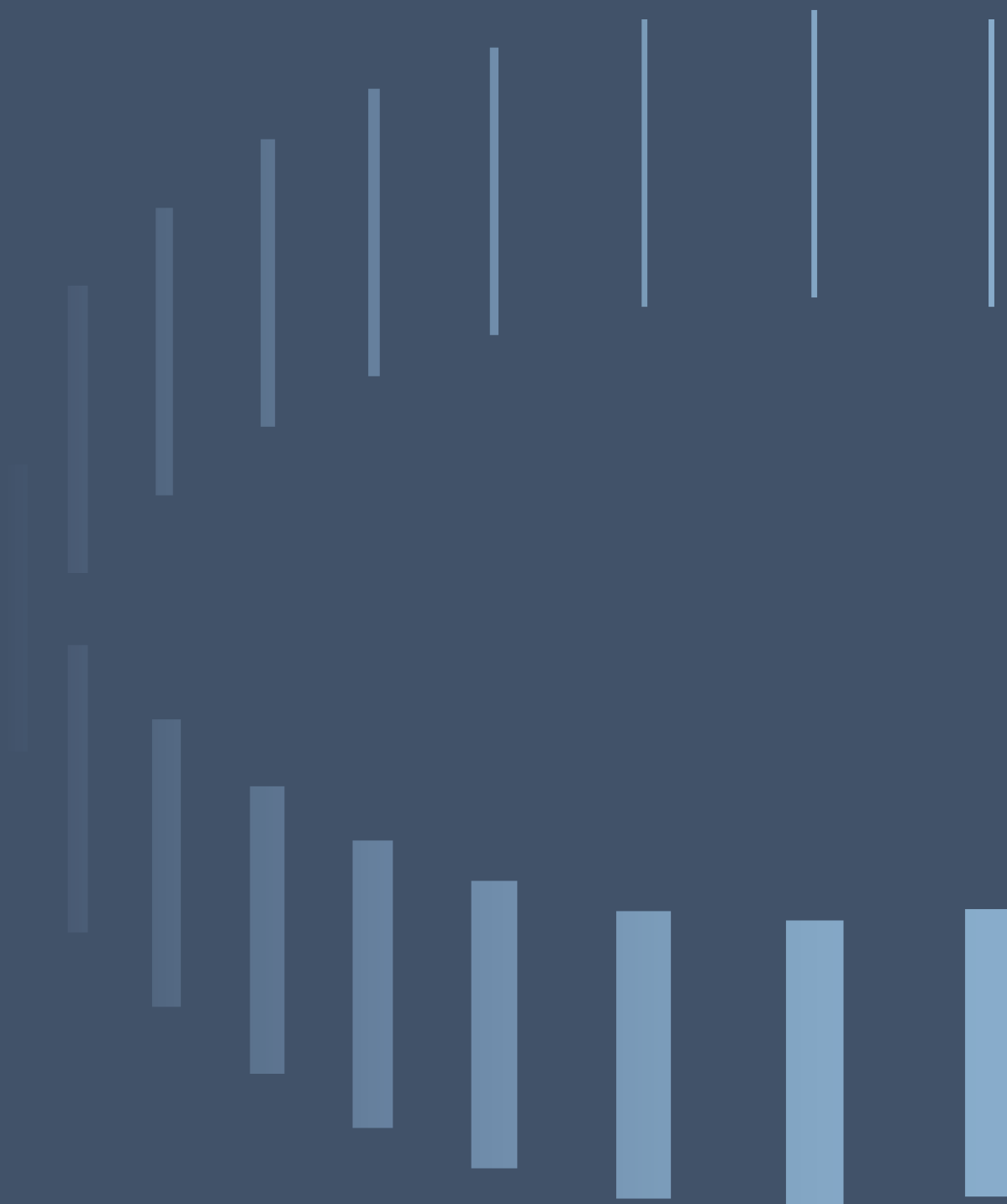


Finansiel **Stabilitet**



Interim Report
FIRST HALF 2010

Translation

Contents

Management's review

Highlights	3
Company details	4
Group overview	4
Finansiell Stabilitet at a glance	5
Review	6
• Financial situation	6
• Disclosure of information	8
• Significant risks	9
• Performance of most significant activities	10
• Outlook for 2010	18

Interim financial statements

Income statement	20
Statement of comprehensive income	20
Balance sheet as at 30 June 2010	21
Statement of changes in equity	23
Cash flow statement	24
Notes to the financial statements	25
Financial ratios	38

Statement and reports

Statement by the Board of Directors and Management	39
Auditors' report	40

Highlights

Finansiel Stabilitet posted a profit of DKK 3.8 billion in H1 2010

- The performance was attributable to paid-up guarantee commission received from the Private Contingency Association and the return thereon. In addition to paying guarantee commission, the Private Contingency Association is required to cover up to DKK 10 billion lost on distressed banks under the Bank Package.

The loss guarantee from the Private Contingency Association was recognised at DKK 6.8 billion at 30 June 2010

- From the respective dates of acquisition until 30 June 2010, Finansiel Stabilitet's subsidiaries under the Bank Package have reported an aggregate loss of DKK 6.8 billion. Broken down by company, the losses were as follows:
 - EBH Bank (including Løkken Sparebank): DKK 3.9 billion
 - Pantebrevsselskabet af 2. juni 2009 (formerly Gudme Raaschou Bank): DKK 1.6 billion
 - Nova Bank Fyn (formerly Fionia Bank): DKK 1.1 billion
 - Finansieringsselskabet af 11. februar 2010 and the estate in bankruptcy of Capinordic Bank: DKK 0.1 billion
- The loss guarantee increased by approximately DKK 1 billion in H1 2010 due to a need to make additional impairment charges in the subsidiaries under the Bank Package.
- The loss guarantee from the Private Contingency Association will be calculated at 30 September 2010. The calculation will be based on net realisable values rather than on the usual accounting principles. Preliminary calculation estimates showed that the loss guarantee amounted to DKK 8-10 billion at 30 June 2010.
- Due to considerable uncertainty in connection with the calculation of the loss guarantee at net realisable value, cf. the interval therefor, it should be considered whether a suggestion could be made to use full or partial subsequent adjustment as a supplement to the current legislative framework.

Roskilde Bank posted a further loss of DKK 2.2 billion

- Roskilde Bank was transferred to Finansiel Stabilitet by the Danish State on 10 August 2009. Roskilde Bank is not comprised by the Bank Package, but the Danish State has provided a separate loss guarantee to Finansiel Stabilitet.
- In H1 2010, the losses in Roskilde Bank increased due to a need to make greater impairment charges on property market exposures, and the Danish State's loss guarantee increased from DKK 6.6 billion at 31 December 2009 to DKK 8.8 billion at 30 June 2010.

The Danish State generated an overall profit of DKK 4.5 billion on the winding up of distressed banks

- At 30 June 2010, the Danish State's overall profit from the winding up of distressed banks through Finansiel Stabilitet was recognised at DKK 4.5 billion, equivalent to the accumulated profit for 2009 and H1 2010 less the Danish State's losses in connection with the winding up of Roskilde Bank of DKK 8.8 billion.

Government guarantees to the Danish financial sector

- As part of the scheme introducing individual government guarantees, Finansiel Stabilitet has concluded agreements with 63 institutions. The agreements comprise an overall guarantee commitment of DKK 364 billion.
- Guarantees for a total amount of DKK 198 billion distributed on 50 institutions have been issued under the scheme.

Outlook for 2010

- The financial guidance is unchanged relative to the forecast announced in connection with the release of Finansiel Stabilitet's annual report for 2009, and expectations are thus for a full-year profit of around DKK 6 billion in 2010.
- The volume of individual government guarantees issued is generally only expected to increase slightly in H2 2010.

Company details

Finansiel Stabilitet A/S
Amaliegade 3-5, 5
DK-1256 Copenhagen K
Denmark

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

Company reg.
(CVR) no.: 30515145

Date of
incorporation: 13 October 2008
Municipality of
registered office: Copenhagen

Board of Directors

Henning Kruse Petersen (Chairman)
Jakob Brogaard (Deputy Chairman)
Anette Eberhard
Christian Th. Kjølbøye
Charlotte Møller (Alternate)
Birgitte Nielsen
Visti Nielsen

Management Board

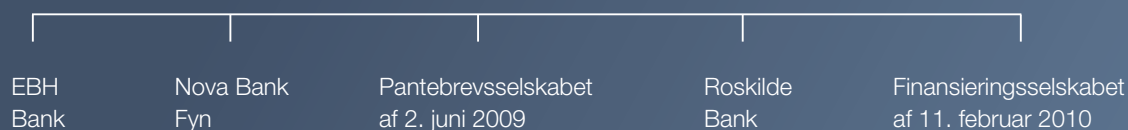
Henrik Bjerre-Nielsen

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Borups Allé 177
DK-2000 Frederiksberg
Denmark

Group overview

Finansiel Stabilitet



Finansiel Stabilitet at a glance

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

Finansiel Stabilitet is state-owned through the Danish Ministry of Economic and Business Affairs.

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

The objects of Finansiel Stabilitet are:

- to ensure that the claims of unsecured creditors of the banks and bank branches that have entered into an agreement with the Private Contingency Association are covered if their bank becomes distressed before 30 September 2010 (the Bank Package). In addition, Finansiel Stabilitet is responsible for ensuring the timely payment of all due claims of unsecured creditors and depositors;
- to manage the agreement made between Danmarks Nationalbank (the Danish central bank), the Private Contingency Association and Finansiel Stabilitet on the transfer of Roskilde Bank's activities to Finansiel Stabilitet; and

- to manage the scheme for individual government guarantees as part of the agreement on the Credit Package. This scheme generally implies that, until 31 December 2010, Finansiel Stabilitet may enter into agreements for the provision of individual government guarantees for unsubordinated, unsecured debt with a maturity of up to three years.

Moreover, Finansiel Stabilitet took over the administration of the Danish Guarantee Fund for Depositors and Investors with effect from 1 April 2010. The management task is handled separately from Finansiel Stabilitet's other activities.

Pursuant to a new model for handling distressed banks, which was adopted by the Danish parliament on 1 June 2010, Finansiel Stabilitet's duty to acquire and wind up a distressed bank will continue after the expiry of the Bank Package on 30 September 2010. The new model for winding up distressed banks comprises a guarantee commitment to Finansiel Stabilitet from the new winding-up department of the Danish Guarantee Fund for Depositors and Investors.

In addition, pursuant to adopted bill, Finansiel Stabilitet is comprised by a government guarantee in connection with the winding up of its existing subsidiaries, but after 30 September 2010 these companies will no longer be comprised by an independent government guarantee.

Review

Financial situation

Performance

Finansiel Stabilitet posted a profit of DKK 3.8 billion in H1 2010. The performance was attributable to the monthly paid-up guarantee commissions received from the Private Contingency Association of DKK 625 million and the return thereon. Pursuant to the Danish Act on Financial Stability, the Private Contingency Association will pay a total of DKK 15 billion for the period 1 October 2008 to 30 September 2010.

The loss guarantee from the Private Contingency Association, which initially covers losses up to DKK 10 billion for subsidiaries under the Bank Package, amounted to DKK 6.8 billion at 30 June 2010. The losses were distributed on Finansiel Stabilitet's subsidiaries under the Bank Package as follows:

- EBH Bank: DKK 3.9 billion loss (including a DKK 0.7 billion loss in Løkken Sparebank)
- Pantebrevsselskabet: DKK 1.6 billion loss
- Nova Bank Fyn: DKK 1.1 billion loss
- Finansieringsselskabet and the estate in bankruptcy of Capinordic Bank: DKK 0.1 billion loss

The loss guarantee increased by DKK 1.0 billion in H1 2010. Most of this increase, i.e. DKK 0.7 billion, occurred in the second quarter. This should be seen in light of the fact that all of the above-mentioned subsidiaries incurred losses in Q2 2010. Finansiel Stabilitet's subsidiaries under the Bank Package generally all posted a slight profit before impairment charges during the period. However, very substantial loan impairment charges led to losses. As a result of a sustained deterioration of economic conditions in the property market, in which Finansiel Stabilitet's subsidiaries have exposure, it was necessary to make further impairment charges on these exposures in 2010 as well.

Final financial statements for the Bank Package

As the general government guarantee expires on 30 September 2010, Finansiel Stabilitet will prepare a set of final financial statements making up the loss guarantee vis-à-vis the Private Contingency Association. The valuation principle applied in the final financial statements as at 30 September 2010 is based on estimated net realisable values and is thus different from the usual accounting principles that have otherwise been applied in the calculation of the loss guarantee in Finansiel Stabilitet's annual and interim financial statements. This implies

Financial results	1 January 2010 - 30 June 2010	13 October 2008 - 30 June 2009
DKKm		
Commission received from the Private Contingency Association	3,750	5,625
Net interest and fee income, market value adjustments, etc.	641	49
Costs	485	268
Impairment losses on loans, advances and receivables, etc.	3,322	1,324
Losses on acquisition of subsidiaries	0	2,957
Profit/(loss) from investments in associates	24	(66)
Loss guarantee from the Private Contingency Association	1,047	4,595
Loss guarantee from the Danish State relating to Roskilde Bank	2,153	0
Profit for the period before tax	3,808	5,654
Tax	0	9
Profit for the period	3,808	5,645

that all balance sheet items and off-balance sheet items must be measured at an estimated net realisable value. The net realisable value is defined as the fair value of an asset or a liability net of transaction costs.

In the final financial statements, loans and advances, which constitute the most important balance sheet item, are generally measured in accordance with the following general principles:

- The exposure is measured at the amount at which disposal can take place within a short time frame.
- The valuation is based on prevailing market conditions and is effected per individual exposure, i.e. on a stand-alone basis.
- The exposures are assumed to be sold at a pace which will not in itself have an adverse effect on the market, i.e. Finansiel Stabilitet will generally not engage in a fire sale.

This implies, among other things, that the collateral value is measured on the basis of an estimated realisable value, while the unsecured part of the exposure is measured relative to the debtor's credit standing and the marketability of the exposure.

The most important off-balance sheet items are legal disputes/claims for damages. The risk of financial loss as a result of these cases is included in the final financial statements as at 30 September 2010. The legal disputes involve cases in which there is a potential claim against Finansiel Stabilitet's subsidiaries as well as cases in which Finansiel Stabilitet may have a potential receivable.

At 30 June 2010, a preliminary estimate shows that, when calculated on the basis of the net realisable value principle, the loss guarantee would amount to approximately DKK 8-10 billion. The estimate is subject to considerable uncertainty.

Due to considerable uncertainty in connection with the calculation of the loss guarantee at net realisable value, cf. the interval therefor, it should be considered whether full or partial subsequent adjustment could be introduced as a supplement to the current legislative framework.

Roskilde Bank

The Danish State has issued a separate loss guarantee to Finansiel Stabilitet in connection with the winding up of Roskilde Bank, which is not included in the financial statements under the Bank Package. In H1 2010, the Danish State's loss guarantee in connection with Roskilde Bank increased by DKK 2.2 billion, equivalent to the loss in Roskilde Bank and Finansiel Stabilitet's financing costs concerning Roskilde Bank. The Danish State's loss guarantee in connection with Roskilde Bank thus amounted to DKK 8.8 billion at 30 June 2010. Similar to developments in the other subsidiaries, the sustained adverse developments in Roskilde Bank were primarily attributable to higher impairment losses on exposures mainly related to the property sector. Accordingly, Finansiel Stabilitet made additional impairment charges on exposures in the amount of DKK 2.4 billion in H1 2010.

The Danish State's overall profit from the winding up of distressed banks

At 30 June 2010, the Danish State's overall profit from the winding up of distressed banks through Finansiel Stabilitet, corresponding to Finansiel Stabilitet's profit excluding the Danish State's loss guarantee concerning Roskilde Bank, was DKK 4.5 billion, equivalent to the accumulated profit for 2009 and H1 2010 totalling DKK 13.3 billion less the Danish State's losses in connection with the winding up of Roskilde Bank of DKK 8.8 billion.

Balance sheet

Finansiel Stabilitet's balance sheet total has gradually increased in step with new activities being acquired from distressed banks and activities from the existing subsidiaries being wound up. Total assets amounted to DKK 46 billion at 30 June 2010, of which loans and advances, the most important asset item, accounted for approximately DKK 17 billion. Most of the liabilities are loans in the amount of DKK 25 billion raised through the state-funded re-lending scheme. Re-lending is used for the purpose of financing the subsidiaries.

Total assets declined by approximately DKK 4 billion in H1 2010. This decline was attributable to the ongoing winding up of subsidiary activities. Most of the exposures are still expected to be wound up by 2012-2013.

In addition to the winding up of exposures, other activities in Finansiell Stabilitet are wound up on an ongoing basis, including equity investments received as partial consideration in connection with the Bank Package. Finansiell Stabilitet's long-term strategy is not to retain ownership of such instruments. Against this background, Finansiell Stabilitet has announced that incoming offers for shareholdings may be accepted under certain circumstances. Finansiell Stabilitet has divested shareholdings in four banks to date, thereby realising a minor capital gain. In respect of the overall equity investment portfolio, the parent company, Finansiell Stabilitet, recorded an unrealised negative value adjustment of DKK 28 million in H1 2010.

Moreover, Finansiell Stabilitet has initiated a divestment of the group's portfolio of sector equities, which comprises shareholdings in DLR kredit, PBS, VP and others. Furthermore, a process is ongoing to divest EBH Finansservice, a subsidiary of EBH Bank, which is expected to be sold by the end of Q3 2010. Finally, the Finansiell Stabilitet group regularly advertises properties for sale in the group through the website www.fsejendomme.dk.

Funding of subsidiaries

Until 30 June 2010, Finansiell Stabilitet had contributed funding to its subsidiaries for a total amount of DKK 31 billion in the form of shares, subordinated loan capital and ordinary debt financing. Finansiell Stabilitet has financed the contribution by using paid-up guarantee commissions and loans through the state-funded re-lending scheme. At 30 June 2010, Finansiell Stabilitet had raised re-lending in the amount of DKK 25 billion through the state-funded re-lending scheme. Relative to 31 December 2009, this represents a decline of DKK 5 billion. On 30 June 2010, Finansiell Stabilitet held DKK 5.7 billion on deposit with Danmarks Nationalbank, of which DKK 3.9 billion related to the Bank Package and DKK 1.8 billion related to Roskilde Bank.

Disclosure of information

Finansiell Stabilitet is a state-owned public limited company and therefore subject to disclosure requirements under the Danish Companies Act. Moreover, Finansiell Stabilitet's articles of association contain a duty to notify the Danish Minister of Economic and Business Affairs of matters of material financial or political significance.

In addition, Finansiell Stabilitet and its subsidiaries notify the general public about matters which are assessed to be of public interest to the extent such information can be disclosed within the framework of the rules in force in the area.

Finansiell Stabilitet's funding of subsidiaries						
DKKm	EBH Bank/ Løkken Sparebank	Nova Bank Fyn	Finan- sierings- selskabet	Pante- brevs- selskabet	Roskilde Bank	Total
Share capital	5,760	1,000	101	1,701	11,423	19,985
Capital base	400	510	0	0	1,000	1,910
Debt financing	182	1,600	0	1,900	5,363	9,045
Total	6,342	3,110	101	3,601	17,786	30,940

When attorneys appointed by Finansielt Stabilitet have conducted investigations into whether actionable conduct is assumed to have taken place in an acquired bank, the general public is believed to have a legitimate interest in the disclosure of such information. Therefore, the results of the investigations are made public. In this connection, it is important to note that the investigations are not conducted on the same basis as police investigations or judicial reviews are. The investigations are conducted on the basis of terms of reference defined by Finansielt Stabilitet with the specific aim of disclosing the possible existence of matters which should be handed over to the police or the law courts. The outcome of the investigations is used as a basis for Finansielt Stabilitet's further steps and should not be considered otherwise. The disclosure contributes to ensuring reasonable and justified transparency in relation to the steps chosen by Finansielt Stabilitet in each individual case.

Principal risks

Most of Finansielt Stabilitet's risks are related to the risk of losses on non-performing exposures in the subsidiaries. In connection with the acquisition of distressed banks, Finansielt Stabilitet has thus taken on considerable exposures in poor financial standing. A typical characteristic feature of many of these exposures is that they are related to the property market, creating a significant credit portfolio bias towards a segment which has been very negatively impacted by the economic and financial crisis. In addition, there has been a high concentration of individual debtors.

Credit risk management forms an integral part of the winding up process, and as a result of high exposure to debtors which are common to several subsidiaries of the group, Finansielt Stabilitet is focused on ensuring adequate management of risk from a general perspective.

In addition, a substantial number of actions for damages have been brought against the group's subsidiaries. Based on a preliminary legal assessment, provisions for losses amounted to DKK 261 million at 30 June 2010. However, the assessments are subject to considerable uncertainty.

In step with the issuance of individual government guarantees, Finansielt Stabilitet has seen a significant increase in off-balance sheet items. Finansielt Stabilitet has received a guarantee from the Danish State in connection with the issuance of the individual government guarantees, which implies that Finansielt Stabilitet is not liable for losses and that income from the scheme in the form of guarantee commission is transferred on an ongoing basis to the Danish State through the Ministry of Economic and Business Affairs.

Finansielt Stabilitet has limited exposure to market risks, and as a result of the access to the re-lending scheme of the Danish State, Finansielt Stabilitet has ongoing access to sufficient liquidity.

Performance of the individual activities

Finansiel Stabilitet has activities in three areas:

- **The Bank Package**
Ensuring that the claims of unsecured creditors of the banks and bank branches that have entered into an agreement with the Private Contingency Association are covered if their bank becomes distressed before 30 September 2010. In addition, Finansiel Stabilitet is responsible for ensuring the timely payment of all due claims of unsecured creditors and depositors.
- **Roskilde Bank**
Managing the agreement made between Danmarks Nationalbank, the Private Contingency Association and Finansiel Stabilitet on the transfer of Roskilde Bank's activities to Finansiel Stabilitet. Roskilde Bank is not comprised by the Bank Package.

- **Individual government guarantees**
Managing the scheme for individual government guarantees as part of the agreement on the Credit Package. This scheme implies that, until 31 December 2010, Finansiel Stabilitet may enter into agreements for the provision of individual government guarantees for unsubordinated, unsecured debt with a maturity of up to three years.

The performance of each individual area of activity will be reviewed separately below. In this connection, the financial results of the subsidiaries will be reviewed as they appear in Finansiel Stabilitet's consolidated financial statements.

Performance by area of activity for the period 1 January 2010 – 30 June 2010				
DKKm	The Bank Package Securing of unsecured creditors of banks	Individual government guarantees	Roskilde Bank	Total
Net interest income	261	0	196	457
Commission received from the Private Contingency Association	3,750	-	-	3,750
Guarantee commission, government guarantees	-	54	-	54
Other net fee income and market value adjustments	15	(48)	187	154
Costs	341	6	138	485
Impairment charges on loans, advances, guarantees, etc.	924	0	2,398	3,322
Losses on acquisition of subsidiaries	0	-	0	0
Loss guarantee from the Private Contingency Association/the Danish State	1,047	-	2,153	3,200
Profit for the period	3,808	0	0	3,808

The Bank Package

EBH Bank A/S

On 21 November 2008, the board of directors of the former EBH bank signed a conditional agreement providing for the transfer of all assets and liabilities, except for share capital and other subordinated debt, to a newly established subsidiary owned by Finansielt Stabilitet. On 28 November 2008, the transfer to the new company, EBH Bank, was completed.

During 2009, all bank branches were sold to other banks, while other activities were discontinued.

On 29 April 2010, EBH Bank merged with Finansielt Stabilitet's subsidiary Løkken Sparebank with EBH Bank as the continuing company. The merger was made with retroactive effect to 1 January 2010.

The merger increased EBH Bank's total assets by DKK 508 million to DKK 4,058 million, while equity grew by DKK 167 million to DKK 1,979 million.

The combined entity posted a loss of DKK 160 million in H1 2010, which was attributable to additional impairment charges on loans and advances. Additional impairment charges in the former Løkken Sparebank accounted for DKK 120 million of the overall H1 impairment charges of DKK 187 million.

In connection with the transfer of Løkken Sparekasse to Finansielt Stabilitet, an adjustment of the purchase price was agreed with the former board of Løkken Sparekasse – subsequently Foreningen LS Løkken. The agreement provided that if the winding up process yielded a return to Finansielt Stabilitet in excess of the standard market return after adjustments to reflect the risk, the proceeds would be transferred to Foreningen LS Løkken. The calculation is made before recognition of the loss guarantee received from the Private Contingency Association. As a result of the adverse financial developments in Løkken Sparebank, an agreement was subsequently made with Foreningen LS Løkken to terminate the purchase price adjustment. EBH Bank has made no agreement with the former owners concerning adjustment of the purchase price.

Key items	13 October 2008 - 30 June 2009	H2 2009	H1 2010
DKKm			
Loss on acquisition:	1,508	-	0
Loss for the period:	(1,476)	(796)	(160)
Impairment of loans and advances during the period:	1,190	826	187
Total assets:	6,464	4,058	3,600
Loans and advances:	4,507	2,859	2,286
Equity:	1,675	1,979	1,819

Nova Bank Fyn A/S (Fionia Bank)

On 22 February 2009, the former Fionia Bank signed a framework agreement with Finansielt Stabilitet, whereby all assets and liabilities of Fionia Bank, except for equity and subordinated capital, would be transferred to a newly established bank named Fionia Bank.

Following the sale of large parts of Fionia Bank to Nordea in the autumn of 2009, the remaining activities of Fionia Bank were transferred to Nova Bank Fyn on 30 November 2009.

After recognition of income from the sale to Nordea, Finansielt Stabilitet's loss with respect to Fionia Bank was calculated at DKK 458 million. The implementation of the sales agreement in 2010 lowered the loss by DKK 36 million.

Nova Bank Fyn posted a loss of DKK 498 million in H1 2010, which was primarily attributable to further impairment charges on loans and advances of DKK 461 million in aggregate and a reduction of the loss after the sale of Fionia Bank.

In connection with the transfer to Finansielt Stabilitet, an agreement was made with Fionia Holding concerning an adjustment of the purchase price. The agreement was drafted according to the same principles as the agreement with Løkken Sparekasse, see page 10. As a result of the adverse financial developments, the adjustment of the purchase price is not expected to have a positive fair value.

Nova Bank Fyn's total assets were reduced by DKK 5.2 billion in H1 2010, among other things due to the fact that the sale of a large part of Fionia Bank to Nordea was not finalised until the spring of 2010.

Key items	13 October 2008 - 30 June 2009	H2 2009	H1 2010
Loss on acquisition:	57	-	0
Loss for the period:	(134)	(365)	(498)
Impairment of loans and advances during the period:	134	297	497
Total assets:	32,787	11,481	6,277
Loans and advances:	16,383	5,745	4,434
Equity:	(56)	901	439

**Pantebrevsselskabet af 2. juni 2009
(Gudme Raaschou Bank A/S)**

On 16 April 2009, Gudme Raaschou Bank signed a conditional transfer agreement with Finansiell Stabilitet. In continuation of the sale of the asset management and portfolio management activities to Lån & Spar Bank in June 2009, the remaining activities of Gudme Raaschou Bank were transferred to Pantebrevsselskabet af 2. juni 2009.

Pantebrevsselskabet af 2. juni 2009 A/S handles the continuing operation and winding up of the activities, which mainly consist of loans and advances, including a large mortgage deed portfolio intended for real property financing. In H1 2010, the company also took over the management of mortgage deed portfolios owned by Finansiell Stabilitet's other subsidiaries.

Pantebrevsselskabet af 2. juni 2009 posted a loss of DKK 207 million in H1 2010, which was attributable to additional impairment charges on loans and advances in the amount of DKK 189 million in aggregate.

In connection with the transfer to Finansiell Stabilitet, an agreement on an adjustment of the purchase price was made with the former owner of Gudme Raaschou Bank. The agreement was drafted according to the principles mentioned above. Due to the adverse financial developments, the adjustment of the purchase price is not expected to have a positive fair value.

Key items	13 October 2008 - 30 June 2009	H2 2009	H1 2010
DKKm			
Loss on acquisition:	1,392	-	0
Loss for the period:	-	(16)	(207)
Impairment of loans and advances during the period:	-	28	189
Total assets:	2,413	2,381	2,169
Loans and advances:	2,146	1,867	1,445
Equity:	(1,391)	293	86

***Finansieringsselskabet af 11. februar 2010 A/S
(Capinordic Bank A/S)***

On 11 February 2010, Finansielt Stabilitet A/S took over all assets in Denmark of the estate in bankruptcy of Capinordic Bank and its subsidiaries through a newly established subsidiary, Finansieringsselskabet af 11/2 2010. The assets taken over primarily comprised a loan portfolio and portfolios of cash deposits and securities. The transfer also comprised the claims for damages in which Finansieringsselskabet af 11. februar 2010 A/S has a claim against a counterparty.

The transfer of activities was completed after Capinordic Bank had deposited its licence to carry on banking activities on 10 February 2010 and had been declared bankrupt on 11 February 2010 as a result of its failure to comply with the solvency requirements of the Danish Financial Business Act.

Pursuant to the Danish Act on Financial Stability, the price of the assets that were transferred must be determined by two independent valuation experts. The two valuation experts have determined that Finansieringsselskabet af 11. februar 2010 A/S is to pay DKK 700 million for the activities.

In connection with the transfer to Finansielt Stabilitet, an agreement was made with the estate in bankruptcy concerning the possibility of a subsequent adjustment of the purchase price. The agreement was drafted according to the principles mentioned above. The outcome of the forward-looking winding-up process will determine whether an adjustment of the purchase price vis-à-vis the estate in bankruptcy will be relevant.

Following the takeover, Finansieringsselskabet af 11. februar 2010 has been working on winding up the remaining activities with a view to achieving the optimum financial result. In this process, Dansk O.T.C Fondsmæglerelskab A/S has been sold and a number of minor loans have been repaid.

During the period from the date of acquisition until 30 June 2010, a loss of DKK 1 million has been recognised. At 30 June 2010, total assets amounted to DKK 817 million.

At 30 June 2010, Finansielt Stabilitet's capital injection into Finansieringsselskabet af 11. februar 2010 totalled DKK 101 million, injected as share capital. At 30 June 2010, equity amounted to DKK 100 million.

The transfer to Finansieringsselskabet af 11. februar 2010 from the estate in bankruptcy of Capinordic Bank did not comprise Capinordic Bank's creditors.

Capinordic Bank was a member of the Private Contingency Association, and the bank's Danish activities are therefore comprised by the Bank Package and consequently by the government guarantee scheme. As a result, Finansielt Stabilitet paid approximately DKK 200 million to unsecured creditors of the former Capinordic Bank in H1 2010. In the interim financial statements, the impairment charges relating to Finansielt Stabilitet's receivable from the estate in bankruptcy of Capinordic Bank are estimated at DKK 87 million based on a preliminary assessment.

Roskilde Bank

On 10 August 2009, Finansiel Stabilitet took over Roskilde Bank from Danmarks Nationalbank and the Private Contingency Association. As a result of substantial financial difficulties in the summer of 2008, Roskilde Bank had been taken over by Danmarks Nationalbank and the Private Contingency Association. The performance of Roskilde Bank as it appears in Finansiel Stabilitet's consolidated financial statements is reviewed below.

Roskilde Bank posted a loss of DKK 2,153 million in H1 2010, which was mainly attributable to additional impairment charges on loans and advances related to the property sector in the amount of DKK 2,398 million.

Roskilde Bank is not a member of the Private Contingency Association. Instead, Finansiel Stabilitet's expenses in connection with the winding up of Roskilde Bank are covered through a separate government guarantee. The costs of winding up Roskilde Bank are therefore accounted for separately from Finansiel Stabilitet's other activities.

The loss guarantee from the Danish State concerning Roskilde Bank totalled DKK 8.8 billion at 30 June 2010. In connection with the transfer to Danmarks Nationalbank and the Private Contingency Association, an agreement was made concerning an adjustment of the purchase price. The agreement was drafted according to the principles mentioned above. As a result of the adverse financial developments, the adjustment of the purchase price is not expected to have a positive fair value.

Finansiel Stabilitet's injection of capital and liquidity into Roskilde Bank totalled DKK 17.8 billion at 30 June 2010, of which the injection of share capital represented DKK 11.4 billion. The agreement with Finansiel Stabilitet implies that Roskilde Bank can draw on an overall liquidity limit of up to DKK 28.1 billion.

Key items	13 October 2008 - 30 June 2009	H2 2009	H1 2010
DKKm			
Loss on acquisition:	-	6,818	-
Loss for the period:	-	214	(2,153)
Impairment of loans and advances during the period:	-	0	2,398
Total assets:	-	24,077	26,201
Loans and advances:	-	12,602	8,629
Equity:	-	2,104	2,714

Individual government guarantees

Legal basis and management agreement

As part of the Credit Package, an amendment of the Danish Act on Financial Stability entered into force on 4 February 2009, thereby introducing a three-year transitional scheme for the general government guarantee under the Bank Package. The transitional scheme is intended to ensure a gradual phase-out of the general guarantee scheme, which expires on 30 September 2010.

Pursuant to the Act, the transitional scheme is managed by Finansiell Stabilitet on behalf of the Danish State. Finansiell Stabilitet may enter into an agreement for the provision of an individual government guarantee for existing and new unsubordinated, unsecured debt, among other things.

Danish banks and mortgage credit institutions, including Faroese and Greenland banks and mortgage credit institutions, and Danmarks Skibskredit A/S, may apply for an individual government guarantee if they comply with the solvency requirement of 8%, the institution's individual solvency need and any higher individual solvency requirement fixed by the Danish FSA. On the basis of the application, Finansiell Stabilitet will carry out a credit assessment of each individual institution and conclude an agreement on the terms that must be satisfied in order to receive a specific guarantee for a loan. Special, individual terms may be determined for an institution, if Finansiell Stabilitet deems that such terms are necessary in order to make it prudent to provide an individual government guarantee.

On 29 June 2010, the European Commission approved an extension of the Danish transitional scheme for issuance of individual government guarantees until 31 December 2010. The extension was subject to amendment of the terms and conditions for the scheme. The amended terms are set out in an executive order to amend the executive order on application for an individual government guarantee under the Danish Act

on Financial Stability, cf. Executive Order No. 682 of 18 June 2010, which came into force on 1 July 2010. The amending executive order contains a provision stating that the guarantee commission payable for issued government guarantees will be increased. This applies to all guarantees issued on or after 1 July 2010, excluding borrowing and framework guarantees issued before 1 July 2010 which expire before 31 July 2010. The new terms and conditions will apply irrespective of any prior agreements on terms and conditions referring to the previous commission rate. Moreover, as a result of the amendment, a credit institution must submit a profitability plan to the Danish Ministry of Economic and Business Affairs not later than three months after the issuance of an individual government guarantee, if, as a result of the specific guarantee issued, the obligations comprised by the government guarantee total 5% or more of the credit institution's overall obligations and the total obligations comprised by the government guarantee exceed EUR 500 million.

Following the extension granted by the European Commission, Finansiell Stabilitet may now issue individual government guarantees until 31 December 2010. The requirement that the term of a government-guaranteed loan may not exceed three years means that government-guaranteed loans issued under the scheme expire on or before 31 December 2013.

Finansiell Stabilitet has concluded a management agreement with the Danish State through the Ministry of Economic and Business Affairs concerning the individual government guarantees. Finansiell Stabilitet receives guarantee commission from institutions that complete issues based on an individual government guarantee. The guarantee commission will be kept separate from the other activities of Finansiell Stabilitet and will accrue to the Danish State, which, in return, will compensate Finansiell Stabilitet for any loss incurred on the guarantees provided. In addition, the Danish State will pay a management fee to Finansiell Stabilitet to cover the costs of managing the scheme.

Agreements concluded and guarantees provided

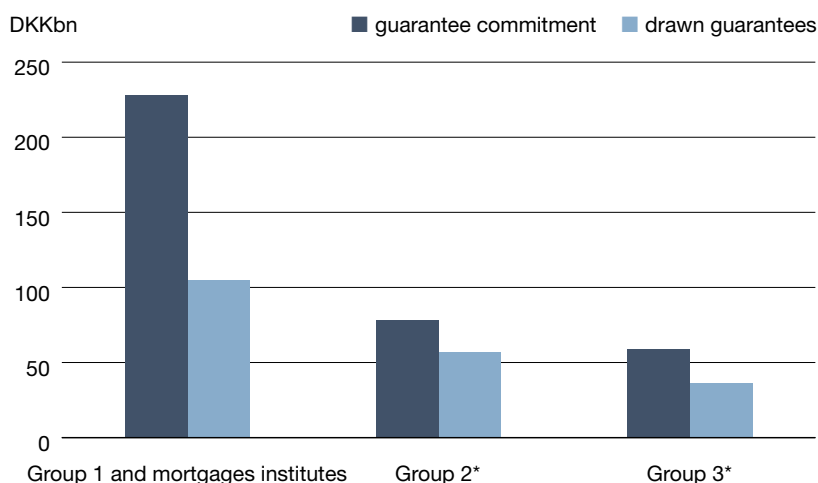
As the date of expiry of the general government guarantee draws closer, the number of agreements on terms and conditions for the provision of an individual government guarantee has risen considerably, as had been expected. At 30 June 2010, Finansiel Stabilitet had granted guarantee commitments to 63 credit institutions for a total amount of DKK 364 billion. The corresponding numbers at 31 December 2009 was 13 credit institutions and an overall guarantee commitment of DKK 195 billion.

Almost half of the agreements made were granted on one of more special terms. Applying these terms was necessary in order for Finansiel Stabilitet to find justification for concluding the agreements. In particular, the special terms are determined on the basis of each institution's financing structure, capital structure, excess over solvency requirement and group structure. The special terms used by Finansiel Stabilitet to date include:

- Increased duty of disclosure towards Finansiel Stabilitet
- Opportunity for Finansiel Stabilitet to still assign a buyer for an institution if the institution fails to comply with the capital requirement and if the problems are not resolved within the deadline defined by the Danish FSA
- Parent company guarantee, etc. if the institution encounters solvency difficulties during the guarantee period
- Requirement for injection of fresh capital
- Approval of major decisions
- Appointment of board members

Listed banks have a duty to disclose any and all inside information. With respect to unlisted banks, it is up to each individual institution to assess whether the special terms for provision of a government guarantee should be made public. When approved guarantee commitments are utilised, information to such effect is published on Finansiel Stabilitet's website.

Status on individual government guarantees at 30 June 2010



* Faroese institutions (group 6) are distributed by working capital amounts on groups 2 and 3, respectively

Group 1 comprises institutions with working capital in excess of DKK 50 billion, group 2 comprises institutions with working capital in excess of DKK 10 billion and group 3 comprises institutions with working capital in excess of DKK 250 million. Working capital is composed of deposits, issued bonds, etc., subordinated debt and equity.

As at 30 June 2010, guarantees for a total amount of DKK 198 billion had been issued including framework guarantees distributed on 50 institutions. By comparison, guarantees for a total amount of DKK 53 billion distributed on four institutions had been issued at 31 December 2009.

Bank in groups 2 and 3 had the highest utilisation rates in respect of their guarantee commitments (73% and 61%, respectively) at 30 June 2010. At 30 June 2010, approximately 5% of group 1 institutions' total liabilities were comprised by an individual government guarantee, while 19% and 13%, respectively, of the group 2 and 3 institutions' total liabilities were covered by an individual government guarantee.

The issued guarantees are related to various types of issues, such as issues completed under EMTN programmes, issues with individual loan documentation and joint issues.

Finansiel Stabilitet had guaranteed a total amount of DKK 192 billion in mid-August 2010. The guaranteed amount changes with the issuance of new guarantees, expiry of unutilised framework guarantees, prepayment of issues and changes in exchange rates. The aggregate guaranteed amount under the individual government guarantee is significantly smaller than the amount involved in the general guarantee scheme, which expires on 30 September, as government guarantees have been provided for more than DKK 3,500 billion.

Performance

In H1 2010, the Danish State received DKK 54 million by way of guarantee commission in relation to individual government guarantees issued. At the same time, the Danish State had reimbursed administrative expenses in the amount of DKK 6 million to Finansiel Stabilitet. Institutions comprised by the Bank Package will receive a discount on the guarantee commission until the expiry of the general government guarantee, as they have already paid for the general government guarantee during this period.

Outlook for 2010

Finansiel Stabilitet's outlook for 2010 remains characterised by uncertainty about the development of losses in the subsidiaries, including in particular losses in connection with claims for damages and legal disputes. The financial guidance is unchanged relative to the forecast announced in connection with the release of Finansiel Stabilitet's annual report for 2009, and expectations are thus for a full-year profit of around DKK 6 billion in 2010. The issuance of individual government guarantees is generally only expected to increase marginally in H2 2010. However, this assessment is conditional on risk aversion in the financial markets not increasing significantly in H2 2010.

Financial statements



Income statement

(DKKm)	Group		Parent	
	H1 2010	13.10.2008- 30.06.2009	H1 2010	13.10.2008- 30.06.2009
Note				
5 Interest income	846	300	302	106
6 Interest expense	389	330	347	82
Net interest income	457	(30)	(45)	24
Share dividends, etc.	2	2	0	0
Commission received from the Private Contingency Association	3,750	5,625	3,750	5,625
Fees and commissions received	108	85	61	5
Fees and commissions paid	74	29	73	4
Net interest and fee income	4,243	5,653	3,693	5,650
7 Market value adjustments	75	(16)	(28)	(29)
Other operating income	222	59	6	11
8 Staff costs and administrative expenses	471	244	19	13
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	14	24	1	0
Other operating expenses	149	22	0	0
9 Impairment losses on loans, advances and receivables, etc.	3,322	1,324	87	192
Losses on acquisition of subsidiaries	0	2,957	0	2,957
Profit/(loss) from investments in associates and subsidiaries	24	(66)	(2,956)	(1,420)
Loss guarantee from the Private Contingency Association	1,047	4,595	1,047	4,595
Loss guarantee from the Danish State relating to Roskilde Bank	2,153	0	2,153	0
Profit for the period before tax	3,808	5,654	3,808	5,645
Tax	0	9	0	0
Profit for the period	3,808	5,645	3,808	5,645

Statement of comprehensive income

Profit for the period	3,808	5,645	3,808	5,645
Other comprehensive income after tax	0	0	0	0
Total comprehensive income	3,808	5,645	3,808	5,645

Balance sheet

(DKKm)	Group			Parent		
	30.06. 2010	31.12. 2009	30.06. 2009	30.06. 2010	31.12. 2009	30.06. 2009
Assets						
Cash in hand and demand deposits with central banks	6,442	3,924	2,663	5,676	2,156	1,680
Due from credit institutions and central banks	1,878	3,974	4,832	9,179	17,121	3,829
Loans, advances and other receivables at fair value	980	1,011	2,420	0	0	0
Loans, advances and other receivables at amortised cost	15,993	22,062	20,032	1,900	1,929	2,209
Bonds at fair value	1,194	3,055	10,098	0	0	0
Bonds at amortised cost	0	0	107	0	0	0
Shares, etc.	1,765	1,570	1,126	942	751	434
Investments in associates	47	27	35	0	0	0
Investments in subsidiaries	0	0	0	5,158	5,277	1,676
Intangible assets	4	6	973	0	0	0
Total land and buildings	1,330	1,020	450	0	0	0
- Investment properties	1,177	839	129	-	-	-
- Domicile properties	153	181	321	-	-	-
Other property, plant and equipment	18	22	45	3	3	2
Current tax assets	0	7	351	0	0	0
Assets held temporarily	486	370	115	0	0	0
Receivable re. loss guarantee from the Private Contingency Association	6,838	5,791	4,595	6,838	5,791	4,595
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank	8,757	6,604	0	8,757	6,604	0
Other assets	634	449	862	123	1	65
Prepayments	21	23	32	19	0	0
TOTAL ASSETS	46,387	49,915	48,736	38,595	39,633	14,490

Note

Assets

Cash in hand and demand deposits

with central banks

Due from credit institutions and central banks

Loans, advances and other receivables at fair value

Loans, advances and other receivables

at amortised cost

Bonds at fair value

Bonds at amortised cost

Shares, etc.

Investments in associates

Investments in subsidiaries

Intangible assets

Total land and buildings

- Investment properties

- Domicile properties

Other property, plant and equipment

Current tax assets

Assets held temporarily

Receivable re. loss guarantee from the Private

Contingency Association

Receivable re. loss guarantee from the Danish State

relating to Roskilde Bank

Other assets

Prepayments

Balance sheet

(DKKm)	Group			Parent		
	30.06. 2010	31.12. 2009	30.06. 2009	30.06. 2010	31.12. 2009	30.06. 2009
Equity and liabilities						
Liabilities						
Due to credit institutions and central banks	1,563	2,471	12,254	0	0	0
Deposits and other payables	2,387	3,081	15,615	0	0	84
Loans through the state-funded re-lending scheme	24,591	29,920	8,545	24,591	29,920	8,545
Issued bonds at amortised cost	1,726	1,822	1,932	0	0	0
Other liabilities	1,039	1,800	4,293	30	54	215
Deferred income	663	158	9	661	154	0
Total liabilities	31,969	39,252	42,648	25,282	30,128	8,844
Provisions						
Provision for losses on guarantees	629	537	192	0	0	0
10 Other provisions	476	621	250	0	0	0
Total provisions	1,105	1,158	442	0	0	0
Total liabilities	33,074	40,410	43,090	25,282	30,128	8,844
Equity						
Share capital	1	1	1	1	1	1
Retained earnings	9,504	-	-	9,504	-	-
Profit for the period	3,808	9,504	5,645	3,808	9,504	5,645
Total equity	13,313	9,505	5,646	13,313	9,505	5,646
TOTAL EQUITY AND LIABILITIES	46,387	49,915	48,736	38,595	39,633	14,490

Statement of changes in equity

for the Group and the parent company

(DKKm)	Share capital	Retained earnings	Total equity
Equity as at 1 January 2010	1	9,504	9,505
Changes in equity during the period			
Comprehensive income for the period	-	3,808	3,808
Equity as at 30 June 2010	1	13,312	13,313

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

(DKKm)	Share capital	Retained earnings	Total equity
Equity as at 13 October 2008	1	-	1
Changes in equity during the period			
Comprehensive income for the period	-	5,645	5,645
Equity as at 30 June 2009	1	5,645	5,645

Cash flow statement

(DKKm)	Group	
	01.01.2010- 30.06.2010	13.10. 2008- 30.06. 2009
Profit for the period after tax	3,808	5,645
Adjustment for non-cash operating items	749	3,074
Cash flow from operating capital	1,489	(12,946)
Cash flows from operating activities	6,046	(4,227)
Acquisition of subsidiaries	295	4,329
Purchase/sale of property, plant and equipment	(318)	47
Cash flows from investing activities	(23)	4,376
Loans through the state-funded re-lending scheme	(5,329)	8,569
Issued bonds	(96)	(820)
Cash flows from financing activities	(5,425)	7,749
Change in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	7,722	0
Change during the period	598	7,898
Cash and cash equivalents at the end of the period	8,320	7,898

Notes to the financial statements

1 Accounting policies

The interim report is presented in accordance with IAS 34, Interim Financial Reporting as adopted by the EU in respect of the Group and the Danish Financial Business Act in respect of the parent company and in accordance with additional Danish disclosure requirements for interim reports of financial enterprises.

Apart from the below changes, the accounting policies are consistent with those of the consolidated and parent company financial statements for 2009, which give a comprehensive description of the accounting policies applied.

Accounting policy changes

Effective from 1 January 2010, the Group has implemented new or amended standards and interpretations, including IFRS 3, Business Combinations; IAS 27, Consideration and Separate Financial Statements; amendments to IAS 39, Financial Instruments: Recognition and Measurement: Eligible Hedged Items and amendments to IFRIC 9 and IAS 39, Embedded Derivatives.

The implementation of the new and amended standards and interpretations has not had any impact on recognition or measurement in the interim report.

Standards and interpretations not yet in force

The International Accounting Standards Board (IASB) has issued a number of international financial reporting standards and the International Financial Reporting Interpretations Committee (IFRIC) has issued a number of interpretations that have not yet come into force. None of these are expected to materially affect the future financial reporting of Finansiel Stabilitet.

Accounting estimates and judgments

The calculation 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 under the circumstances, 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 these estimates.

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

Estimates significant to the financial reporting include the following:

- The accounting treatment of Finansiel Stabilitet A/S's acquisition of distressed banks, including assessment of the fair values of assets and liabilities at the acquisition date;
- impairment losses on loans and advances and provision for losses on guarantees and legal disputes, etc.;
- Fair value of financial instruments, including mortgage deeds.

Due to uncertainty in the measurement of assets and liabilities of acquired subsidiaries and realisable values thereof, the preliminary calculation of the loss guarantee from the Private Contingency Association is subject to uncertainty.

Notes to the financial statements

2. Restatement of comparative figures

In connection with the financial statements for 2009, Finansiel Stabilitet updated the preliminary fair values of the net assets in Fionia Bank as subsequent information provided evidence of matters existing at the balance sheet date on 28 May 2009.

Consequently, Finansiel Stabilitet has updated the comparative figures for the period 13 October 2008 - 30 June 2009. The update of comparative figures has no effect on profit for the period or total equity.

The restated comparative figures are specified as follows:

(DKKm)	Original	Restated
Write-down on loans, advances and receivables etc.	1,642	1,324
Losses on acquisition of subsidiaries	2,900	2,957
Profit for the period	5,385	5,645
Allocated as follows:	5,645	5,645
Shareholders of Finansiel Stabilitet	(260)	0
Minority interests		
Balance sheet items		
Loans, advances and other receivables at amortised cost	21,233	20,032
Intangible assets	73	973
Current tax assets	51	351
Total assets	48,736	48,736
Total equity	5,646	5,646

Notes to the financial statements

3 Segment information for the Group

(DKK)m)	Securing of unsecured creditors of banks	Individual government guarantees	Roskilde Bank	Total
Activities for the six months ended 30 June 2010				
Net interest income	261	0	196	457
Commission received from the Private Contingency Association	3.750	-	-	3,750
Guarantee commission, government guarantees	-	54	-	54
Other net fee income and market value adjustments	56	(54)	55	57
Other operating income/expenses, net	(65)	6	132	73
Operating expenses	341	6	138	485
Impairment charges on loans, advances, guarantees etc.	924	0	2,398	3,322
Losses on acquisition of subsidiaries	0	-	0	0
Profit/(loss) from investments in subsidiaries and associates	24	-	0	24
Loss guarantee from the Private Contingency Association	1.047	-	-	1,047
Loss guarantee from the Danish State relating to Roskilde Bank	-	-	2,153	2,153
Profit for the period before tax	3.808	0	0	3,808
Tax	0	0	0	0
Profit for the period	3.808	0	0	3,808
Total segment assets	20.196	0	26,201	46,397
Activities 13 October 2008 – 30 June 2009				
Net interest income	(30)			(30)
Commission received from the Private Contingency Association	5.625			5,625
Guarantee commission, government guarantees	0			0
Other net fee income and market value adjustments	42			42
Other operating income/expenses, net	37			37
Operating expenses	268			268
Impairment charges on loans, advances, guarantees etc.	1.324			1,324
Losses on acquisition of subsidiaries	2.957			2,957
Profit/(loss) from investments in subsidiaries and associates	(66)			(66)
Loss guarantee from the Private Contingency Association	4.595			4,595
Loss guarantee from the Danish State relating to Roskilde Bank				0
Profit for the period before tax	5.654			5,654
Tax	9			9
Profit for the period	5.645			5,645
Total segment assets	48.736			48,736

The individual government guarantees and Roskilde Bank segments have no impact on the Group's operations until the second half of 2009.

Notes to the financial statements

The Bank Package: Guarantee scheme covering unsecured creditors of banks under the Private Contingency Association

(DKKm)	**Finan- *EBH sierings- Bank selskabet	Fionia/ Nova Bank	Pante- brevs- selskabet	Guaran- tee com- mission	Loss guaran- tee etc.	Total
1. January – 30 June 2010						
Net interest income	135	6	75	45	0	- 261
Commission received from the Private Contingency Association	-	-	-	-	3,750	- 3,750
Other net fee income and market value adjustments	43	15	29	(5)	(26)	- 56
Other operating income/expenses, net	(49)	0	38	(18)	0	(36) (65)
Operating expenses	126	22	143	40	10	- 341
Impairment charges on loans, advances, guarantees etc.	187	87	497	189	-	(36) 924
Losses on acquisition of subsidiaries	0	0	0	0	0	0 0
Profit/(loss) from investments in subsidiaries and associates	24	0	0	0	0	0 24
Loss guarantee from the Private Contingency Association	-	-	-	-	-	1,047 1,047
Profit for the period before tax	(160)	(88)	(498)	(207)	3,714	1,047 3,808
Tax	0	0	0	0	0	0 0
Profit/(loss) for the period	(160)	(88)	(498)	(207)	3,714	1,047 3,808

* EBH Bank and Løkken Sparebank merged at 1 January 2010, EBH Bank being the surviving company. The table above shows the results of the combined entities.

** Finansieringsselskabet includes the estate in bankruptcy of Capinordic Bank.

Loss guarantee from the Private Contingency Association can be specified as follows:

EBH Bank	23
Løkken Sparebank (part of EBH Bank)	137
Pantebrevsselskabet af 2. juni 2009	207
Fionia Bank / Nova Bank Fyn	498
Finansieringsselskabet af 11. februar 2010 and the estate in bankruptcy of Capinordic Bank	88
Finansiel Stabilitet (financing costs, etc.)	94
Total	1,047

The profit/(loss) for the period can be specified as follows:

Commission received from the Private Contingency Association	3,750
Return on commission income received ,net	60
Costs	2
Total	3,808

Notes to the financial statements

The Bank Package: Guarantee scheme covering unsecured creditors of banks under the Private Contingency Association

(DKK m)	EBH Bank	Fionia/ Nova Bank	Pantebrevs-selskabet	Guaran-tee com-mission	Loss guaran-tee etc.	Total
13. October 2008 – 30 June 2009						
Net interest income	(87)	33	-	24	-	(30)
Commission received from the Private Contingency Association	-	-	-	5,625	-	5,625
Other net fee income and market value adjustments	38	33	-	(29)	-	42
Other operating income/expenses, net	29	(3)	-	11	-	37
Operating expenses	191	64	-	13	-	268
Impairment charges on loans, advances, guarantees etc.	1,190	134	-	0	-	1,324
Losses on acquisition of subsidiaries	1,508	57	1,392	0	-	2,957
Profit/(loss) from investments in subsidiaries and associates	(66)	0	0	0	-	(66)
Loss guarantee from the Private Contingency Association	-	-	-	-	4,595	4,595
Profit for the period before tax	(2,975)	(192)	(1,392)	5,618	4,595	5,654
Tax	9	0	0	0		9
Profit/(loss) for the period	(2,984)	(192)	(1,392)	5,618	4,595	5,645

EBH Bank and Løkken Sparebank merged at 1 January 2010, EBH Bank being the continuing company. The table above shows the results of the combined entities.

Loss guarantee from the Private Contingency Association can be specified as follows:

EBH Bank	2,523
Løkken Sparebank (part of EBH Bank)	461
Pantebrevsselskabet af 2. juni 2009	1,392
Fionia Bank / Nova Bank Fyn	192
Finansiel Stabilitet (financing costs, etc.)	27
Total	4,595

The profit/(loss) for the period can be specified as follows:

Commission received from the Private Contingency Association	5,625
Return on commission income received ,net	11
Costs	9
Total	5,645

Notes to the financial statements

4 Acquisition of enterprises - the Group

In performing its object under the Act on Financial Stability, including securing all unsubordinated depositors and creditors and minimising losses in this respect, Finansiel Stabilitet A/S has acquired the assets and liabilities of a number of distressed banks. In connection with the acquisitions, the activities are to the widest possible extent to be transferred or continued with a view to winding up.

Acquisitions during the first half of 2010

Capinordic Bank A/S

(Finansieringsselskabet af 11. februar 2010 A/S)

On 11 February 2010, Finansiel Stabilitet A/S took over all assets in Denmark of the estate in bankruptcy of Capinordic Bank and its subsidiaries through a newly established subsidiary, Finansieringsselskabet af 11. februar 2010 A/S. The assets taken over primarily comprised a loan portfolio and portfolios of cash deposits and securities.

Pursuant to the Danish Act on Financial Stability, the price of the assets to be transferred must be determined by two independent valuation experts. The two valuation experts have determined that Finansiel Stabilitet A/S is to pay DKK 700 million for the activities. Any return realised by Finansiel Stabilitet from the winding up of Finansieringsselskabet af 11. februar 2010 A/S in excess of the standard market return will be paid to the estate in bankruptcy.

Finansieringsselskabet af 11. februar 2010 is working on winding up the remaining activities with a view to achieving the optimum financial result. In this process, Dansk O.T.C Fondsmæglerelskab A/S has been sold and a number of minor loans have been repaid.

In connection with the acquisition, the Group has incurred transaction costs in the amount of DKK 5.0 million, mainly relating to the valuation experts' work, which has been recognised in the profit for the period.

The fair value of the acquired loans, advances and other receivables at amortised cost have been calculated at DKK 258 million, and the nominal residual debt amounts to DKK 855 million. The difference between fair value and nominal residual debt is significant and is mainly due to uncertainty in the determination of fair value, including what proportion of the loans and advances should be considered irrecoverable in whole or in part.

During the period from the date of acquisition until 30 June 2010, a loss of DKK 1 million has been recognised.

The carrying amounts at the date of acquisition are not deemed to differ to any significant degree from the below estimated fair values.

30 June 2010, Finansiel Stabilitet A/S effected a DKK 100 million capital increase in Finansieringsselskabet af 11. februar 2010 A/S.

(DKKm)

Cash in hand and demand deposits with central banks	49
Due from credit institutions	246
Loans, advances and other receivables at amortised cost (loans and advances with nominal residual debt of DKK 855 million)	258
Bonds at fair value and shares, etc.	72
Intangible assets and other property, plant and equipment	1
Other assets and prepayments	88
Other equity and liabilities	(4)
Of this, other provisions	(10)
Acquired net assets	700
Purchase amount	(700)
Loss at the date of acquisition	0

Notes to the financial statements

Pre-acquisition revenue and results of acquired enterprises

The hypothetical revenue and financial performance of the Group calculated as if the acquisition of Capinordic Bank A/S had been effected at 1 January 2010 is not disclosed, given the practical difficulties and lack of relevance of providing such information.

Acquisitions in 2009				Loss	Profit/(loss)
(DKKm)	Date of acquisition	Fair value of net assets	Acquisition costs	at the date of acquisition	from acquisition date to 30 June 2009
Acquisitions during the period					
13 October 2008 - 30 June 2009					
EBH Bank	28.11.2008	(1,054)	0	1,054	(1,470)
Løkken Sparekasse	25.03.2009	(454)	0	454	(7)
Nova Bank Fyn (Fionia Bank)	28.05.2009	(57)	0	57	(134)
Pantebrevsselskabet af 2. juni 2009 (Gudme Raaschou Bank)	30.06.2009	(1,392)	0	1,392	0
Acquisitions during the period					
30 June to 31 December 2009					
Roskilde Bank	10.08.2009	(95)	0	6,818	-

Notes to the financial statements

The calculated fair values of net assets can be specified as follows:

(DKKm)	Pantebrevs- selskabet af Nova Bank 2. juni 2009				
	EBH Bank	Løkken Spare- bank	Fyn (Fionia Bank)	(Gudme Raaschou Bank)	Roskilde Bank
Cash in hand and demand deposits with central banks	307	0	182	69	650
Due from credit institutions and central banks	504	127	3,093	36	234
Loans, advances and other receivables at fair value	257	0	8	1,074	0
Loans, advances and other receivables at amortised cost	4,857	944	16,339	1,072	14,523
Bonds and shares, etc. at fair value	480	153	10,106	17	2,005
Bonds at amortised cost	0	0	105	0	0
Total land and buildings	55	17	406	0	433
Intangible assets and other property, plant and equipment	0	10	943	5	3
Deferred tax assets	19	0	347	0	0
Other assets and prepayments	435	19	749	140	246
Debt to credit institutions	0	(189)	(11,433)	(4)	(14,355)
Deposits and other payables	(7,751)	(1,479)	(16,009)	(3,668)	(1,577)
Issued bonds at amortised cost	0	0	(1,933)	0	(2)
Other liabilities and deferred income	0	0	(2,865)	(62)	(314)
Other provisions and provisions for losses on guarantees	(217)	(56)	(95)	(71)	(941)
Subordinated debt	0	0	0	0	(1,000)
Acquired net assets	(1,054)	(454)	(57)	(1,392)	(95)

The stated fair values of net assets equal the final fair values stated in annual reports for 2009.

Notes to the financial statements

(DKKm)	Group		Parent	
	H1 2010	13.10.2008-30.06.2009	H1 2010	13.10.2008-30.06.2009
5 Interest income				
Due from credit institutions and central banks	33	83	273	106
Loans, advances and other receivables at amortised cost	718	176	29	0
Loans, advances and other receivables at fair value	58	0	0	0
Bonds	35	40	0	0
Total derivative financial instruments	1	0	0	0
Foreign exchange contracts	5	-	-	-
Interest rate contracts	(4)	-	-	-
Other interest income	1	1	0	0
Total	846	300	302	106

6 Interest expense				
Credit institutions and central banks	8	72	0	5
Deposits and other payables	11	79	0	0
Issued bonds	20	79	0	0
Loans through the state-funded re-lending scheme	347	77	347	77
Other interest expense	3	23	0	0
Total	389	330	347	82

7 Value adjustments				
Adjustment for credit risk for loans and advances at fair value	(30)	0	0	0
Bonds	25	0	0	0
Shares, etc.	(37)	(56)	(28)	(29)
Investment properties	38	(2)	0	0
Currency	33	30	0	0
Currency, interest, share, commodity and other contracts and derivative financial instruments	5	(7)	0	0
Other assets and liabilities	41	19	0	0
Total	75	(16)	(28)	(29)

Notes to the financial statements

(DKKm)	Group		Parent	
	H1 2010	13.10.2008-30.06.2009	H1 2010	13.10.2008-30.06.2009

8 Staff costs and administrative expenses

Salaries and remuneration to Board of Directors and Management Board

Management Board	1	1	1	1
Board of Directors	1	2	1	2
Total	2	3	2	3

Staff costs

Salaries	220	138	7	3
Pensions	17	12	0	0
Social security costs	12	7	0	0
Total	249	157	7	3

Other administrative expenses	220	84	10	7
Total	471	244	19	13

	Udlån mv. individuel nedskr.	Udlån mv. gruppevis nedskr.	Total	Impact on results
--	------------------------------	-----------------------------	-------	-------------------

9 Impairment of loans, advances and receivables, etc.

Loans, advances and other receivables at amortised cost

Impairment losses, beginning of period	18,217	825	19,042	-
Additions from acquisitions of subsidiaries	597	0	597	
Impairment losses during the period	4,253	25	4,278	4,278
Reversed impairment losses	(2,512)	(311)	(2,823)	(2,823)
Impairment losses, end of period	20,555	539	21,094	1,455

Losses recorded				1,867
-----------------	--	--	--	-------

Impairment losses charged to income statement for H1 2010	-	-	-	3,322
--	---	---	---	--------------

Impairment losses charged to income statement for the period 13.10.2008-30.06.2009				1,324
---	--	--	--	--------------

Notes to the financial statements

Adjustment for credit risk for loans and advances at fair value	Total	Impact on results
Credit risk for loans and advances at fair value, beginning of period	889	
Additions during the period	278	278
Reversals during the period	(313)	(313)
Credit risk for loans and advances at fair value, end of period	854	(35)
Losses recorded		65
Charged to income statement under Market value adjustments for H1 2010		(30)
Charged to income statement under Market value adjustments for the period 13.10.2008 - 30.06.2009		0

Impairment losses/adjustment for credit risk	Impairment losses, beginning of period	Additions from acquisition of subsidiary	Change in impairment losses	Impairment losses, end of period
Loans and advances at amortised cost	18,505	597	1.350	20,452
Loans and advances at fair value	889	0	(35)	854
Subsidiaries' share of loss guarantee to the Private Contingency Association	173	0	45	218
Guarantees	364	0	60	424
Impairment losses/adjustment for credit risk, H1 2010	19,931	597	1,420	21,948
Impairment losses/adjustment for credit risk for the period 13.10.2008 - 30.06.2009	-	8,293	1,325	9,618

(DKKm)	Group		Parent	
	H1 13.10.2008-2010	30.06.2009	H1 13.10.2008-2010	30.06.2009

10 Other provisions

Litigation	261	35	0	0
Other provisions	215	215	0	0
Total	476	250	0	0

Notes to the financial statements

11 Contingent assets and liabilities

Tax

Finansiel Stabilitet is exempt from taxation and consequently is not in a position to act as an administrative company in respect of the computation and settlement of the subsidiaries' income under the joint taxation. Instead, Pantebrevsselskabet af 2. juni 2009 has been appointed as administrative company for the jointly taxed Group.

The Group has a significant deferred tax asset. Due to the uncertainty as to whether this can be utilised, the tax asset has not been recognised in the balance sheet.

Act on Financial Stability

The Company's object under the Act on Financial Stability is to secure the claims of unsecured creditors of the banks and branches that have entered into an agreement with the Private Contingency Association.

The Company is under an obligation to cover any future claims from unsecured creditors until 30 September 2010. Such claims against the Company are covered by a DKK 10 billion demand guarantee, a guarantee commission of DKK 15 billion and an additional guarantee commission of DKK 10 billion from the Private Contingency Association. Any claims in excess of the above DKK 35 billion will be covered by the Danish State pursuant to the Danish Act on Financial Stability.

Individual government guarantees

In addition, pursuant to the Act to amend the Act on Financial Stability of 4 February 2009, the Company's object is to enter into agreements for the provision of individual government guarantees for existing and new unsubordinated, unsecured debt and for the provision of supplementary collateral (junior covered bonds) with a maturity of up to three years by institutions issuing covered bonds.

At 30 June 2010, the Company has committed to a credit facility of DKK 364 billion, of which guarantees for DKK 198 billion have been issued at 30 June 2009.

The Danish State guarantees the Company's guarantee commitments under the scheme.

Roskilde Bank

On 10 August 2009, Roskilde Bank A/S was transferred to Finansiel Stabilitet A/S from Danmarks Nationalbank.

Roskilde Bank A/S is not covered by the general government guarantee under the Act on Financial Stability. The Danish State has issued a separate guarantee to Finansiel Stabilitet A/S to cover the winding up of the bank.

Other contingent liabilities

The subsidiaries are parties to legal disputes in relation to ordinary operations. Within the past 12 months, a considerable number of complaints have been made by the Danish Financial Institutions' Complaints Board on behalf of customers of banks acquired by Finansiel Stabilitet. The complaints are related in particular to Løkken Sparekasse and Roskilde Bank A/S.

Purchase price adjustment agreements (earn-out agreements) subsidiaries

Agreements have been concluded in relation to Fionia Bank, Løkken Sparekasse, Roskilde Bank, Gudme Raaschou Bank and Capinordic Bank, which provide for adjustment if the winding up of the banks' activities yields a return to Finansiel Stabilitet in excess of the standard market return with due consideration of risk exposure.

In connection with the merger concluded between Løkken Sparebank and EBH Bank, it was agreed that the purchase price adjustment agreement of Løkken Sparekasse was to be cancelled.

It is considered highly unlikely that the former shareholders of Fionia Bank, Roskilde Bank and Gudme Raaschou Bank will benefit from these agreements.

Notes to the financial statements

12 Related parties

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

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

Financial ratios

(DKKm)	Finansiel Stabilitet	
	H1 2010	13.10.2008-30.06.2009
Financial highlights		
Commission received from the Private Contingency Association	3,750	5,625
Other interest and fee income, net	(57)	25
Market value adjustment	(28)	(29)
Other operating income	6	11
Costs	20	13
Write-downs of loans and advances	87	192
Losses on acquisition of subsidiaries	-	2,957
Profit/(loss) from investments	(2,956)	(1,420)
Loss guarantee from the Private Contingency Association	1,047	4,595
Loss guarantee from the Danish State relating to Roskilde Bank	2,153	-
Profit for the period	3,808	5,645
Equity	13,313	5,646
Total assets	38,595	14,490

Financial ratios

Return on equity before tax p.a.	67%	340%
Return on equity after tax p.a.	67%	340%
Income/cost ratio	668%	133%

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

The financial ratios relevant to Finansiel Stabilitet are included.

Interest rate and currency risk exposure are covered via the loss guarantees provided by the Private Contingency Association and the Danish State, respectively.

Statement by the Management

The Board of Directors and the Management Board have today considered and adopted the interim report of Finansiel Stabilitet A/S for the six months ended 30 June 2010.

The interim report is presented in accordance with IAS 34, Interim Financial Reporting as adopted by the EU in respect of the Group and the Danish Financial Business Act in respect of the parent company and in accordance with additional Danish disclosure requirements for interim reports of financial enterprises.

In our opinion, the interim report gives a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 30 June 2010 and of the results of the Group's and the parent company's operations and the Group's cash flows for the six months ended 30 June 2010.

Moreover, in our opinion, the management's review includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, the results for the period and of the financial position of the Group as a whole, together with a description of the principal risks and uncertainties that the Group and the parent company face.

Copenhagen, 27 August 2010

Management Board

Henrik Bjerre-Nielsen

Board of Directors

Henning Kruse Petersen
Chairman

Jakob Brogaard
Deputy Chairman

Anette Eberhard

Christian Th. Kjølbye

Charlotte Møller
Alternate

Birgitte Nielsen

Visti Nielsen

Independent auditors' review report

To the shareholders of Finansiel Stabilitet A/S

We have reviewed the interim financial statements of Finansiel Stabilitet A/S for the six months ended 30 June 2010 (pages 19-37), comprising income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements for the Group as well as the parent company, and the cash flow statement for the Group. The consolidated interim financial statements are presented in accordance with IAS 34, Interim Financial Reporting as adopted by the EU, while the interim financial statements of the parent company are presented in accordance with the Danish Financial Business Act. Moreover, the interim financial statements are presented in accordance with additional Danish disclosure requirements for interim reports of financial enterprises.

The Company's Board of Directors and Management Board are responsible for the interim financial statements. Our responsibility is to express a conclusion on the interim financial statements based on our review.

Copenhagen, 27 August 2010

KPMG

Statsautoriseret Revisionspartnerselskab

Flemming Brokhattingen
State Authorised Public Accountant

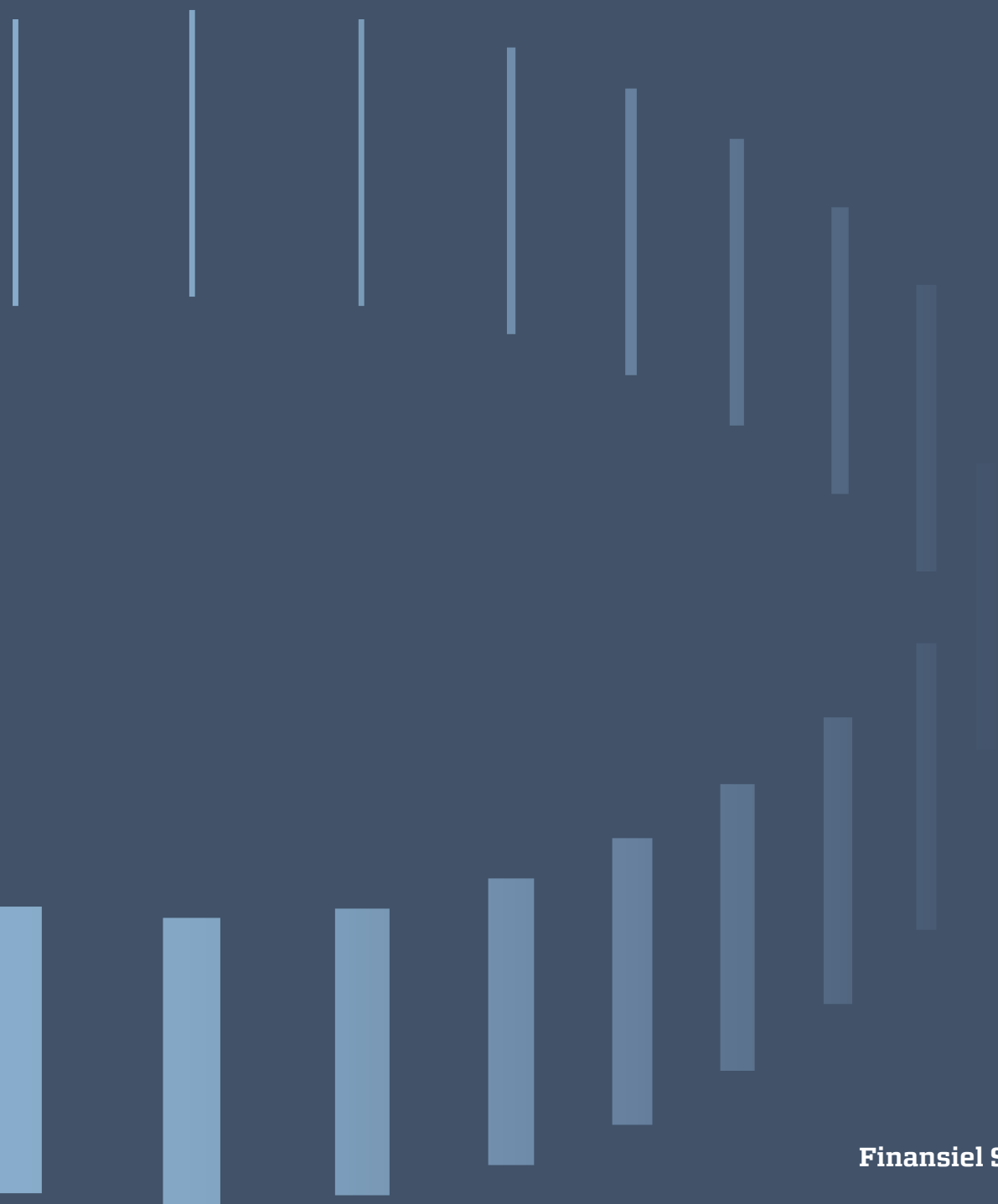
Lars Rhod Søndergaard
State Authorised Public Accountant

Scope of review

We conducted our review in accordance with the Danish Standard on Auditing RS 2410, "Review of Interim Financial Information Performed by the Auditor". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is significantly less in scope than an audit conducted in accordance with Danish Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements have not been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the EU, in respect of the Group and the Danish Financial Business Act in respect of the parent company and in accordance with additional Danish disclosure requirements for interim reports of financial enterprises.



Finansiel Stabilitet A/S

Amaliegade 3-5, 5
DK-1256 Copenhagen K

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