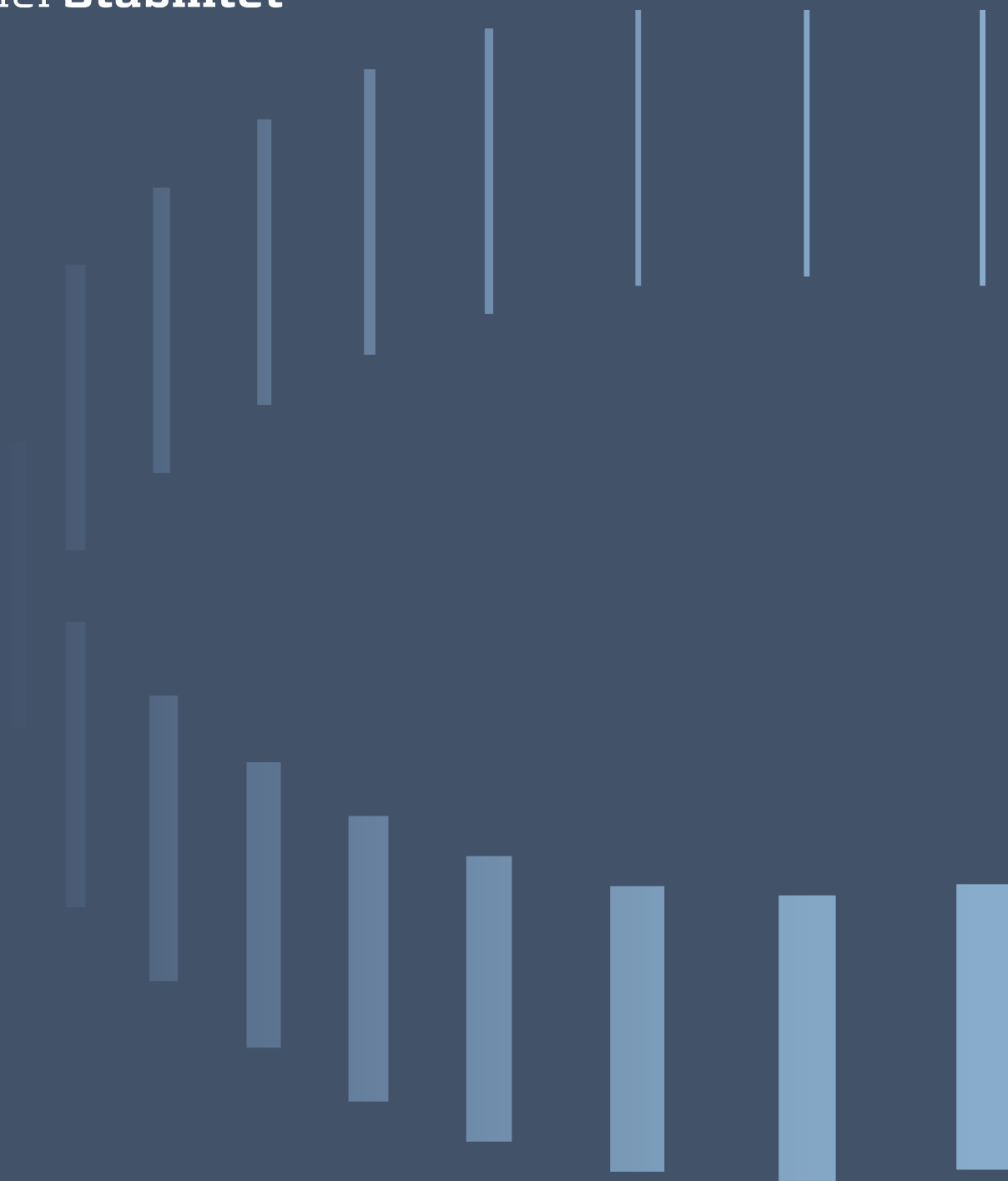


# Finansiell Stabilitet



Interim report **H1 2017**

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# Performance for H1 2017

## Group performance

Finansiel Stabilitet generated a profit of DKK 288 million in H1 2017. The performance was driven in particular by payment of contributions to the Resolution Fund in the amount of DKK 748 million, of which DKK 374 million was accrued and included in the profit for the period, which totalled DKK 370 million for the Resolution Department.

The Bank Package I-V activities contributed a loss of DKK 51 million, while the Depositor and Investor Guarantee Scheme contributed a loss of DKK 31 million.

At 30 June 2017, the Group had total assets of DKK 23.6 billion, against DKK 23.3 billion at 31 December 2016. Total assets thus increased by DKK 0.3 billion for the year to date.

Of the total assets of DKK 23.6 billion, the Bank Package I-V activities accounted for DKK 9.3 billion, the Depositor and Investor Guarantee Scheme accounted for DKK 13.2 billion, the Resolution Department accounted for DKK 1.8

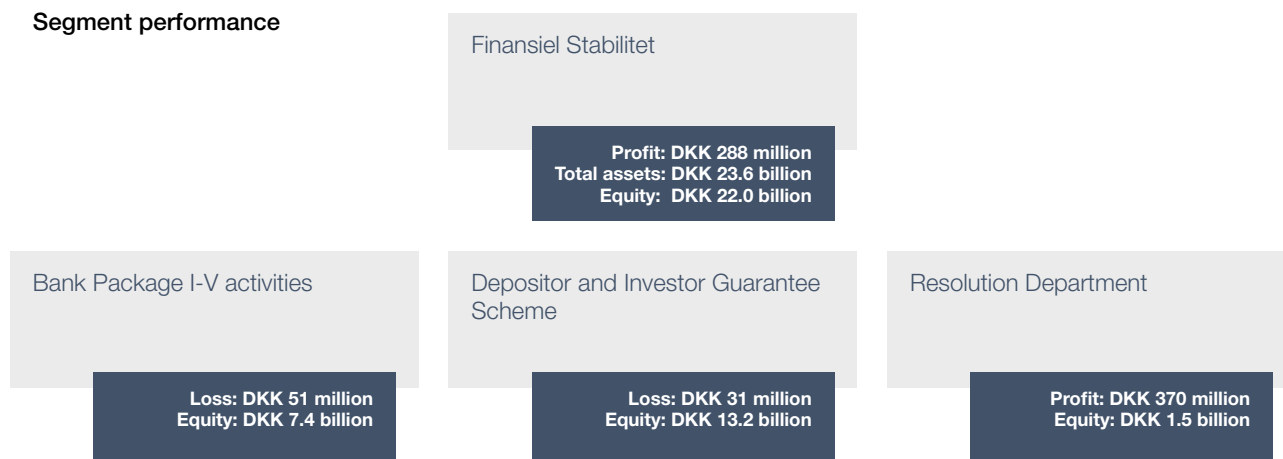
billion, while a negative amount of DKK 0.7 billion related to an intra-group balance.

Total equity stood at DKK 22.0 billion (31 December 2016: DKK 21.7 billion), of which DKK 13.2 billion was attributable to the Depositor and Investor Guarantee Scheme, DKK 7.4 billion to the Bank Package I-V activities and DKK 1.4 billion to the Resolution Department.

Finansiel Stabilitet's consolidated income statement and balance sheet thus comprise the former Bank Package I-V activities, the Depositor and Investor Guarantee Scheme (the Guarantee Fund) and the Resolution Department (the Resolution Fund). The funds of the three segments are kept separate. Finansiel Stabilitet is not liable for the Depositor and Investor Guarantee Scheme and the Resolution Department, and these funds are only liable for their own obligations and liabilities.

For a further specification of the individual segment income statement items, see the following sections and notes 2 and 3 to the financial statements for a more detailed account.

## Segment performance



## Bank Package I-V activities

### Performance

Finansiel Stabilitet's activities in relation to Bank Packages I-V reported a loss of DKK 51 million in H1 2017 (H1 2016: DKK 243 million profit). The performance reflects the continued winding up of the remaining activities.

Reversal of impairment losses on loans, advances and receivables amounted to DKK 48 million in the reporting period.

The individual bank packages impact the segment's results in different ways. Bank Packages I and II impact the segment results in full. Bank Packages III-V are only recognised in part, however, as other creditors also have financial interests in the resolution results, including the

Guarantee Fund. In relation to Bank Package III (FS Finans II and IV) and Bank Package IV (FS Finans I and II), only a share of changes in the purchase price adjustment affects the segment's results. This share has been determined as the percentage proportion of the written-down creditors comprised at the time of takeover.

Bank Package V did not affect the H1 results as regards FS Property Finance, as this company was solvently liquidated in the first half of 2017.

In H1 2017, the subsidiaries FS Finans I-III reported a total loss of DKK 36 million before purchase price and dowry adjustment. The results reported by FS Finans III included an expense for legal fees regarding the liability lawsuit against the former management of Amagerbanken A/S.

### Financial highlights, FS Finans III and IV (Bank Package III)

(DKKm)	FS Finans III		FS Finans IV	
	H1 2017	H1 2016	H1 2017	H1 2016
<b>Income statement</b>				
<b>Profit/(loss) for the period</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>(44)</b>
Profit/(loss) for the period before purchase price adjustment	(38)	(25)	-	-
<b>Balance sheet at</b>				
	<b>30.06.2017</b>	<b>31.12.2016*</b>	<b>30.06.2017</b>	<b>31.12.2016*</b>
Loans and advances	111	192	20	25
Other assets	1,459	1,524	121	114
<b>Total assets</b>	<b>1,570</b>	<b>1,716</b>	<b>141</b>	<b>139</b>
Purchase price adjustment	1,483	1,521	0	0
Other provisions	55	76	74	80
Other liabilities	31	118	16	17
Equity	1	1	51	42
<b>Total equity and liabilities</b>	<b>1,570</b>	<b>1,716</b>	<b>141</b>	<b>139</b>

\* Developments in balance sheet items are measured relative to the most recent full year.

## Financial highlights, FS Finans I and II (Bank Package IV)

(DKKm)	FS Finans I		FS Finans II	
	H1 2017	H1 2016	H1 2017	H1 2016
<b>Income statement</b>				
<b>Profit/(loss) for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Profit/(loss) for the period before dowry adjustment	(3)	21	5	12
<b>Balance sheet</b>				
	<b>30.06.2017</b>	<b>31.12.2016*</b>	<b>30.06.2017</b>	<b>31.12.2016*</b>
Loans and advances	0	15	14	13
Other assets	345	329	178	184
<b>Total assets</b>	<b>345</b>	<b>344</b>	<b>192</b>	<b>197</b>
Dowry adjustment	290	293	133	128
Other provisions	43	39	44	46
Other liabilities	11	11	14	22
Equity	1	1	1	1
<b>Total equity and liabilities</b>	<b>345</b>	<b>344</b>	<b>192</b>	<b>197</b>

\* Developments in balance sheet items are measured relative to the most recent full year.

The bank package segment's share comprises a DKK 21 million purchase price and dowry adjustment in FS Finans I-III.

There was no purchase price adjustment in FS Finans IV, as the dividend was originally fixed at a higher amount than currently warranted. The loss was covered by the restructuring department of the Guarantee Scheme. FS Finans IV generated a profit of DKK 9 million in H1 2017.

In H1 2017, the segment's total assets were reduced by DKK 0.3 billion to DKK 9.3 billion by the ongoing winding up of the remaining activities, including loans and investment properties and financial assets. At 30 June 2017, there were remaining loans and guarantees of DKK 854 million, financial assets of DKK 191 million and properties of DKK 29 million.

## Depositor and Investor Guarantee Scheme

The Depositor and Investor Guarantee Scheme reported a total loss of DKK 31 million in H1 2017 (H1 2016: DKK 18 million loss). The year-on-year decline was due to a

negative return on the assets of the Fund, all of which are placed in an account with Danmarks Nationalbank.

The Depositor and Investor Guarantee Scheme has a financial interest in the winding up of FS Finans I-IV. See above. In H1 2017, this gave rise to an overall break-even effect, as the DKK 9 million profit generated by FS Finans IV was offset by a corresponding share of the total loss in FS Finans I-III. At 30 June 2017, the Depositor and Investor Guarantee Scheme had an outstanding account with FS Finans IV of DKK 9 million. This account will be settled on a quarterly basis in future.

No contributions were made to the banking department of the Depositor and Investor Guarantee Scheme in the first half of 2017. The total assets of the banking department amounted to DKK 8.8 billion, against a target level of approximately DKK 5.7 billion. The target level for 2017 has been calculated inclusive of the former company Nordea Bank Danmark A/S, which was converted into a branch effective from 1 January 2017. The target level for 2018 will be reduced as the former company Nordea Bank Danmark A/S is no longer included in the calculation of the target level. On the other hand, the target level will be

lifted if, as expected, Danske Bank A/S converts its Finnish subsidiary into a branch effective from end-2017.

For the other three departments under the Guarantee Fund, there was also no need to collect any further contributions in 2017. In 2017, contributions and guarantees will hence only be redistributed among the Mortgage Credit Department, the Investment Company Department and the Restructuring Department.

## Resolution Department

The Resolution Department (the Resolution Fund) generated a profit of DKK 370 million in H1 2017 (H1 2016: DKK 365 million profit). The performance was mainly driven by payment of contributions to the Resolution Fund in the amount of DKK 748 million, of which DKK 374 million was accrued and included in the profit for the period. The profit was also adversely affected by the return on the assets of the Fund, all of which are placed in an account with Danmarks Nationalbank.

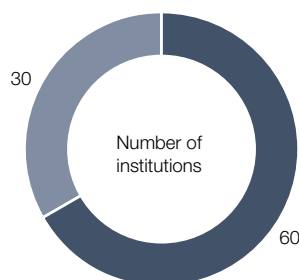
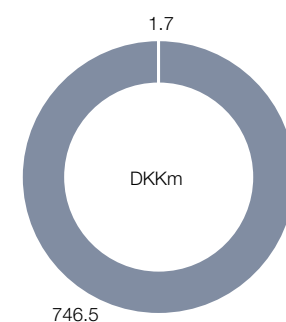
Including the payment of contributions to the Resolution Fund for 2017, a total of DKK 1.8 billion of the Fund's target level of approximately DKK 7.1 billion has been collected. The target level for 2017 has been calculated inclusive of the former company Nordea Bank Danmark A/S, which was converted into a branch effective from 1 January 2017. The target level for 2018 will thus be affected in the same way as is the case for the Guarantee Fund.

As in previous years, most contributions for 2017 were collected from the largest institutions, which are paying risk-adjusted contributions. Thus, 30 institutions contributed DKK 746 million, while the remaining 60 small and medium-sized institutions contributed a total of DKK 2 million. Banks contributed DKK 494 million, mortgage credit institutions contributed DKK 254 million, and investment companies contributed DKK 55 thousand.

## Andelskassen J.A.K. Slagelse

On 31 May 2017, Andelskassen J.A.K. Slagelse under control deposited its licence to carry on banking and securities trading activities. The licence was deposited as part of the winding up of the bank and as a consequence of the fact that the bank no longer performs activities requiring a licence, including acceptance of deposits. The bank was at the same time converted into a financing company with the name of FS Finans V A/S, from which the winding up of remaining loans will take place. Until 1 August 2017, the company's address was in Slagelse, after which date, in line with the previously completed strategy of the group, the winding up was transferred to centralised winding up under Finansielt Stabilitet in Copenhagen.

## Collection of contributions 2017



■ Administratively determined contribution  
 ■ Risk-adjusted contribution

At 30 June 2017, FS Finans V A/S had loans and advances representing a total carrying amount of DKK 78 million and total assets of DKK 94 million.

### Lawsuits and disputes

Finansiel Stabilitet is processing a substantial portfolio of lawsuits which have arisen in connection with the takeover of failing banks.

Finansiel Stabilitet has instituted a number of liability lawsuits against the former managements, among others, of eight of the failing banks taken over.

The lawsuit against the former management of Capinordic Bank was the first liability lawsuit to be heard in court. In October 2015, a judgment was delivered in the case by which the three defendant management members were ordered to pay damages in the total amount of DKK 90.5 million plus statutory interest. The judgment was appealed first by the defendants and subsequently by Finansiel Stabilitet.

In June 2017, a judgment was delivered in the liability lawsuit against the former management of Amagerbanken A/S. The judgment found in favour of the defendants, and Finansiel Stabilitet was ordered to pay legal fees in the amount of DKK 77 million. Finansiel Stabilitet has appealed a part of the judgment as described in detail in the company announcement of 26 June 2017.

In November 2015, the liability lawsuit against the former management and auditors of Roskilde Bank commenced. A judgment in this case will be delivered on 7 November 2017.

In September 2017, the trial hearings will commence in both the liability lawsuit against the former management and auditors of ebh bank a/s and the liability lawsuit against the former management and auditors of EIK Bank Danmark A/S.

## Significant risks

The principal risks affecting Finansiel Stabilitet relate to the winding up of activities that Finansiel Stabilitet has taken over under Bank Packages I-V and the risk of future losses as a result of the restructuring and resolution of failing banks etc. resulting in losses on covered deposits.

To reflect the financial distribution between Bank Package I-V activities, the Depositor and Investor Guarantee Scheme and the Resolution Fund, Finansiel Stabilitet's risks are similarly distributed among the three segments.

The significant risks in each segment are described in detail in Finansiel Stabilitet's Annual Report 2016 to which reference is made for further information about risks and risk management.

## Events after the balance sheet date

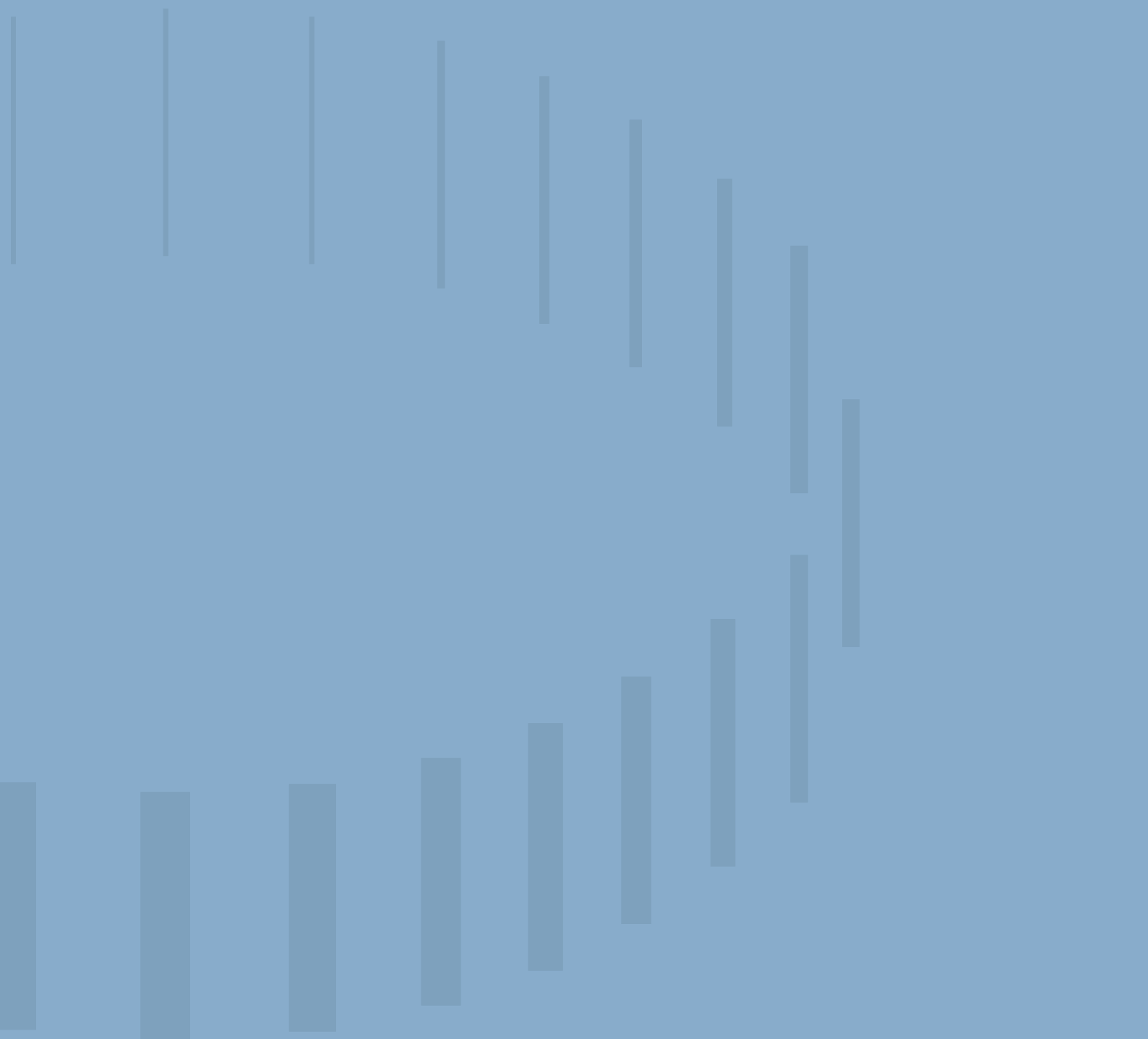
No significant events have occurred after the end of the reporting period.

## Outlook for 2017

The profit forecast for 2017 is determined for each of the three segments of the Finansiel Stabilitet Group. For the Resolution Fund, a profit of approx. DKK 700 million is expected, corresponding to the expected payments from the institutions that have an obligation to pay contributions to the Resolution Fund. The Bank Package I-V activities and the Guarantee Fund are expected to post losses. The performance of the three segments will be affected by an expected negative return on the assets.

The outlook is subject to some uncertainty due to the continued substantial uncertainty about the 2017 results of the activities relating to the Bank Package I-V activities.

# Financial statements





# Income and comprehensive income statement

(DKKm)	Note	Group		Parent	
		H1 2017	H1 2016	H1 2017	H1 2016
<b>Interest and fees</b>					
Interest income	4	(39)	29	(47)	9
Interest expense	5	0	14	(7)	9
<b>Net interest income</b>		<b>(39)</b>	<b>15</b>	<b>(40)</b>	<b>0</b>
Share dividends etc.		0	1	0	1
Contributions to the Resolution Fund		374	365	374	365
Fees and commissions received		4	4	3	3
Fees and commissions paid		0	1	0	1
<b>Net interest and fee income</b>		<b>339</b>	<b>384</b>	<b>337</b>	<b>368</b>
Market value adjustments	6	(1)	(35)	1	(13)
Other operating income		42	165	25	183
Staff costs and administrative expenses	7	76	82	61	51
Other operating expenses		74	28	2	11
Impairment losses on loans, advances and receivables, etc.	8	(52)	(174)	(12)	(136)
Profit/(loss) from investments in associates and subsidiaries		0	9	6	(33)
Purchase price and dowry adjustment		6	3	(30)	11
<b>Profit/(loss) for the period before tax</b>		<b>288</b>	<b>590</b>	<b>288</b>	<b>590</b>
Tax		0	0	0	0
<b>Profit/(loss) for the period</b>		<b>288</b>	<b>590</b>	<b>288</b>	<b>590</b>
<b>Statement of comprehensive income</b>					
Profit/(loss) for the period		288	590	288	590
Other comprehensive income after tax		0	0	0	0
<b>Total comprehensive income</b>		<b>288</b>	<b>590</b>	<b>288</b>	<b>590</b>
<b>Distributed on:</b>					
Finansiel Stabilitet		(51)	243	(51)	243
Resolution Fund		370	365	370	365
Guarantee Fund		(31)	(18)	(31)	(18)
<b>Total comprehensive income</b>		<b>288</b>	<b>590</b>	<b>288</b>	<b>590</b>

# Balance sheet

(DKKm)	Note	Group			Parent		
		30.06. 2017	31.12. 2016	30.06. 2016	30.06. 2017	31.12. 2016	30.06. 2016
<b>ASSETS</b>							
Cash in hand and demand deposits with central banks		15,703	15,034	15,689	15,703	15,034	15,689
Due from credit institutions and central banks		304	390	426	89	133	141
Loans, advances and other receivables at fair value		0	0	18	0	0	18
Loans, advances and other receivables at amortised cost		320	482	591	97	135	139
Bonds at fair value		39	34	242	35	29	237
Shares, etc.		152	198	379	103	149	190
Investments in associates		43	43	49	43	43	49
Investments in subsidiaries		0	0	0	613	606	596
Investment properties		35	35	98	1	1	44
Guarantees provided by banks, mortgage credit institutions and investment companies		4,215	4,215	4,215	4,215	4,215	4,215
Receivable re. loss guarantee from the Danish state relating to Roskilde Bank		2,550	2,550	2,550	2,550	2,550	2,550
Purchase price and dowry adjustment receivable		0	0	0	1,699	1,729	1,851
Other assets		243	270	431	282	249	342
Prepayments		1	2	0	1	2	0
<b>Total assets</b>		<b>23,605</b>	<b>23,253</b>	<b>24,688</b>	<b>25,431</b>	<b>24,875</b>	<b>26,061</b>

# Balance sheet

(DKKm)	Note	30.06. 2017	Group 31.12. 2016	30.06. 2016	30.06. 2017	Parent 31.12. 2016	30.06. 2016
<b>EQUITY AND LIABILITIES</b>							
<b>Liabilities</b>							
Due to credit institutions and central banks		4	5	5	0	0	0
Deposits and other payables		0	97	160	0	0	0
Loans through the state-funded re-lending scheme		0	0	800	0	0	800
Other liabilities		698	866	1,160	2,915	3,015	3,276
Deferred income		374	0	365	374	0	365
<b>Total liabilities</b>		<b>1,076</b>	<b>968</b>	<b>2,490</b>	<b>3,289</b>	<b>3,015</b>	<b>4,441</b>
<b>Provisions</b>							
Provision for losses on guarantees		167	183	208	77	83	108
Purchase price adjustment (earn-out)		207	213	249	0	0	0
Other provisions	9	128	150	554	38	38	325
<b>Total provisions</b>		<b>502</b>	<b>546</b>	<b>1,011</b>	<b>115</b>	<b>121</b>	<b>433</b>
<b>Total liabilities</b>		<b>1,578</b>	<b>1,514</b>	<b>3,501</b>	<b>3,404</b>	<b>3,136</b>	<b>4,874</b>
<b>Equity</b>							
Finansiel Stabilitet		7,393	7,444	7,244	7,393	7,444	7,244
Guarantee Fund		13,183	13,214	13,227	13,183	13,214	13,227
Resolution Fund		1,451	1,081	716	1,451	1,081	716
<b>Total equity</b>		<b>22,027</b>	<b>21,739</b>	<b>21,187</b>	<b>22,027</b>	<b>21,739</b>	<b>21,187</b>
<b>Total equity and liabilities</b>		<b>23,605</b>	<b>23,253</b>	<b>24,688</b>	<b>25,431</b>	<b>24,875</b>	<b>26,061</b>

# Statement of changes in equity

Group (DKKm)	H1 2017					2016
	Finansiel Stabilitet		Guarantee Fund	Resolution Fund	Total equity	
	Subordinated assets	Retained earnings				
<b>Equity as at 1 January</b>	<b>1</b>	<b>7,443</b>	<b>13,214</b>	<b>1,081</b>	<b>21,739</b>	<b>20,597</b>
Comprehensive income for the period	-	(51)	(31)	370	288	1,142
<b>Equity as at 30 June</b>	<b>1</b>	<b>7,392</b>	<b>13,183</b>	<b>1,451</b>	<b>22,027</b>	<b>21,739</b>

Parent (DKKm)	H1 2017					2016
	Finansiel Stabilitet		Guarantee Fund	Resolution Fund	Total equity	
	Subordinated assets	Retained earnings				
<b>Equity as at 1 January</b>	<b>1</b>	<b>7,443</b>	<b>13,214</b>	<b>1,081</b>	<b>21,739</b>	<b>20,597</b>
Comprehensive income for the period	-	(51)	(31)	370	288	1,142
<b>Equity as at 30 June</b>	<b>1</b>	<b>7,392</b>	<b>13,183</b>	<b>1,451</b>	<b>22,027</b>	<b>21,739</b>

# Cash flow statement

(DKKm)	Group	
	H1 2017	H1 2016
<b>Cash flows from operating activities</b>		
Profit/(loss) for the period after tax	288	590
Adjustment for non-cash operating items	(53)	(191)
Cash flows from operating capital	391	235
<b>Cash flows from operating activities</b>	<b>626</b>	<b>634</b>
<b>Cash flows from investing activities</b>		
Purchase/sale of property, plant and equipment	-	155
<b>Cash flows from investing activities</b>	<b>-</b>	<b>155</b>
<b>Cash flows from financing activities</b>		
Loans through the state-funded re-lending scheme	-	-
Dividend	-	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the period	15,227	15,187
Change during the period	626	789
<b>Cash and cash equivalents at the end of the period</b>	<b>15,853</b>	<b>15,976</b>

# Notes

## 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 in accordance with the Danish Financial Business Act in respect of the parent company. The accounting policies are consistent with those applied in the consolidated and parent company financial statements for 2016.

Finansiel Stabilitet has implemented the IFRS standards and interpretations taking effect for 2017. The implementation of these did not affect recognition or measurement in H1 2017.

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

The estimates and assumptions applied are based on historical experience and other factors that Management considers reasonable 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 the 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 as a result of new information or subsequent events.

The accounting estimates and the related uncertainty concern the same issues as those prevailing at the preparation of the consolidated and parent company financial statements for 2016.

# Notes

## 2. Segment information for the Group

Activities 1 January – 30 June (DKKm)	Bank Packages I-V		Guarantee Fund		Resolution Fund		Elimina- tions		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Net interest income	(13)	6	(27)	3	1	6			(39)	15
Contributions to the new Guarantee Fund and the Resolution Fund	-	-	0	0	374	365			374	365
Other net fee income and market value adjustments, etc.	3	(28)	0	(3)	0	0			3	(31)
Purchase price and dowry adjustment	15	(14)	(9)	17	-	0			6	3
Other operating income/expenses, net	(38)	172	9	(32)	8	8	(11)	(11)	(32)	137
Operating expenses	66	76	4	3	17	14	(11)	(11)	76	82
Impairment losses on loans, advances and receivables, etc.	(48)	(174)	0	0	(4)	0			(52)	(174)
Profit/(loss) from investments in associates and subsidiaries	0	9	0	0	0	0			0	9
<b>Profit/(loss) for the period</b>	<b>(51)</b>	<b>243</b>	<b>(31)</b>	<b>(18)</b>	<b>370</b>	<b>365</b>			<b>288</b>	<b>590</b>
<b>Total assets at 30 June</b>	<b>9,278</b>	<b>10,938</b>	<b>13,183</b>	<b>13,904</b>	<b>1,848</b>	<b>1,296</b>	<b>(704)</b>	<b>(1,450)</b>	<b>23,605</b>	<b>24,688</b>
<b>Total assets at 31 December</b>		<b>9,542</b>		<b>13,872</b>		<b>1,216</b>		<b>(1,377)</b>		<b>23,253</b>
<b>Total liabilities at 30 June</b>	<b>1,885</b>	<b>3,694</b>	<b>0</b>	<b>677</b>	<b>397</b>	<b>580</b>	<b>(704)</b>	<b>(1,450)</b>	<b>1,578</b>	<b>3,501</b>
<b>Total liabilities at 31 December</b>		<b>2,073</b>		<b>658</b>		<b>160</b>		<b>(1,377)</b>		<b>1,514</b>
<b>Investments in associates</b>										
<b>at 30 June</b>	<b>43</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>43</b>	<b>49</b>
<b>Investments in associates</b>										
<b>at 31 December</b>		<b>43</b>		<b>0</b>		<b>0</b>				<b>43</b>

# Notes

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

Activities 1 January – 30 June (DKKm)	Bank Packages I and II		Bank Packages III and IV		Bank Package V		Eliminations		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Net interest income	(11)	6	(2)	3	0	(3)			(13)	6
Other net fee income and market value adjustments, etc.	4	(8)	(1)	(25)	0	5			3	(28)
Purchase price and dowry adjustment	(21)	(6)	36	(8)	0	0			15	(14)
Other operating income/expenses, net	24	158	(56)	29	0	0	(6)	(15)	(38)	172
Operating expenses	59	52	13	37	0	2	(6)	(15)	66	76
Impairment losses on loans, advances and receivables, etc.	(12)	(136)	(36)	(38)	0	0			(48)	(174)
Profit/(loss) from investments in associates and subsidiaries	0	9	0	0	0	0			0	9
<b>Profit/(loss) for the period</b>	<b>(51)</b>	<b>243</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>(51)</b>	<b>243</b>
<b>Total assets at 30 June</b>	<b>9,867</b>	<b>10,618</b>	<b>2,248</b>	<b>2,517</b>	<b>0</b>	<b>350</b>	<b>(2,867)</b>	<b>(2,547)</b>	<b>9,278</b>	<b>10,938</b>
<b>Total assets at 31 December</b>		<b>10,044</b>		<b>2,396</b>		<b>46</b>		<b>(2,944)</b>		<b>9,542</b>
<b>Total liabilities at 30 June</b>	<b>2,504</b>	<b>3,374</b>	<b>2,194</b>	<b>2,480</b>	<b>0</b>	<b>349</b>	<b>(2,813)</b>	<b>(2,509)</b>	<b>1,885</b>	<b>3,694</b>
<b>Total liabilities at 31 December</b>		<b>2,575</b>		<b>2,353</b>		<b>45</b>		<b>(2,900)</b>		<b>2,073</b>
<b>Investments in associates at 30 June</b>	<b>43</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>43</b>	<b>49</b>
<b>Investments in associates at 31 December</b>		<b>43</b>		<b>0</b>		<b>0</b>				<b>43</b>



# Notes

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

### Segment information for the parent company

In connection with the conversion of Finansiell Stabilitet into an independent public company and the takeover of the Guarantee Fund for Depositors and Investors, the former segmentation was changed to the effect that there are now three principal segments: Bank Package activities, the Guarantee Fund under the Depositor and Investor Guarantee Scheme and the Resolution Fund under the Resolution Department.

### Bank Package activities

This principal segment comprises the former entity Finansiell Stabilitet A/S and consists of the sub-segments: Bank Packages I and II, Bank Packages III and IV and Bank Package V.

### Bank Packages I and II

This segment now consists of the activities under the original Bank Package I and the activities under Bank Package II. These two areas of activity were combined as from 2015 in connection with Finansiell Stabilitet's assumption of the risk associated with individual government guarantees according to agreement with the Danish state.

### Bank Packages III and IV

As previously, this segment comprises the activities related to banks taken over under the exit and consolidation packages, i.e. FS Finans I (Sparebank Østjylland af 2012), FS Finans II (Max Bank af 2011), FS Finans III (Amagerbanken af 2011) and FS Finans IV (Fjordbank Mors af 2011).

### Bank Package V

As previously, this segment comprises the winding-up activities relating to FS Property Finance.

### The Guarantee Fund under the Depositor and Investor Guarantee Scheme

This principal segment comprises Finansiell Stabilitet's activities relating to the Guarantee Fund, which can be divided into four sub-departments: The Banking, Mortgage Credit, Investment Company and Resolution/Restructuring departments.

### The Resolution Fund under the Resolution Department

This principal segment comprises Finansiell Stabilitet's activities relating to the Resolution Fund.

# Notes

## 3. Segment information for the parent company

Activities 1 January – 30 June (DKKm)	Bank Package activities		Guarantee Fund		Resolution Fund		Eliminations		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Net interest income</b>	<b>(13)</b>	<b>(3)</b>	<b>(27)</b>	<b>3</b>	<b>1</b>	<b>0</b>			<b>(39)</b>	<b>0</b>
Contributions to the Guarantee Fund and the Resolution Fund	-	-	0	0	374	365			374	365
Other net fee income and market value adjustments, etc.	3	(7)	0	(3)	0	0			3	(10)
Purchase price and dowry adjustment	15	(6)	(9)	17	-	-			6	11
Other operating income/expenses, net	(38)	207	9	(32)	8	8	(11)	(11)	(32)	172
Operating expenses	66	51	4	3	17	8	(11)	(11)	76	51
Impairment losses on loans, advances and receivables, etc.	(48)	(136)	0	0	(4)	0			(52)	(136)
Profit/(loss) from investments in associates and subsidiaries	0	(33)	0	0	0	389			0	356
<b>Profit/(loss) for the period</b>	<b>(51)</b>	<b>243</b>	<b>(31)</b>	<b>(18)</b>	<b>370</b>	<b>754</b>			<b>288</b>	<b>979</b>
<b>Total assets at 30 June</b>	<b>10,416</b>	<b>11,715</b>	<b>13,183</b>	<b>13,904</b>	<b>1,840</b>	<b>1,108</b>	<b>(8)</b>	<b>(666)</b>	<b>25,431</b>	<b>26,061</b>
<b>Total assets at 31 December</b>		<b>10,558</b>		<b>13,872</b>		<b>1,110</b>		<b>(665)</b>		<b>24,875</b>
<b>Total liabilities at 30 June</b>	<b>3,023</b>	<b>4,471</b>	<b>0</b>	<b>677</b>	<b>389</b>	<b>392</b>	<b>(8)</b>	<b>(666)</b>	<b>3,404</b>	<b>4,874</b>
<b>Total liabilities at 31 December</b>		<b>3,114</b>		<b>658</b>		<b>29</b>		<b>(665)</b>		<b>3,136</b>

# Notes

(DKKm)	Group		Parent	
	H1 2017	H1 2016	H1 2017	H1 2016
<b>4. Interest income</b>				
Due from credit institutions and central banks	(49)	2	(50)	0
Loans, advances and other receivables at amortised cost	9	22	2	4
Bonds	0	3	0	3
Other interest income	1	2	1	2
<b>Total</b>	<b>(39)</b>	<b>29</b>	<b>(47)</b>	<b>9</b>
<b>5. Interest expense</b>				
Credit institutions and central banks	0	5	0	0
Loans through the state-funded re-lending scheme	0	9	0	9
Other interest expense	0	0	(7)	0
<b>Total</b>	<b>0</b>	<b>14</b>	<b>(7)</b>	<b>9</b>
<b>6. Market value adjustments</b>				
Bonds	7	(4)	7	(3)
Shares, etc.	(5)	(24)	(6)	0
Investment properties	0	(2)	0	0
Currency	(18)	(1)	0	(1)
Foreign exchange, interest rate, share, commodity and other contracts and derivative financial instruments	15	4	0	(1)
Other assets and liabilities	0	(8)	0	(8)
<b>Total</b>	<b>(1)</b>	<b>(35)</b>	<b>1</b>	<b>(13)</b>

# Notes

(DKKm)	Group		Parent	
	H1 2017	H1 2016	H1 2017	H1 2016
<b>7. Staff costs and administrative expenses</b>				
Salaries and remuneration to Board of Directors and Management Board:				
Management Board	1	1	1	1
Board of Directors	1	1	1	1
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Staff costs				
Salaries	20	16	14	12
Pensions	2	3	2	3
<b>Total</b>	<b>22</b>	<b>19</b>	<b>16</b>	<b>15</b>
Other administrative expenses	52	61	43	34
<b>Total</b>	<b>76</b>	<b>82</b>	<b>61</b>	<b>51</b>

(DKKm)	Impairm. 1 Jan.	Move- ment in impairm.	Impairm. 30 June	Impact on operations
<b>8. Impairment losses on loans, advances and receivables, etc.</b>				
Loans and advances at amortised cost	5,347	(752)	4,595	
Guarantees	183	(16)	167	
<b>Impairment for H1 2017</b>	<b>5,530</b>	<b>(768)</b>	<b>4,762</b>	<b>(52)</b>
Impairment for H1 2016	7,261	(1,147)	6,114	(174)

(DKKm)	Group		Parent	
	H1 2017	H1 2016	H1 2017	H1 2016
<b>9. Other provisions</b>				
Litigation	65	415	4	298
Other provisions	63	139	34	27
<b>Total</b>	<b>128</b>	<b>554</b>	<b>38</b>	<b>325</b>

# Notes

(DKKm)

## 10. Contingent assets and liabilities

### Tax

The Group has a tax asset of 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.

### FIH

In March 2012, Finansiel Stabilitet concluded an agreement with FIH for the takeover of a significant portfolio of property exposures with a view to winding up. In connection with the preliminary approval of the transaction, the European Commission announced in December 2013 that it found the transaction to be compatible with its rules on state aid, provided that certain elements of the transaction structure were modified, including that FIH paid DKK 310 million to Finansiel Stabilitet. FIH has

deposited a total amount, including interest, of DKK 351 million with Finansiel Stabilitet. In the spring of 2014, FIH decided to appeal the European Commission's ruling. Due to the uncertainty as to the final outcome, the amount of DKK 351 million is treated as a contingent asset.

### Other contingent liabilities

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

## 11. 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.

# Statement by Management

The Board of Directors and the Management Board have today considered and adopted the interim report of Finansielt Stabilitet for the six months ended 30 June 2017.

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.

The interim report has been neither audited nor reviewed.

In our opinion, the interim financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 30 June 2017 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 2017.

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, 24 August 2017

## Management Board

Henrik Bjerre-Nielsen  
CEO

## Board of Directors:

Peter Engberg Jensen  
Chairman

Bent Naur  
Deputy Chairman

Nina Dietz Legind

Bente Overgaard

Bendt Wedell

Anne Louise Eberhard

Ulrik Rammeskov Bang-Pedersen

# Company details

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CVR no. 30 51 51 45

Established: 13 October 2008  
Municipality  
of registered  
office: Copenhagen

## Board of Directors

Peter Engberg Jensen (Chairman)  
Bent Naur (Deputy Chairman)  
Nina Dietz Legind  
Bente Overgaard  
Bendt Wedell  
Anne Louise Eberhard  
Ulrik Rammeskow Bang-Pedersen

## Management Board

Henrik Bjerre-Nielsen

## Auditors

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Landgreven 4  
DK-1301 Copenhagen K

Deloitte  
Statsautoriseret Revisionspartnerselskab  
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