government**

Bank Package activities:

- *Bank Package I*  
This segment comprises the original Bank Package I activities.
- *Bank Packages III and IV*  
This segment comprises the former activities related to banks taken over under Bank Packages III and IV, i.e. FS Finans I (Sparebank Østjylland af 2012), FS Finans II A/S (Max Bank af 2011), FS Finans III A/S (Amagerbanken af 2011) and FS Finans IV A/S (Fjordbank Mors af 2011). FS Finans I and II were solvently liquidated in the autumn of 2023, following which no activities from Bank Package IV remain. FS Finans III and IV A/S have been solvently liquidated, following which no activities from Bank Package III remain.

Other areas:

- Counselling for insolvent former mink farmers
- Administration of government guarantee scheme for



- home loans in rural districts
- Administration of government guaranteed loans to install heat pumps
- Sale and other management of assets taken over from mink-related industries

The Other areas segment covers activities handled for the account and risk of the government. Accordingly, the financial reporting focuses on the Bank Package activities.

#### **Deposit Guarantee Fund**

This segment comprises Finansiel Stabilitet's activities relating to the Deposit Guarantee Fund, which can be divided into four sub-departments: the Banking Department, the Mortgage

Credit Department, the Investment and Portfolio Management Department and the Restructuring Department.

#### **Resolution Fund**

This segment comprises Finansiel Stabilitet's activities relating to the Resolution Fund, including activities in subsidiaries taken over in connection with the crisis management of Andelskassen J.A.K. Slagelse and Københavns Andelskasse, respectively.

#### **Segment information for the parent company**

Finansiel Stabilitet's parent company comprises three principal reporting segments: Activities handled on behalf of the government (Bank Package activities), the Deposit Guarantee Fund and the Resolution Fund, see above.

## 2. Segment information for the Group

### Activities for the financial year ended 31 December 2024

Group (DKKm)	Activities handled on behalf of the government	Deposit Guarantee Fund	Resolution Fund	Eliminations	Total
Net interest income	191	116	209		516
Contributions to Deposit Guarantee Fund & Resolution Fund	-	-5	1,101		1,096
Other net fee income and market value adjustments, etc.	7	193	74		274
Purchase price and dowry adjustment	-11	10	-		-1
Other operating income/expenses, net	43	14	25	-32	50
Operating expenses	89	7	31	-32	95
Impairment losses on loans and guarantees etc.	-24	0	-3		-27
<b>Comprehensive income for the year</b>	<b>165</b>	<b>321</b>	<b>1,381</b>		<b>1,867</b>
Total assets as at 31 December 2024	6,818	12,644	8,858	-505	27,815
Total liabilities as at 31 December 2024	1,186	0	11	-505	692

### Activities for the financial year ended 31 December 2024

Activities handled on behalf of the government (DKKm)	Bank Package I	Bank Package III	Eliminations	Total
Net interest income	140	51		191
Other net fee income and market value adjustments, etc.	7	0		7
Purchase price and dowry adjustment	30	-41		-11
Other operating income/expenses, net	46	0	-3	43
Operating expenses	82	10	-3	89
Impairment losses on loans and guarantees etc.	-24	0		-24
<b>Comprehensive income for the year</b>	<b>165</b>	<b>0</b>		<b>165</b>
Total assets as at 31 December 2024	6,818	0	0	6,818
Total liabilities as at 31 December 2024	1,186	0	0	1,186

## 2. Segment information for the Group (continued)

### Activities for the financial year ended 31 December 2023

Group (DKKm)	Activities handled on behalf of the government	Deposit Guarantee Fund	Resolution Fund	Eliminations	Total
Net interest income	180	108	158		446
Contributions to Deposit Guarantee Fund & Resolution Fund	-	0	1,206		1,206
Other net fee income and market value adjustments, etc.	5	282	103	2	392
Purchase price and dowry adjustment	-23	17	-		-6
Other operating income/expenses, net	28	3	23	-33	21
Operating expenses	70	6	29	-31	74
Impairment losses on loans and guarantees etc.	-77	0	1		-76
<b>Comprehensive income for the year</b>	<b>197</b>	<b>404</b>	<b>1,460</b>		<b>2,061</b>
Total assets as at 31 December 2023	6,624	12,325	7,484	-506	25,927
Total liabilities as at 31 December 2023	1,157	2	18	-506	671

### Activities for the financial year ended 31 December 2023

Activities handled on behalf of the government (DKKm)	Bank Package I	Bank Packages III and IV	Eliminations	Total
Net interest income	121	59		180
Other net fee income and market value adjustments, etc.	5	0		5
Purchase price and dowry adjustment	32	-55		-23
Other operating income/expenses, net	41	-3	-11	27
Operating expenses	67	14	-11	70
Income re. government-guaranteed loans in rural districts and heat pumps	1	-		1
Impairment losses on loans and guarantees etc.	-66	-11		-77
Income from investments in associates	-2	0	2	0
<b>Comprehensive income for the year</b>	<b>197</b>	<b>-2</b>	<b>2</b>	<b>197</b>
Total assets as at 31 December 2023	7,794	2,003	-3,173	6,624
Total liabilities as at 31 December 2023	2,327	1,964	-3,134	1,157

### 3. Segment information for the parent company

Activities 2024 (DKK m)	Activities handled on behalf of the government	Deposit Guarantee Fund	Resolution Fund	Eliminations	Total
Net interest income	154	116	207	-15	462
Contributions to Deposit Guarantee Fund & Resolution Fund	-	-5	1,101		1,096
Other net fee income and market value adjustments, etc.	7	193	74	0	274
Purchase price and dowry adjustment	15	10	-	15	40
Other operating income/expenses, net	72	14	24	-28	82
Operating expenses	81	7	24	-28	84
Impairment losses on loans and guarantees etc.	3	0	0		3
Income from investments in associates and subsidiaries	1	-	-1		0
<b>Comprehensive income for the year</b>	<b>165</b>	<b>321</b>	<b>1,381</b>		<b>1,867</b>
Total assets as at 31 December 2024	6,846	12,644	8,912	-505	27,897
Total liabilities as at 31 December 2024	1,214	0	65	-505	774

Activities 2023 (DKK m)	Activities handled on behalf of the government	Deposit Guarantee Fund	Resolution Fund	Eliminations	Total
Net interest income	120	108	154		382
Contributions to Deposit Guarantee Fund & Resolution Fund	-	0	1,206		1,206
Other net fee income and market value adjustments, etc.	5	282	103	2	392
Purchase price and dowry adjustment	32	17	-		49
Other operating income/expenses, net	42	3	20	-26	39
Operating expenses	67	6	20	-24	69
Impairment losses on loans and guarantees etc.	-66	0	0		-66
Income from investments in associates and subsidiaries	-1	0	-3		-4
<b>Comprehensive income for the year</b>	<b>197</b>	<b>404</b>	<b>1,460</b>		<b>2,061</b>
Total assets as at 31 December 2023	7,838	12,325	7,542	-2	27,703
Total liabilities as at 31 December 2023	2,371	2	76	-2	2,447

(DKKm)	Group		Parent company	
	2024	2023	2024	2023
<b>4. Interest income</b>				
Due from credit institutions and central banks	398	325	398	325
Loans, advances and other receivables at amortised cost	1	2	0	0
Bonds	126	126	126	126
<b>Total</b>	<b>525</b>	<b>453</b>	<b>524</b>	<b>451</b>
Interest income relates to				
Assets at amortised cost	399	327	398	325
Assets at fair value	126	126	126	126
<b>Total</b>	<b>525</b>	<b>453</b>	<b>524</b>	<b>451</b>
<b>5. Interest expense</b>				
Other interest expense	9	7	62	69
<b>Total</b>	<b>9</b>	<b>7</b>	<b>62</b>	<b>69</b>
<b>6. Market value adjustments</b>				
Bonds	268	391	268	391
Shares, etc.	5	1	5	1
Investment properties	0	-1	0	-1
<b>Total</b>	<b>273</b>	<b>391</b>	<b>273</b>	<b>391</b>
<b>Of this, market value adjustments of assets and liabilities at fair value</b>	<b>273</b>	<b>391</b>	<b>273</b>	<b>391</b>
<b>7. Other operating income</b>				
Expected dividend	20	4	20	4
Sale of administrative services	0	1	0	1
The government's share of deficits re mink-related businesses	13	0	0	0
Damages awarded through litigation and settlement	17	0	14	0
Income from group companies	0	0	12	18
Gain from disposal of exposures	0	3	27	0
Income from the Danish FSA	24	20	24	20
<b>Total</b>	<b>74</b>	<b>28</b>	<b>97</b>	<b>43</b>

(DKKm)	Group		Parent company	
	2024	2023	2024	2023
<b>8. Staff costs and administrative expenses</b>				
Remuneration, the Board of Directors, 7 members both years	1	1	1	1
Salary, Management Board, 1 member both years	3	3	3	3
<b>Remuneration and salary, Board of Directors and Management Board</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Staff costs</b>				
Salaries	40	33	40	33
Pensions	4	4	4	3
<b>Total</b>	<b>44</b>	<b>37</b>	<b>44</b>	<b>36</b>
Other administrative expenses	46	34	33	28
<b>Total</b>	<b>94</b>	<b>75</b>	<b>81</b>	<b>68</b>
Average number of employees converted into full-time equivalent	48	43	48	43
Information about the remuneration of individual members of the Board of Directors and Management Board is available at Finansielt Stabilitet's website, <a href="http://www.fs.dk">www.fs.dk</a> .				

#### Other material risk takers

The Finansielt Stabilitet Group has identified one material risk taker in 2024 and 2023. Information about salaries is omitted pursuant to the exemption provision in the applicable legislation. For disclosure requirements in accordance with the Danish executive order on remuneration policy and public disclosure of salaries in financial institutions, etc. (not comprised by audits) see [www.fs.dk](http://www.fs.dk).

#### Provisions for defined benefit plans

Pension provisions are calculated on the basis of the Danish FSA's yield curve and benchmark mortality rate. The defined benefit plans are unfunded, and Finansielt Stabilitet thus does not own any pension assets.

<b>Total present value of pension obligations</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Movements in provisions for defined benefit plans</b>				
Provision, beginning of year	24	27	24	6
Additions	0	0	0	18
Calculated interest expenses	1	1	1	1
Actuarial gains/losses	1	-1	1	1
Pensions paid	-2	-2	-2	-2
<b>Provision, end of year</b> (the figures may include rounding differences)	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Defined benefit costs recognised in the income statement/ other comprehensive income</b>				
Calculated interest expenses	1	1	1	1
Actuarial gains/losses	1	-1	1	1
<b>Defined benefit costs</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>
Actuarial assumptions				
Discount rate	3.5%	3.5%	3.5%	3.5%
Pension adjustment rate	3.5%	3.5%	3.5%	3.5%
<b>Fees to auditors appointed in general meeting (EY) are specified as follows:</b>				
Statutory audit	0.5	0.5	0.5	0.5
Other assurance engagements	0.3	0.3	0.1	0.1
<b>Total audit fees</b>	<b>0.8</b>	<b>0.8</b>	<b>0.6</b>	<b>0.6</b>

(DKKm)	Group		Parent company	
	2024	2023	2024	2023
9. Other operating expenses				
Losses on lawsuits and settlements	21	1	12	1
Other operating expenses	1	3	3	0
<b>Total</b>	<b>22</b>	<b>4</b>	<b>15</b>	<b>1</b>
<b>1 alt</b>	<b>22</b>	<b>4</b>	<b>15</b>	<b>1</b>

(DKKm)	Group
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## 10. Impairment losses on loans, advances and receivables, etc.

2024

Loans, advances and other receivables at amortised cost	Loans, etc. Stage 3 credit-impaired	Impact on operations
Impairment losses and provisions, beginning of year	514	
Amount lost on previously written-down debt	-9	
Impairment losses and provisions during the year	2	2
Reversed impairment losses and provisions	-6	-6
<b>Impairment losses and provisions, end of year</b>	<b>501</b>	<b>-4</b>
Amounts received on previously written-off claims etc.		-23
<b>Impairment losses charged to income statement</b>		<b>-27</b>

Impairment losses/adjustment for credit risk, end of year	Impairment losses, beginning of year	Finally lost	Impairment losses during the year	Reversed impairment losses	Impairment losses, end of year
Due from credit institutions	0	0	0	0	0
Loans and advances at amortised cost	511	-9	2	-6	498
Guarantees	3	0	0	0	3
<b>Total</b>	<b>514</b>	<b>-9</b>	<b>2</b>	<b>-6</b>	<b>501</b>

All loans and guarantees have been taken over from distressed banks. As mentioned in the accounting policies, the remaining loans and guarantees are considered to be credit-impaired on acquisition and consequently to be stage 3 customers/facilities.

Financial assets measured at amortised cost are removed wholly or partly from the balance sheet if Finansiel Stabilitet no longer has expectations of full or partial recovery of outstanding amounts. Derecognition is based on an individual assessment. When a financial asset is removed in full or in part from the balance sheet, any impairment loss on the financial asset is also removed from the calculation of accumulated impairment losses.

Finansiel Stabilitet continues its collection efforts after the assets have been removed from the balance sheet. The measures depend on the individual situation. Over time, Finansiel Stabilitet has on an interim basis written off financial assets amounting to approximately DKK 8.8 billion, which it continues to attempt to collect, including by suspension of the limitation period.



(DKKm)

Parent company

## 10. Impairment losses on loans, advances and receivables, etc. – continued

2024

Loans, advances and other receivables at amortised cost	Loans, etc. stage 3 credit- impaired	Impact on operations
Impairment losses and provisions, beginning of year	418	
Amount lost on previously written-down debt	-7	
Impairment losses and provisions during the year	2	2
Impairment losses on loans taken over from subsidiaries	27	27
Reversed impairment losses and provisions	-4	-4
<b>Impairment losses and provisions, end of year</b>	<b>436</b>	<b>25</b>
Amounts received on previously written-off claims etc.		-22
<b>Impairment losses charged to income statement</b>		<b>3</b>

Impairment losses/adjustment for credit risk, end of year	Impairment losses, beginning of year	Finally lost	Impairment losses during the year	Reversed impairment losses	Impairment losses, end of year
Due from credit institutions	0	0	0	0	0
Loans and advances at amortised cost	415	-7	29	-4	433
Guarantees	3	0	0	0	3
<b>Total</b>	<b>418</b>	<b>-7</b>	<b>29</b>	<b>-4</b>	<b>436</b>

(DKKm)

Group

2023

Loans, advances and other receivables at amortised cost	Loans, etc. stage 3 credit- impaired	Impact on operations
Impairment losses and provisions, beginning of year	846	
Amount lost on previously written-down debt	-307	
Impairment losses and provisions during the year	5	5
Reversed impairment losses and provisions	-30	-30
<b>Impairment losses and provisions, end of year</b>	<b>514</b>	<b>-25</b>
Amounts received on previously written-off claims etc.		-51
<b>Impairment losses charged to income statement</b>		<b>-76</b>

Impairment losses/adjustment for credit risk, end of year	Impairment losses, beginning of year	Finally lost	Impairment losses during the year	Reversed impairment losses	Impairment losses, end of year
Due from credit institutions	0	0	0	0	0
Loans and advances at amortised cost	838	-307	5	-25	511
Guarantees	8	0	0	-5	3
<b>Total</b>	<b>846</b>	<b>-307</b>	<b>5</b>	<b>-30</b>	<b>514</b>

(DKKm)

Parent company

## 10. Impairment losses on loans, advances and receivables, etc. – continued

2023

	Loans, etc. Stage 3 credit- impaired	Impact on operations
<b>Loans, advances and other receivables at amortised cost</b>		
Impairment losses and provisions, beginning of year	574	
Amount lost on previously written-down debt	-137	
Impairment losses and provisions during the year	2	2
Reversed impairment losses and provisions	-21	-21
<b>Impairment losses and provisions, end of year</b>	<b>418</b>	<b>-19</b>
Amounts received on previously written-off claims etc.		-47
<b>Impairment losses charged to income statement</b>		<b>-66</b>

Impairment losses/adjustment for credit risk, end of year	Impairment losses, beginning of year	Finally lost	Impairment losses during the year	Reversed impairment losses	Impairment losses, end of year
Due from credit institutions	0	0	0	0	0
Loans and advances at amortised cost	571	-140	2	-18	415
Guarantees	3	3	0	-3	3
<b>Total</b>	<b>574</b>	<b>-137</b>	<b>2</b>	<b>-21</b>	<b>418</b>

(DKKm)	Group		Parent company	
	2024	2023	2024	2023
<b>11. Loans, advances and other receivables</b>				
Loans, advances and other receivables at amortised cost	52	53	35	33
Impairment losses	498	511	433	415
<b>Total loans, advances and other receivables before impairment losses</b>	<b>550</b>	<b>564</b>	<b>468</b>	<b>448</b>
<b>Break-down:</b>				
Loans, advances and other receivables at amortised cost	282	294	228	224
Claims against estates in bankruptcy etc.	268	270	240	224
<b>Total loans and advances, gross</b>	<b>550</b>	<b>564</b>	<b>468</b>	<b>448</b>
<b>Broken down by term to maturity</b>				
On demand	522	533	460	440
3 months or less	1	1	0	0
Between 3 months and 1 year	3	3	2	2
Between 1 and 5 years	8	11	3	4
More than 5 years	16	16	3	2
<b>Total</b>	<b>550</b>	<b>564</b>	<b>468</b>	<b>448</b>

#### Credit risk

Credit risk is defined as the risk of loss because customers or counterparties fail to meet all or part of their obligations. In consequence of Finansiel Stabilitet's objects of resolving or restructuring failing banks, the Company has taken over a considerable credit risk exposure.

During the period after Finansiel Stabilitet's takeover 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. For further description of credit risk, see note 18.

<b>Credit exposure</b>				
Balance sheet items				
Cash in hand and demand deposits with central banks	13,569	11,515	13,569	11,515
Due from credit institutions and central banks	10	6	5	6
Loans, advances and other receivables at amortised cost	52	53	35	33
<b>Total credit exposure recognised in balance sheet</b>	<b>13,631</b>	<b>11,574</b>	<b>13,609</b>	<b>11,554</b>
Off-balance sheet items				
Loss guarantees for mortgage loans	80	98	80	96
<b>Total credit exposure</b>	<b>13,711</b>	<b>11,672</b>	<b>13,689</b>	<b>11,650</b>

Related collateral is set out further below in note 11.

## 11. Loans, advances and other receivables – continued

### *Credit institutions and central banks*

Of the remaining credit exposure, DKK 13.6 billion relates to amounts due from central banks. No impairment losses have been recognised on amounts due from central banks. In respect of the DKK 10 million due from credit institutions, the estimated impairment loss is less than DKK 0.5 million.

### *Loans and advances at amortised cost and guarantees*

The remaining part of the credit exposure relates to the Group's lending activities. In the following table, loans and guarantees, excluding claims against estates in bankruptcy, are broken down by line of business.

(DKKm)	Group				Parent company			
	2024		2023		2024		2023	
<b>Loans and guarantees (gross)</b>								
<b>2. Commercial sector</b>								
2.1 Agriculture, hunting, forestry and fishing	4	1%	6	1%	4	2%	6	2%
2.3 Energy supply	28	8%	29	7%	28	9%	29	9%
2.4 Construction	2	1%	2	1%	0	0%	0	0%
2.5 Trade	1	0%	1	0%	1	0%	1	0%
2.8 Finance and insurance	70	19%	71	18%	70	23%	71	22%
2.9 Property	54	15%	66	17%	54	17%	64	20%
2.10 Other commercial sector	3	1%	3	1%	3	1%	3	1%
<b>Total commercial sector</b>	<b>162</b>	<b>45%</b>	<b>178</b>	<b>45%</b>	<b>160</b>	<b>52%</b>	<b>174</b>	<b>54%</b>
3. Retail sector	202	55%	216	55%	150	48%	147	46%
<b>Total</b>	<b>364</b>	<b>100%</b>	<b>394</b>	<b>100%</b>	<b>310</b>	<b>100%</b>	<b>321</b>	<b>100%</b>

The figures may include rounding differences.

Loans and advances at amortised cost are initially recognised at fair value. On takeover of existing loans and advances, any difference between amortised cost and fair value will be amortised over time. Consequently, loans and advances before impairment losses for exposures not resolved will increase.

Lending is concentrated around lending to the retail sector. The lending activity is largely limited to Danish customers.

As mentioned in the accounting policies, the remaining loans and guarantees are considered to be credit-impaired on acquisition and consequently to be stage 3 customers/facilities. The customers are thus considered either to be in financial difficulty or to be subject to debt collection or bankruptcy proceedings.

On the vast majority of the Group's loans, interest accrual has been suspended, see overleaf.

(DKKm)	Group		Parent company	
	2024	2023	2024	2023
11. Loans, advances and other receivables – continued				
<b>Loans with suspended interest accrual</b>				
Loans with suspended interest accrual	532	544	468	448
Amount hereof impaired	496	508	433	415
<b>Loans with suspended interest accrual, recognised in balance sheet</b>	<b>36</b>	<b>36</b>	<b>35</b>	<b>33</b>
Collateral security for loans and guarantees at fair value has been recognised at DKK 0.1 billion. The table below shows a break-down on main categories.				
<b>Collateral security</b>				
Mortgages on real property	95	114	80	98
<b>Total</b>	<b>95</b>	<b>114</b>	<b>80</b>	<b>98</b>

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.

As a result of the characteristics of loans, advances and guarantees and the limited collateral security, large impairment write-downs and provisions have been made, shown by line of business below.

Properties thus taken over will either be sold quickly or be considered investment properties if the Group sees a potential increase in value. The Group has not had any properties temporarily taken over in recent years.

(DKKm)	Group				Parent company			
	2024		2023		2024		2023	
<b>Impairment losses and provisions by line of business</b>								
<b>2. Commercial sector</b>								
2.1 Agriculture, hunting, forestry and fishing	0	0%	0	0%	0	0%	0	0%
2.3 Energy supply	4	2%	4	2%	4	2%	4	2%
2.4 Construction	0	0%	1	0%	0	0%	0	0%
2.5 Trade	0	0%	1	0%	0	0%	1	0%
2.8 Finance and insurance	67	28%	69	28%	67	28%	69	36%
2.9 Property	11	5%	16	7%	11	5%	16	8%
2.10 Other commercial sector	0	0%	0	0%	0	0%	0	0%
<b>Total commercial sector</b>	<b>82</b>	<b>35%</b>	<b>91</b>	<b>37%</b>	<b>82</b>	<b>35%</b>	<b>90</b>	<b>46%</b>
3. Retail sector	155	65%	157	63%	118	65%	105	54%
<b>Total</b>	<b>237</b>	<b>100%</b>	<b>248</b>	<b>100%</b>	<b>200</b>	<b>100%</b>	<b>195</b>	<b>100%</b>

Excluding claims against estates in bankruptcy.

For a more detailed description of the Group's credit risk management goals and policies, see note 18.

(DKKm)	Group		Parent company	
	2024	2023	2024	2023
12. Bonds at fair value etc.				
Listed	10,532	10,712	10,532	10,712
Unlisted	3	3	3	3
<b>Total</b>	<b>10,535</b>	<b>10,715</b>	<b>10,535</b>	<b>10,715</b>
13. Shares, etc.				
Unlisted shares at fair value	5	1	5	1
<b>Total</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>1</b>
14. Investment properties				
<b>Investment properties</b>				
<b>Fair value, beginning of year</b>	<b>11</b>	<b>12</b>	<b>11</b>	<b>12</b>
Value adjustment	0	-1	0	-1
<b>Fair value, end of year</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
Net income from investment properties amounted to an operating surplus of DKK 0 million (2023: DKK 0 million). Properties are valued by the Group's own as well as external expert valuers. The value is calculated on the basis of the net return expected and on the basis of the determined rate of return and expected selling price.				
15. Purchase price adjustment (earn-out)				
<b>Beginning of year</b>	<b>277</b>	<b>271</b>		
Additions during the year	1	6		
Disposals during the year	278	0		
<b>End of year</b>	<b>0</b>	<b>277</b>		
16. Other provisions				
<b>Beginning of year</b>	<b>20</b>	<b>19</b>	<b>13</b>	<b>11</b>
Additions during the year	0	2	0	2
Used	-8	-1	-1	0
<b>End of year</b>	<b>12</b>	<b>20</b>	<b>12</b>	<b>13</b>
17. Contingent assets and liabilities				
Loss guarantees for mortgage loans	80	98	80	96
<b>Total</b>	<b>80</b>	<b>98</b>	<b>80</b>	<b>96</b>

#### Tax

Finansiel Stabilitet IPC is exempt from taxation.

The Group has a deferred tax asset of DKK 0.2 billion. (2023: DKK 0.4 billion). Due to the uncertainty as to whether this can be utilised, the tax asset has not been recognised in the balance sheet.



## 18. Financial risk management

Finansiel Stabilitet is exposed to a number of financial risks, including market risk and, to a lesser extent, credit and property risk. The overall risk management policy is determined centrally for the Group's companies and is aimed at minimising the losses that may arise as a consequence of unpredictable developments in the financial markets and other factors.

Risk is managed separately for each segment: Activities handled on behalf of the government; the Deposit Guarantee Fund and the Resolution Fund.

### **Activities handled on behalf of the government**

Activities handled on behalf of the government may be subdivided into two areas: Bank Package activities and Other areas. As Other areas are undertaken for the account and risk of the government, they solely involve operational risk, which is not discussed in the following.

The Bank Package activities, which are influenced by special circumstances resulting from Finansiel Stabilitet's takeover of failing banks in 2009-2012, are still in the course of being wound up, and the absolute amount of risk is therefore gradually declining, all other things being equal.

Following the solvent liquidation of FS Finans I-IV, the Bank Package activities solely comprise Finansiel Stabilitet.

#### *Credit risk*

Credit risk on the acquired exposures is managed based on the legislative framework governing Finansiel Stabilitet's business activities. Pursuant to this, Finansiel Stabilitet is not allowed to assume new exposures or, in general, to extend existing exposures. Credit risk is thus in all material respects limited to existing loans and guarantees and the development of these. The remaining credit risk is managed with due consideration for and in the context of Finansiel Stabilitet's resolution of activities, including the principles of ensuring that the resolution is conducted in a financially responsible, proper and fair manner. The remaining loans are of poor credit quality.

The remaining risk relating to loans and guarantees is assessed to be relatively limited.

#### *Market risk*

The Board of Directors has defined limits for Bank Package activities' total exposure to market risk (interest rate risk, equity risk and currency risk). Market risk is monitored on an ongoing basis, and the Board of Directors is kept informed of the Group's overall exposure.

#### *Interest rate risk*

The Bank Package activities are not exposed to changes in interest rates.

#### *Equity risk*

Following the sale of equities, the Group still has a few sector equities and minor unlisted shareholdings on its balance sheet.

Efforts are made on an ongoing basis to sell these shareholdings but, as a result of very limited liquidity, this is a longer-horizon task.

See note 13, Shares, etc. for a specification of share positions and the calculation of interest rate risk at the bottom of note 18.

#### *Currency risk*

In connection with activities related to the resolution of failing banks, Finansiel Stabilitet may be exposed to currency risk.

The currency risk is to the necessary extent hedged, and the overall currency exposure is thus limited. EUR positions are not hedged.

As at 31 December 2024, exchange rate indicator 1, calculated excluding EUR, was 0% (31 December 2023: 0%) of equity.

A 2.25% change in the DKK/EUR exchange rate and a 10% change in all other exchange rates would affect Finansiel Stabilitet's result by DKK 1 million (2023: DKK 1 million).

See also the calculation of currency risk at the end of note 18.

#### *Liquidity risk*

Finansiel Stabilitet has access to funding its activities via the state-funded re-lending scheme. This access means that the Company can contact Danish Government Debt Management at Danmarks Nationalbank in order to obtain loans, when necessary. 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. 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.

### **Deposit Guarantee Fund**

The principal risk under the Deposit Guarantee Fund is the risk of future losses from the restructuring and resolution of failing banks resulting in losses on covered deposits.

At 31 December 2024, the Restructuring Department of the Deposit Guarantee Fund had commitments made by the banks in the amount of DKK 3.2 billion (2023: DKK 3.2 billion). These are not considered to be subject to credit risk.

Moreover, the investment of the Deposit Guarantee Fund's funds will be subject to risk in the future, depending on the chosen investment profile. The Act on a Depositor and Investor Guarantee Scheme stipulates that the funds of the Deposit Guarantee Fund must be invested in low-risk assets. Each year, Finansiel Stabilitet's Board of Directors defines the investment

strategy for the Resolution Fund.

The investment strategy must be determined so as to ensure that the available financial means of the Deposit Guarantee Fund are from time to time proportionate with the Deposit Guarantee Fund's potential liabilities.

Investment of cash funds must take into account that currency risk must be hedged (EUR positions are not included in this calculation) and interest rate exposure must be within the limits set out in the investment strategy approved by the Board of Directors. The strategy currently applies a target duration of 2-3 years for the invested part of the funds.

Since 2018, the Deposit Guarantee Fund has invested cash funds under bond mandates in 0-5-year mortgage bonds. As at 31 December 2024, the Deposit Guarantee Fund had invested DKK 7,502 million. The average duration of bonds at the end of 2024 was 2.54 years, and interest rate risk in the event of a 1% change in the level of interest rates was calculated at DKK 191 million (2023: DKK 186 million).

The Deposit Guarantee Fund is mainly funded by the Deposit Guarantee Fund's own assets. Additional funding may be obtained by means of Finansiel Stabilitet's access to state-funded re-lending.

#### Resolution Fund

The principal risks relate to losses in connection with the restructuring or resolution of institutions in which the Resolution Fund has injected capital. Moreover, the investment of the Resolution Fund's funds will be subject to risk, depending on the chosen investment profile. The Act on Restructuring and Resolution of Certain Financial Enterprises stipulates that the

assets of the Resolution Fund must be invested in low-risk assets.

Each year, Finansiel Stabilitet's Board of Directors defines the investment strategy for the Resolution Fund. The investment strategy must be determined so as to ensure that the available financial means of the Resolution Fund are from time to time proportionate with the Resolution Fund's potential liabilities.

Investment of cash funds must take into account that currency risk – excluding EUR – must be hedged and interest rate exposure must be within the limits set out in the investment strategy approved by the Board of Directors. The strategy currently applies a target duration of 2-3 years for the invested part of the funds.

Since 2018, the Resolution Fund has invested part of its cash funds under bond mandates in 0-5-year mortgage bonds. As at 31 December 2024, the Resolution Fund had invested DKK 3,030 million. The average duration of bonds at the end of 2024 was 2.54 years, and interest rate risk in the event of a 1% change in the level of interest rates was calculated at DKK 77 million (2023: DKK 70 million).

The Resolution Fund no longer has any equity, interest rate or currency risks from institutions taken over.

The Resolution Fund is exposed to a minor extent to credit risk on exposures not yet resolved from institutions taken over. For a description hereof, see the section under Bank Package activities.

The Resolution Fund is mainly funded by the Resolution Fund's own assets. Additional funding may be obtained by means of Finansiel Stabilitet's access to state-funded re-lending.

(DKKm)	Group	
	2024	2023
<b>Interest rate risk</b>		
Bank Packages I-IV	0	0
Deposit Guarantee Fund	191	186
Resolution Fund	77	70
	<b>268</b>	<b>256</b>
<b>Equity risk</b>		
Share positions	5	1
Share positions ex. subsidiaries under Bank Packages III-IV	5	1
Equity risk exposure to a 10% drop in share prices	0	0
<b>Currency risk</b>		
Total assets in foreign currency ex. EUR	9	13
Exchange rate indicator 1 ex. EUR	9	13
Exchange rate indicator 1 in % of equity	0%	0%

(DKKm)

Parent company

## 19. Related parties

Related parties comprise the Danish State, including companies/institutions over which the Danish State exercises control. Related parties also comprise the Board of Directors, the Management Board and senior employees, see note 8 to the financial statements. 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. The table below shows the most significant related party transactions.

Related party	Relation	Transaction	Income/ex  2024	Balance sheet 31 December 2024	Income/ex  2023	Balance sheet 31 December 2023
<b>Parties exercising significant influence</b>						
The Danish State	100% ownership of Finansiel Stabilitet IPC	Administrative reimbursement via mink-related businesses and loans in rural districts Income from Finance and Appropriation Act	5 24	13 -7	1 20	1 -8
<b>Subsidiaries</b>						
FS Finans I A/S, Copenhagen Dissolved in 2023	Subsidiary of Finansiel Stabilitet IPC	Deposits on market terms Management agreement Dowry adjustment	- - -	- - -	-1 1 -	- - -
FS Finans II A/S, Copenhagen Dissolved in 2023	Subsidiary of Finansiel Stabilitet IPC	Deposits on market terms Management agreement Dowry adjustment	- - -	- - -	-1 4 3	- - -
FS Finans III A/S, Copenhagen Dissolved in January 2025	Subsidiary of Finansiel Stabilitet IPC	Deposits on market terms Management agreement Purchase price adjustment	-50 2 40	- - -	-55 4 46	-1,920 - 1,628
FS Finans IV A/S, Copenhagen Dissolved in 2024	Subsidiary of Finansiel Stabilitet IPC	Deposits on market terms Management agreement	-1 1	- -	-2 2	-73
FS Finans V A/S, Copenhagen	Subsidiary of Broinstitut I	Deposits on market terms Management agreement	-1 2	-23 -	-1 4	-20
FS Finans VI A/S, Copenhagen	Subsidiary of Broinstitut II	Deposits on market terms Management agreement	-1 2	-28 -	-1 4	-39
FS Ejendomsselskab A/S, Copenhagen	Subsidiary of Finansiel Stabilitet IPC	Deposits on market terms Management agreement	-1 5	-33 -	-1 0	-44

(DKKm)

Group

## 20. Group overview

	Share capital	Result	Equity	Ownership
Finansiel Stabilitet IPC, Copenhagen	1	1,867	27,123	
Broinstitut I A/S, Copenhagen	38	3	40	100%
Broinstitut II A/S, Copenhagen	10	-4	34	100%
<b>Significant subsidiaries:</b>				
FS Ejendomsselskab A/S, Copenhagen	2	1	45	100%
FS Finans III A/S, Copenhagen	1	0	1	100%
FS Finans V A/S, Copenhagen	38	3	32	100%
FS Finans VI A/S, Copenhagen	38	-4	34	100%

(DKKm)

Group

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

2024	On demand 0-3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
<b>Assets</b>					
Cash in hand and demand deposits with central banks	13,569	0	0	0	13,569
Due from credit institutions and central banks	10	0	0	0	10
Loans, advances and other receivables at amortised cost	33	2	6	11	52
Bonds at fair value	1	459	9,743	332	10,535
Shares, etc.	0	0	5	0	5
Investment properties	0	11	0	0	11
Lease assets	1	2	9	0	12
Commitments made by banks, mortgage credit institutions and investment companies	0	0	3,200	18	3,218
Other assets etc.	51	331	17	0	399
Prepayments	4	0	0	0	4
<b>Total assets</b>	<b>13,669</b>	<b>805</b>	<b>12,980</b>	<b>361</b>	<b>27,815</b>
<b>Equity and liabilities</b>					
Lease liability	1	2	9	0	12
Other liabilities etc.	599	39	0	3	641
Provisions	0	0	39	0	39
<b>Total liabilities</b>	<b>600</b>	<b>41</b>	<b>48</b>	<b>3</b>	<b>692</b>

(DKKm)

Group

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

2023	On demand 0-3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
<b>Assets</b>					
Cash in hand and demand deposits with central banks	11,515	0	0	0	11,515
Demand deposits with credit institutions	6	0	0	0	6
Loans, advances and other receivables at amortised cost	33	2	7	11	53
Bonds at fair value	1	240	10,201	273	10,715
Shares, etc.	0	0	1	0	1
Investment properties	0	11	0	0	11
Lease assets	1	2	11	0	14
Commitments made by banks, mortgage credit institutions and investment companies	0	0	3,200	18	3,218
Other assets etc.	78	313	0	0	391
Prepayments	3	0	0	0	3
<b>Total assets</b>	<b>11,637</b>	<b>568</b>	<b>13,420</b>	<b>302</b>	<b>25,927</b>
<b>Equity and liabilities</b>					
Lease liability	1	2	11	0	14
Other liabilities etc.	15	318	0	0	333
Provisions	0	277	47	0	324
<b>Total liabilities</b>	<b>16</b>	<b>597</b>	<b>58</b>	<b>0</b>	<b>671</b>

## 22. 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

Group	2024			2023		
	Amortised cost	Fair value	Total	Amortised cost	Fair value	Total
Financial assets						
Cash in hand and demand deposits with central banks	13,569	0	13,569	11,515	0	11,515
Demand deposits with credit institutions	10	0	10	6	0	6
Loans, advances and other receivables at amortised cost	52	0	52	53	0	53
Bonds	0	10,535	10,535	0	10,715	10,715
Shares, etc.	0	5	5	0	1	1
Investment properties	0	11	11	0	11	11
Commitments made by banks, mortgage credit institutions and investment companies	3,218	0	3,218	3,218	0	3,218
<b>Total financial assets</b>	<b>16,849</b>	<b>10,551</b>	<b>27,400</b>	<b>14,792</b>	<b>10,727</b>	<b>25,519</b>

### 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. The Group has based the valuation of unlisted shares in banking enterprises on prices in connection with sales and prices disclosed by the Association of Local Banks in Denmark.

Unlisted shares and bonds are valued using either DCF models or markets multiples models. 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

## 22. Fair value disclosure – continued

2024	Listed prices	Observable input	Non-observable input	Total
<b>Fair value, Group</b>				
<b>Financial assets at fair value broken down into</b>				
Bonds	10,532	0	3	10,535
Shares, etc.	0	0	5	5
Investment properties	0	11	0	11
<b>Total</b>	<b>10,532</b>	<b>11</b>	<b>8</b>	<b>10,551</b>

2023	Listed prices	Observable input	Non-observable input	Total
<b>Fair value, Group</b>				
<b>Financial assets at fair value broken down into</b>				
Bonds	10,712	0	3	10,715
Shares, etc.	0	0	1	1
Investment properties	0	11	0	11
<b>Total</b>	<b>10,712</b>	<b>11</b>	<b>4</b>	<b>10,727</b>

Fair value based on non-observable input	2024	2023
Beginning of year	4	13
Value adjustment through the income statement (note 6)	4	0
Disposals during the year (including reclassification)	0	-9
<b>Fair value, end of year</b>	<b>8</b>	<b>4</b>

### 23. 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.

	2024		2023	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Financial assets</b>				
Cash in hand and demand deposits with central banks	13,569	13,569	11,515	11,515
Demand deposits with credit institutions	10	10	6	6
Loans, advances and other receivables*	52	52	53	53
<b>Total financial assets</b>	<b>13,631</b>	<b>13,631</b>	<b>11,574</b>	<b>11,574</b>

\*) Loans, advances and other receivables are considered to be stage 3 exposures, see note 10, and thus to be credit-impaired. Against this background, amortised cost and fair value are considered to be identical.

### 24. Return on financial instruments

	2024			2023		
	Assets/liabilities at amortised cost	Assets and liabilities at fair value	Total	Assets/liabilities at amortised cost	Assets and liabilities at fair value	Total
Interest income	399	126	525	327	126	453
Interest expense	9	0	9	7	0	7
<b>Net interest income</b>	<b>390</b>	<b>126</b>	<b>516</b>	<b>320</b>	<b>126</b>	<b>446</b>
Fees and commissions received	1	0	1	1	0	1
<b>Net interest and fee income</b>	<b>391</b>	<b>126</b>	<b>517</b>	<b>321</b>	<b>126</b>	<b>447</b>
Market value adjustments	0	273	273	0	391	391
<b>Total</b>	<b>391</b>	<b>399</b>	<b>790</b>	<b>321</b>	<b>517</b>	<b>838</b>

(DKKm)

Parent company

## 25. Finansiell Stabilitet 2020-2024

	2024	2023	2022	2021	2020
<b>Summary income statement</b>					
Net interest and fee income	1,559	1,589	1,263	1,158	1,045
Market value adjustments	273	391	-861	-190	-51
Other operating income	97	43	127	96	142
Staff costs and administrative expenses, etc.	84	72	129	91	103
Other operating expenses	15	1	41	5	52
Impairment losses on loans, advances and receivables, etc.	3	-66	-49	-31	-54
Income from investments in associates and subsidiaries	0	-4	2	22	-27
Purchase price and dowry adjustment	40	49	-7	30	81
<b>Comprehensive income for the year</b>	<b>1,867</b>	<b>2,061</b>	<b>403</b>	<b>1,051</b>	<b>1,089</b>
<b>Balance sheet as at 31 December</b>					
<b>Assets</b>					
Cash in hand and demand deposits with central banks and credit institutions	13,574	11,521	9,914	8,156	4,275
Loans and advances	35	33	12	20	81
Securities	10,540	10,716	10,249	11,620	14,403
Investments in subsidiaries	119	158	174	204	632
Commitments made by banks, mortgage credit institutions and investment companies	3,218	3,218	3,218	3,217	3,218
Purchase price and dowry adjustment	0	1,628	1,624	1,631	2,101
Other asset items	411	429	478	372	325
<b>Total assets</b>	<b>27,897</b>	<b>27,703</b>	<b>25,669</b>	<b>25,220</b>	<b>25,035</b>
<b>Equity and liabilities</b>					
Other payables	735	2,407	2,451	2,373	3,230
<b>Total payables</b>	<b>735</b>	<b>2,407</b>	<b>2,451</b>	<b>2,373</b>	<b>3,230</b>
Provisions	39	40	23	25	34
Equity	27,123	25,256	23,195	22,822	21,771
<b>Total equity and liabilities</b>	<b>27,897</b>	<b>27,703</b>	<b>25,669</b>	<b>25,220</b>	<b>25,035</b>
<b>Off-balance sheet items</b>					
Contingent liabilities	80	96	59	69	126
<b>Financial ratios</b>					
Return on equity before tax	7.1%	8.5%	1.8%	4.7%	5.1%
Return on equity after tax	7.1%	8.5%	1.8%	4.7%	5.1%

(DKKm)

Parent company

## 25. Finansiell Stabilitet 2020-2024 – continued

2024	Activities handled on behalf of the government	Deposit Guarantee Fund	Resolution Fund	Elimination	Total
<b>Summary income statement</b>					
Net interest and fee income	156	111	1,307	-15	1,559
Market value adjustments	5	193	75		273
Other operating income	87	14	24	-28	97
Staff costs, administrative expenses, depreciation and amortisation	81	7	24	-28	84
Other operating expenses	15	0	0		15
Impairment losses on loans, advances and receivables, etc.	3	-	0		3
Income from investment in subsidiaries	1	-	-1		0
Purchase price adjustment	15	10	-	15	40
<b>Comprehensive income for the year</b>	<b>165</b>	<b>321</b>	<b>1,381</b>	<b>0</b>	<b>1,867</b>
<b>Balance sheet as at 31 December</b>					
<b>Assets</b>					
Cash in hand and demand deposits with central banks and credit institutions	6,625	1,166	5,783		13,574
Loans and advances	35	0	0		35
Securities	8	7,502	3,030		10,540
Investments in subsidiaries	45	0	74		119
Investment properties and lease assets	23	0	0		23
Commitments made by banks, mortgage credit institutions and investment companies	0	3,218	0		3,218
Purchase price adjustment receivable	0	505	0	-505	0
Other asset items	110	253	25		388
<b>Total assets</b>	<b>6,846</b>	<b>12,644</b>	<b>8,912</b>	<b>-505</b>	<b>27,897</b>
<b>Equity and liabilities</b>					
Other liabilities	1,182	0	58	-505	735
<b>Total payables</b>	<b>1,182</b>	<b>0</b>	<b>58</b>	<b>-505</b>	<b>735</b>
Provision for losses on guarantees	3	0	0		3
Other provisions	29	0	7		36
<b>Total provisions</b>	<b>32</b>	<b>0</b>	<b>7</b>		<b>39</b>
<b>Total liabilities</b>	<b>1,214</b>	<b>0</b>	<b>65</b>	<b>-505</b>	<b>774</b>
Equity as at 1 January 2024	5,467	12,323	7,466		25,256
Comprehensive income for the year	165	321	1,381		1,867
<b>Equity as at 31 December 2024</b>	<b>5,632</b>	<b>12,644</b>	<b>8,847</b>		<b>27,123</b>
<b>Total equity and liabilities</b>	<b>6,846</b>	<b>12,644</b>	<b>8,912</b>	<b>-505</b>	<b>27,897</b>

# Statement by Management

The Board of Directors and the Management Board have today considered and adopted the annual report of Finansiel Stabilitet for the financial year 1 January – 31 December 2024.

The annual report is presented in accordance with applicable legislation. The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the parent company financial statements are prepared in accordance with the Danish Financial Business Act.

We believe that the consolidated and parent company financial statements give a true and fair view of the Group's and the Company's assets, liabilities and financial position as at 31 December 2024 and of the results of the Group's and the Company's operations and of consolidated cash flows for the financial year 1 January – 31 December 2024.

We also believe that the transactions comprised by the financial reporting are in accordance with appropriations granted, laws and other regulations and with agreements concluded and normal practice.

Finally, we believe that due financial consideration has been taken in the management of the funds and the operation of the enterprises comprised by the financial statements and that, as part of this, we have established systems and processes that support economy, productivity and efficiency.

In our opinion, the management's review includes a fair review of the development and financial performance of the Group's and the Company's activities and the result and financial position for the year, together with a description of the principal risks and uncertainties that the Group and the Company face.

We recommend that the annual report be approved by the annual general meeting.

Copenhagen, 7 March 2025

**Management Board**

Karsten Bilotft  
CEO

**Board of Directors**

Anne Louise Eberhard  
Chairman

Ole Selch Bak  
Deputy Chairman

Ulrik Rammeskov Bang-Pedersen

Morten Sommerfeldt

Jesper Rangvid

Ulrikke Ekelund

Gitte Lillelund Bech

# Independent auditors' report

To the Ministry of Industry, Business and Financial Affairs

## Auditors' report on the consolidated and Parent Company financial statements

### Opinion

We have audited the consolidated and parent company financial statements of Finansiel Stabilitet for the financial year 1 January to 31 December 2024, comprising the income statement, comprehensive income statement, balance sheet, statement of changes in equity and notes, including information about accounting policies for the Group as well as for the Parent Company, and the cash flow statement for the Group. The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, while the parent financial statements are presented in accordance with the Danish Financial Business Act.

In our opinion, the consolidated and parent financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2024 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January to 31 December 2024 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU in respect of the consolidated financial statements and in accordance with the Danish Financial Business Act in respect of the parent financial statements.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, and in accordance with standards on public auditing as the audit is conducted on the basis of the provisions of the Danish Act on Restructuring and Resolution of Certain Financial Enterprises and the Danish Auditor General's Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated and parent financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

The Auditor General is independent of Finansiel Stabilitet in accordance with section 1(6) of the Danish Auditor General's Act and the approved auditor is independent of Finansiel Stabilitet in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have both fulfilled our

other ethical responsibilities in accordance with these rules and requirements.

### Management's responsibilities for the consolidated and parent financial statements

Management is responsible for the preparation and fair presentation of the consolidated and parent financial statements in accordance with International Financial Reporting Standards as adopted by the EU with respect to the consolidated financial statements and in accordance with the Danish Financial Business Act with respect to the parent financial statements. Management is also responsible for such internal control as Management determines is necessary to enable the preparation of consolidated and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting in the preparation of the consolidated and parent company financial statements unless Management intends either to liquidate the Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated and parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and additional requirements applicable in Denmark as well as the standards on public auditing, as the audit is conducted on the basis of the provisions of the Danish Act on Restructuring and Resolution of Certain Financial Enterprises, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and parent financial statements.

As part of an audit in accordance with International Standards on Auditing and additional requirements applicable in Denmark as well as the standards on public auditing, as the audit is conducted on the basis of the provisions of the Danish



Act on Restructuring and Resolution of Certain Financial Enterprises, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in the preparation of the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent financial statements, including the disclosures in the notes, and whether the consolidated and parent financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and parent company financial statements. We are responsible for the direction, supervision and examination of the audit work performed in respect of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

significant deficiencies in internal control that we identify during our audit.

#### **Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the consolidated and parent financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and parent financial statements, our responsibility is to read the management's review and, in doing so, consider whether the management's review is materially inconsistent with the consolidated and parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management's review provides the information required under the relevant legislation.

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated and parent financial statements and has been prepared in accordance with the requirements of the relevant legislation. We did not identify any material misstatement of the management's review.

#### **Statement on compliance audit and performance audit**

Management is responsible for ensuring that the transactions comprised by the financial reporting are in accordance with appropriations granted, laws and other regulations and with agreements concluded and normal practice. Management is also responsible for ensuring that due financial consideration has been taken of the operation of the Group and the Parent Company and the management of the funds comprised by the consolidated and parent company financial statements. As part of this, Management is responsible for establishing systems and processes that support economy, productivity and efficiency.

In connection with our audit of the consolidated and parent company financial statements, our responsibility is to perform a compliance audit and a performance audit in accordance with the standards on public auditing. This entails assessing the risk of material breaches of regulations in the transactions covered by the financial reporting or material performance deficiencies in the systems and processes established by Management. Based on our risk assessment, we select specific subject matters on which to perform compliance audit procedures or performance audit procedures.

In a compliance audit, we verify with reasonable assurance whether the transactions comprised by the selected subject matter are in accordance with appropriations, laws and other regulations and with agreements concluded and normal practice. In a performance audit, we assess with reasonable assurance whether the systems, processes or transactions

comprised by the selected subject matter support due financial considerations in the operation of the Group and the Parent Company and the management of the funds comprised by the consolidated and parent company financial statements.

Our audit of each selected subject matter is performed with a view to obtaining sufficient and appropriate audit evidence to support an audit opinion with reasonable assurance on the subject matter. An audit cannot provide absolute assurance that all breaches of regulations or performance deficiencies are detected. As we only performed compliance audit procedures

and performance audit procedures on the selected subject matters, we cannot conclude with assurance that there may not be material breaches of regulations or performance deficiencies in areas not covered by the selected subject matters.

If, on the basis of the work performed, we conclude that this gives rise to material critical comments, we are required to report thereon.

We have no material critical comments to report in that respect.

Copenhagen, 7 March 2025

**EY**  
Godkendt Revisionspartnerselskab  
Business reg. no. (CVR) 30 70 02 28

Lars Rhod Søndergaard  
State-Authorised Public Accountant  
MNE no. 28632

**Rigsrevisionen**  
Business reg. no. (CVR) 77 80 61 13

Marie Katrine Bisgaard Lindeløv  
Head of Department

Kjeld Røgilds-Heinsøe  
Specialist Consultant

# Board of Directors



**Anne Louise Eberhard**

- Chairman of the Board of Directors
- Joined the Board of Directors in 2016
- Born in 1963

## **Competencies:**

Considerable financial sector experience, including as Senior EVP of Corporate & Institutional Banking at Danske Bank and as Chief Commercial Officer of Intrum Justitia AB. Extensive experience in board work.

## **Member of the boards of directors of:**

- FLSmidt & Co A/S
- Bavarian Nordic A/S
- The Danish UNICEF Foundation
- VL52 ApS

## **Other duties:**

- CEO of EA Advice ApS
- Faculty member, Copenhagen Business School, Board programs
- Advisory board member, Center for strategisk CSR, the Business Think Tank (Erhvervslivets Tænketaank) and EY.



**Ole Selch Bak**

- Deputy Chairman of the Board of Directors
- Joined the Board of Directors in 2020
- Born in 1955

## **Competencies:**

Considerable financial sector experience, including as CEO of Djurslands Bank. Extensive experience in board work.

## **Member of the boards of directors of:**

- Eldrupgård Fonden (Chairman)
- Andelsboligforeningen Klosterparken (chairman)
- Investeringsforeningen BankInvest
- Kapitalforeningen BankInvest Select
- Investeringsforeningen BankInvest Engros



**Ulrik Rammeskov Bang-Pedersen**

- Joined the Board of Directors in 2016
- Born in 1970

## **Competencies:**

Considerable insight into legislation in the financial and insolvency areas, including as professor of property, insolvency and enforcement law and considerable insight into civil procedure, including litigation. Extensive experience in board work.

## **Member of the board of directors of:**

- Vanløse Tennisklub

## **Other duties:**

- Professor, doctor of laws, Faculty of Law
- Chairman, Danish Bankruptcy Law Council
- Editor, Erhvervsjuridisk Tidsskrift
- Arbitrator, Danish Institute of Arbitration
- Represents Denmark in the EU Working Group on Civil Law Matters (Insolvency)



**Morten Sommerfeldt**

- Joined the Board of Directors in 2020
- Born in 1975

## **Competencies:**

Considerable insight into the financial sector, digital transformation, fintech operations, consumer affairs and political decision-making processes. Extensive experience in board work.

## **Member of the board of directors of:**

- Blaagaard Teater

## **Other duties:**

- HR and Communications Manager, Industriens Pension

## Board of Directors – continued

## Management Board



**Jesper Rangvid**

- Joined the Board of Directors in 2020
- Born in 1970

### Competencies:

Considerable financial sector insight, including as professor of finance and as former chairman of the Danish Committee on the Causes of the Financial Crisis Extensive experience in board work.

### Member of the boards of directors of:

- Formuepleje A/S
- Formuepleje Holding A/S
- Advantage Investment Partners
- Danish Finance Institute

### Other duties:

- Professor, Department of Finance, Copenhagen Business School (CBS)
- Chairman of the Danish Council for Return Expectations



**Ulrikke Ekelund**

- Joined the Board of Directors in 2022
- Born in 1969

### Competencies:

Considerable financial sector experience, including as Director of Communications and Press at PensionDanmark, Chief Economist at BRFKredit and as member of the boards of directors of Sampension and Alka Forsikring. Extensive experience in board work.

### Member of the boards of directors of:

- Floating Power Plant A/S
- European Maritime Finance
- SunStone Maritime Group A/S (from February 2025)
- Fonden Varefakta (from March 2025)

### Other duties:

- Member of the Board of Representatives of Realdania
- Chairman of Advisory Board Communication, Floating Power Plant
- Member of the Regions Advisory Board of Arbejdernes Landsbank
- Delegate, AP Pension



**Gitte Lillelund Bech**

- Joined the Board of Directors in 2023
- Born in 1969

### Competencies:

Considerable political experience as former defence minister and member of parliament and significant experience with communications. Extensive experience in board work.

### Member of the boards of directors of:

- Maj Invest Holding A/S
- Maj Invest Equity A/S
- Fondsmæglerselskabet Maj Invest A/S
- WiLD (Women in Life Science Denmark)

### Other duties:

- CEO, LillelundBech aps



**Karsten Biltøft**

- Chief Executive Officer
- Appointed in 2021
- Born in 1961

### Chairman of the boards of directors of:

- FS Ejendomsselskab A/S
- Broinstitut I A/S
- FS Finans V A/S
- Broinstitut II A/S
- FS Finans VI A/S
- FS Finans III A/S (liquidated January 2025)

## Company details

### Finansiel Stabilitet

Sankt Annæ Plads 13, 2. tv.  
DK-1250 Copenhagen K

**Phone:** 70 27 87 47

**Webside:** [www.fs.dk](http://www.fs.dk)

**E-mail:** [mail@fs.dk](mailto:mail@fs.dk)

**Business reg. no. (CVR)** 30 51 51 45

**Established:** 13. oktober 2008

**Municipality of registered office:**  
Copenhagen

### Board of Directors

Anne Louise Eberhard (Chairmann)  
Ole Selch Bak (Deputy Chairmann)  
Ulrik Rammeskov Bang-Pedersen  
Morten Sommerfeldt  
Jesper Rangvid  
Ulrikke Ekelund  
Gitte Lillelund Bech

### Management Board

Karsten Bilstoft

### Auditors

#### Rigsrevisionen

Landgreven 4  
DK-1301 Copenhagen K

#### EY

Godkendt Revisionspartnerselskab  
Dirch Passers Allé 36  
DK-2000 Frederiksberg  
Business reg. no. (CVR ) 30 70 02 28

### General meeting

Annual General Meeting to be held on  
30. April 2025.