

# ANNUAL REPORT

REVIEW AND FINANCIAL STATEMENTS **2013**

**THE GUARANTEE FUND** FOR DEPOSITORS AND INVESTORS

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# MANAGEMENT'S REVIEW

## THE GUARANTEE FUND IN 2013: EVENTS AND FINANCIAL HIGHLIGHTS

### The Fund's activities and results in 2013

The departments of the Guarantee Fund reported an overall profit of DKK 1.8 billion in 2013. The two departments of the Guarantee Fund mainly contributing to the results were the Banking Department, which posted a profit of DKK 1.9 billion, and the Winding-up and Restructuring Department, which posted a loss of DKK 0.1 billion. The other departments had no material effect on the Fund's financial results. The Guarantee Fund's profit was mainly driven by payments from the members of the Guarantee Fund of DKK 2.2 billion.

In 2013, contributions of DKK 2 billion were charged from the members of the Banking Department. The winding up of Max Bank af 2011 resulted in additional losses in 2013, which means that a DKK 0.1 billion repayment of previously distributed dowry can be expected. As a result, the Banking Department reported a profit of DKK 1.9 billion in 2013.

The Banking Department of the Guarantee Fund in 2012 began to build up net wealth to cover potential future losses. Over a period of several years, the Guarantee Fund will build up net wealth up to 1% of the covered net deposits. Based on the current level of covered net deposits, this equals approximately DKK 8.4 billion. At 31 December 2013, the Banking Department had total net wealth of DKK 3.9 billion, including expected dividends of DKK 0.1 billion recognised by way of interpretation of the statutory provisions.

In the period 2010–2013, the Guarantee Fund has paid a net amount of DKK 3.2 billion in connection with the suspension of payments, bankruptcy or winding up of six institutions under the Act on Financial Stability.

The Winding-up and Restructuring Department's loss of DKK 0.1 billion was mainly due to an additional expected loss of DKK 0.3 billion in 2013 calculated by Finansielt Stabilitet A/S in connection with the winding up of Fjordbank Mors af 2011 A/S, which is to be covered by

the loss guarantee provided by the Winding-up and Restructuring Department of the Guarantee Fund.

In connection with the transfer of the activities of Sparekassen Lolland to Jyske Bank at the beginning of 2013, the Guarantee Fund for Depositors and Investors confirmed to the institutions that, pursuant to section 7 a of the Act on a Guarantee Fund for Depositors and Investors, the Guarantee Fund would cover actual costs incurred in relation to Sparekassen Lolland's withdrawal from the data centre used up to the date of the takeover. Based on the information received, a provision of DKK 84 million was made in the 2013 financial statements.

Moreover, in 2013 the Winding-up and Restructuring Department recognised commissions of DKK 96 million in connection with the issuance of loss guarantees, and the banks paid DKK 215 million during the year to re-establish the Department's assets. In addition, the banks have paid DKK 176 million concerning a receivable from 2012. Accordingly, the banks paid a total amount of DKK 391 million in 2013.

After recognition of the loss of DKK 118 million, the Winding-up and Restructuring Department's net wealth at 31 December 2013 amounted to DKK 4,082 million and are thus below the minimum requirement of DKK 4,200 million. Not later than in connection with the upcoming adjustment of contributions at 1 July 2014, an additional contribution, provisionally calculated at DKK 118 million, must be collected from institutions affiliated with the Winding-up Department.

### Loss guarantees provided

The Winding-up and Restructuring Department of the Guarantee Fund has issued loss guarantees to Finansielt Stabilitet A/S in connection with the winding up of Amagerbanken af 2011, Fjordbank Mors af 2011, Max Bank af 2011 and Sparebank Østjylland af 2012 A/S. The loss guarantees will take effect if the winding up of an institution produces a lower result than expected. At 31 December 2013, the Guarantee Fund reported a net loss of DKK 0.5 billion on the loss guarantees provided.

## SCOPE OF COVERAGE OF THE GUARANTEE FUND

The Guarantee Fund is a private, self-governing institution established by an act of parliament. The Guarantee Fund provides financial coverage to depositors and investors of all Danish banks, mortgage credit institutions and investment companies as well as certain investment management companies for certain losses in connection with reconstruction or bankruptcy.

In 2010, the scope of coverage of the Guarantee Fund was expanded by the adoption of the Exit Package (Bank Package III). In that connection, a department for winding up was established under the Guarantee Fund. The Winding-up Department is intended to ensure that Finansiel Stabilitet A/S receives coverage for any losses arising in connection with the winding up of distressed banks under the Exit Package.

In June 2011, it became possible for the Guarantee Fund to provide a so-called dowry by injecting funds or providing a guarantee for the coverage of the unsubordinated creditors of a distressed bank which is taken over by another bank (the Dowry Scheme). This option was expanded by the agreement on the Consolidation Package (Bank Package IV), which was concluded in September 2011. In that connection, the Danish State was given the possibility of providing a dowry.

In 2012, the Winding-up Department was expanded into a Winding-up and Restructuring Department, which can contribute to a reconstruction, among other things by covering costs associated with withdrawing from a data centre in connection with the merger of a distressed bank or the takeover of assets under Part 4 b-d of the Act on Financial Stability.

### Scope of coverage

Coverage provided by the Guarantee Fund for registered deposits and cash funds has been limited to EUR 100,000 (approximately DKK 745,000) for each depositor with each institution (banks, mortgage credit institutions,

investment companies and investment management companies).

Coverage is calculated net of any loans or other liabilities vis-à-vis the relevant institution. However, certain account types are fully covered, including cash deposits into annuity pension and capital pension schemes.

The coverage limit follows from the EU directive on deposit guarantee schemes, and the limit has therefore been uniform for all member states that have implemented this amendment.

### Securities

The Guarantee Fund also manages the investor compensation scheme. This means that investors may receive coverage of up to EUR 20,000 (approximately DKK 150,000) in the event of difficulties in having securities delivered from an institution in reconstruction or bankruptcy. It is a requirement that the distressed institution is comprised by the investor compensation scheme.

Coverage is calculated net of any loans or other liabilities vis-à-vis the relevant institution.

### Branches

Danish branches of foreign institutions are generally covered by the deposit guarantee scheme applicable in the home country of the foreign institution. It is possible for such branches to apply for supplementary coverage under the Danish guarantee scheme.

Branches in Denmark of Svenska Handelsbanken AB, Swedbank AB, Nordnet Bank AB, Skandinaviska Enskilda Banken AB, Ikano Bank AB, Carnegie Investment Bank AB and Banque Internationale a' Luxembourg S.A. have applied for coverage under the Guarantee Fund as a supplement to the coverage provided by the national guarantee schemes. As a result of the affiliation of these branches to the Danish guarantee scheme, the Guarantee Fund has entered into an agreement with the Swedish guarantee scheme on a collaboration if a Swedish institution with a branch in Denmark should become

distressed (see "Other international activities" below for additional information). A similar agreement is expected to be concluded with the Luxembourg guarantee scheme in 2014.

**Detailed information on coverage**

Additional information on the Guarantee Fund's coverage is provided on the Guarantee Fund's website, [www.gii.dk](http://www.gii.dk).

**DEPARTMENTS OF THE GUARANTEE FUND**

At 31 December 2013, the Guarantee Fund comprised 150 institutions: 99 banks (7 foreign banks), 7 mortgage credit institutions, 40 investment companies and 4 investment management companies.

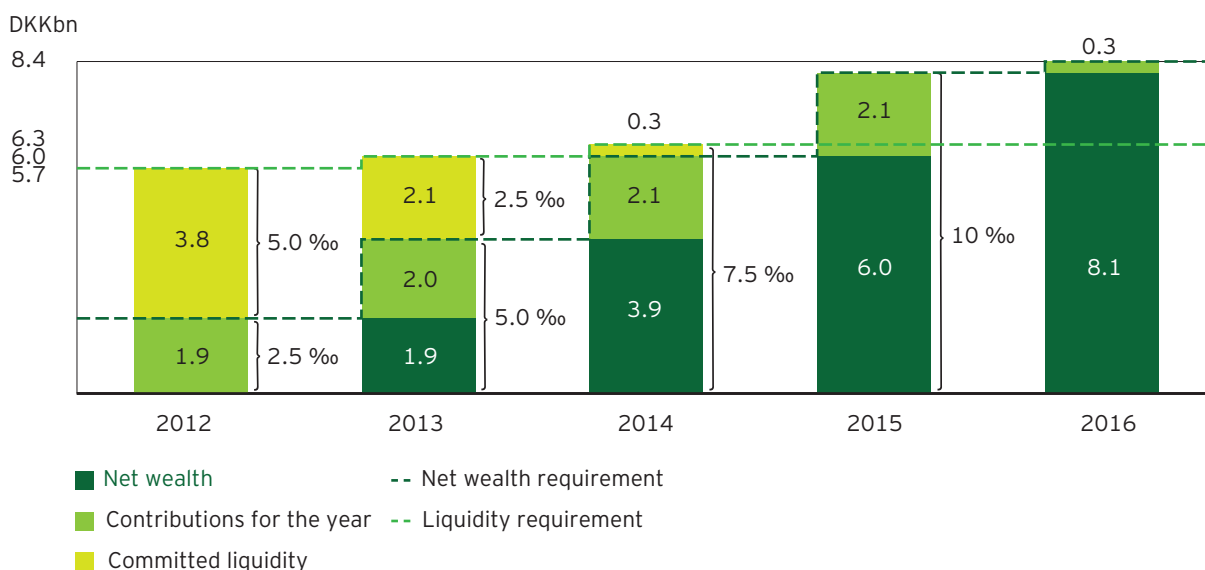
The institutions are distributed on the four departments of the Guarantee Fund: The Banking Department, the Mortgage Credit Department, the Investment Company Department (investment companies and certain investment management companies) and the Winding-up and Restructuring Department.

**FUNDING OF THE GUARANTEE FUND**

Pursuant to Consolidation Act no. 1271 of 4 November 2013, the Banking Department is funded by way of a fixed annual contribution from the banks.

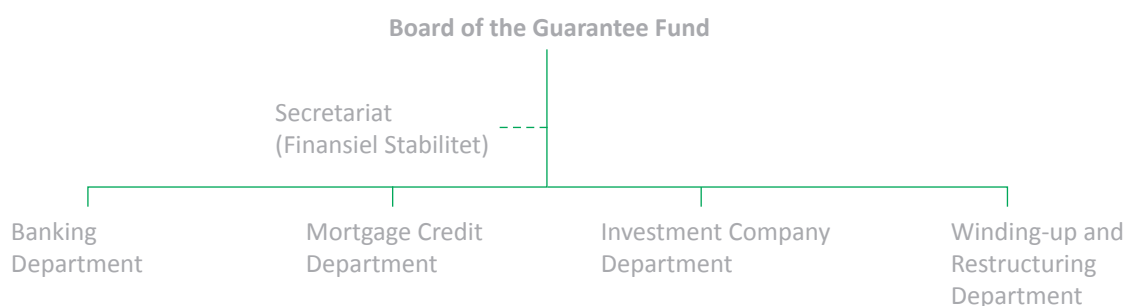
The annual contribution payable by the banks to the Banking Department will constitute 0.25% of the covered

**Figure 1**



Note: The covered net deposits amounted to DKK 822.5 billion in 2013. At the time of calculation for 2014, the covered net deposits amounted to DKK 843.4 billion. Consequently, the amount equalling 0,25% of the covered net deposits increased from DKK 2.0 billion in 2013 to DKK 2.1 billion in 2014. This amount is assumed to remain unchanged from 2015 to 2016.

**Figure 2**



net deposits calculated at 1 October of the preceding year. Payment is to be effected on 10 January of the year which the contribution concerns.

The banks' obligation to pay contributions will cease if the net wealth of the Banking Department exceed 1% of the covered net deposits. See figure 1. The obligation to pay contributions will be resumed if the net wealth no longer exceed 1% of the covered deposits.

The Board of the Guarantee Fund is responsible for ensuring that the Banking Department has adequate liquidity. The aggregate liquidity in the form of liquid assets and loan commitments must at all times equal at least 0.75% of the covered deposits. Subject to negotiations with Danmarks Nationalbank, the Danish FSA may order the Board of the Guarantee Fund to raise the annual contribution extraordinarily if the financial position of the Banking Department so requires.

The Mortgage Credit Department and the Investment Company Department, respectively, are required to have total net wealth of at least DKK 10 million.

The net wealth of the Winding-up and Restructuring Department should amount to DKK 3.2 billion by way of guarantees from banks that have an obligation to pay contributions. In addition, the Department must have net

wealth of DKK 1 billion earmarked for restructuring, including for coverage of costs in connection with withdrawal from data centres. This part of the net wealth must consist of guarantees or cash payments from banks that are required to pay contributions.

Act no. 273 of 27 March 2012 was not put into effect for the Faroe Islands by order in due time for it to form the basis of the calculation of contribution payable by Faroese banks. In 2012, this gave rise to challenges with respect to the charging of contributions, because the payment of contribution as well as the calculation thereof were different under the current rules and the previous rules, which still applied to the calculation of contribution for the Faroe Islands in 2012. In 2012, the Faroese institutions paid close to DKK 9 million under the new rules of funding and calculation of contributions. As a result of the described uncertainty relating to the calculation method, the amount was recognised as debt in the Guarantee Fund's financial statements for 2012. Because the Faroese institutions have subsequently waived repayment of the contributions paid for 2012, the amount of DKK 9 million was recognised as income in the financial statements for 2013.

## FINANCIAL POSITION OF THE GUARANTEE FUND

The liquid net wealth of the Guarantee Fund are expected to increase to approximately DKK 8.4 billion in the period until 2016. See figure 1. Against this background, the Board of the Guarantee Fund in 2013 discussed the structure of an investment strategy which would comply with the requirements of clause 8 of the Fund's articles of association that

- *The Fund's assets are deposited in an account and a custody account with Danmarks Nationalbank. The funds are placed at the best rate of interest achievable with due consideration to ensuring that the funds are securely placed and that sufficient funds are available at any given time.*

At a board meeting held in January 2014, the Board of Directors, based on a weighing of risk against the very low level of interest rates, resolved that the Fund's liquid net wealth should remain deposited with Danmarks Nationalbank for the time being. The Board will reconsider the investment strategy as and when the interest rate level changes, thereby ensuring compliance with the Fund's articles of association from time to time.

For all departments, the distribution of contributions will continue to be calculated on the basis of the affiliated institutions' share of the covered net deposits, covered cash funds and covered securities.

With the exception of the Winding-up and Restructuring Department, the departments of the Guarantee Fund may borrow funds from each other.

Moreover, all of the Guarantee Fund's departments may, if the funds of the individual department have been depleted, raise loans in the market against a guarantee provided by the Danish State. In such event, the guarantor will be the Ministry of Business and Growth subject to approval by the Finance Committee of the Danish parliament.

With a view to complying with the requirements as to the liquidity of the Banking Department, which currently amounts to DKK 6.3 billion, the Guarantee Fund has concluded agreements with a number of banks to make committed loan facilities available. At 31 December 2013, committed facilities amounted to DKK 2.9 billion. The committed loan facilities expire in January and May 2014, respectively. New loan facilities of approximately DKK 600 million will need to be raised in the period from May 2014 to January 2015. Accordingly, an EU tender process for committed loan facilities will be initiated in the first half of 2014.

## REGULATORY FRAMEWORK OF THE ACTIVITIES OF THE GUARANTEE FUND

The current Danish regulatory framework governing the Guarantee Fund is Consolidation Act no. 1271 of 4 November 2013 of the Act on a Guarantee Fund for Depositors and Investors. The Danish FSA's Executive Order no. 679 of 27 June 2012 on the Guarantee Fund for Depositors and Investors is ancillary to the act.

The act was most recently amended by Act no. 598 of 12 June 2013 by which amendment managers of alternative investment funds were comprised by the investor guarantee scheme as concerns management of investment portfolios in accordance with the mandates granted by investors on a discretionary basis and non-core services comprising investment advice, safe-keeping and administration in relation to shares or units of collective investment undertakings or reception and transmission of orders in relation to financial instruments.

Moreover, the act has been put into effect for Greenland and the Faroe Islands. The act has been put into effect for Greenland by Order no. 685 of 28 June 2012 on the coming into force in Greenland of the Act on a Guarantee Fund for Depositors and Investors. The act has been put into effect for the Faroe Islands by Order no. 64 of 29 January 2013 on the coming into force in the Faroe Islands of the Act on a Guarantee Fund for Depositors and Investors.

## THE CRISIS MANAGEMENT DIRECTIVE AND THE DEPOSIT GUARANTEE SCHEMES DIRECTIVE

At the end of 2013, an agreement was reached between the European Council and the European Parliament on a text for the Crisis Management Directive (directive on the resolution of distressed credit institutions). The directive is expected to be finally adopted in 2014. The directive must be implemented in Danish legislation by 31 December 2014.

The implementation of the Crisis Management Directive is likely to affect the activities of the Guarantee Fund in a number of areas, including funding and assets. Among other things, it follows from the directive that a special resolution authority will be established and that the covered deposits must be given special priority in the ranking of creditors.

In continuation thereof, the work to revise the Deposit Guarantee Schemes Directive is also expected to be finalised in 2014.

However, due to the Exit and Consolidation Packages of 2012, the Guarantee Fund has already implemented a number of changes reflecting the upcoming framework rules. The Consolidation Package enhanced the Guarantee Fund's possibilities of taking preventive steps in the form of the provision of dowry and also partly changed the Guarantee Fund's financial resources. A part of the Fund's assets thus already consists of cash contributions rather than guarantees. Nevertheless, additional adjustment of the structural framework of the Guarantee Fund is expected.

### Other international work

It follows from the Deposit Guarantee Schemes Directive that if an institution has applied for supplementary coverage under the guarantee scheme in force in the country in which the institution carries on business, either through a branch or as a cross-border enterprise (host country), the home country and the host country are required to enter into an agreement on the rules and

procedures for payout for the purpose of coverage of depositors in the host country. At present, Denmark has concluded bilateral agreements with Sweden, Norway, Iceland, Poland, the UK and the Netherlands. In 2014, the Guarantee Fund will enter into a bilateral agreement with the Luxembourg deposit guarantee scheme, because a branch of a Luxembourg bank applied for supplementary coverage in December 2013. A total of six Swedish banks and one Luxembourg bank with branches in Denmark have applied for supplementary coverage under the Danish guarantee scheme.

In addition, the Guarantee Fund has adopted the multilateral statement of policy of the European Forum of Deposit Insurers (EFDI) concerning cooperation and exchange of information between the national guarantee schemes in connection with failure of institutions with activities in several countries. The multilateral statement of policy applies irrespective of whether an institution has applied for supplementary coverage under a guarantee scheme other than that of the home country. It supplements the bilateral agreements mentioned above. Apart from this, the EFDI mainly focused on the directive negotiations in 2013.

Through its membership of the EFDI, the Danish Guarantee Fund is also a member of the International Association of Deposit Insurers (IADI).

## MANAGEMENT AND ORGANISATION

### Board work in 2013

In 2013, the Board of the Guarantee Fund held two regular board meetings and one extraordinary board meeting held by exchange of documents only. The regular Board meetings scheduled for December 2013 were held in January 2014 due to the replacement of the chairman.

The Board work in 2013 was focused on a number of different tasks. In January, the Guarantee Fund committed to covering the actual costs incurred in relation to the withdrawal of Sparekassen Lolland A/S from its data centre, cf. section 7 a(3) of the Act on a Guarantee Fund



for Depositors and Investors, in connection with the transfer of Sparekassen Lolland A/S's activities to Jyske Bank A/S. In August, the Fund submitted a commented consultation response to the proposed bill concerning the establishment of refinancing registers.

In 2013, the Guarantee Fund entered into a new management agreement with Finansielt Stabilitet A/S, under which Finansielt Stabilitet A/S handles administrative and secretariat functions for the Guarantee Fund. The management agreement will be in force until 30 October 2015 with an optional extension of 12 months by the Guarantee Fund.

Furthermore, the Guarantee Fund's work is focused on ensuring adequate liquidity in the Banking Department, cf. section 7(4) of the Act on a Guarantee Fund for Depositors and Investors. The Banking Department's aggregate liquidity in the form of liquid assets and loan commitments shall at all times be at least 0.75% of covered net deposits. With a view to complying with this requirement, the Guarantee Fund extended agreements on committed loan facilities for a total of DKK 2.9 billion in March, November and December 2013, respectively. The Guarantee Fund's activities in 2013 did not require any drawings on these facilities.

## BOARD OF THE GUARANTEE FUND

The Fund is managed by a Board consisting of eight members appointed by the Minister for Business and Growth for terms of three years. In 2013, the Board was composed as follows:

### **Chairman**

Charlotte Møller, CFO (from 1 January 2013 to 31 October 2013)

Professor Ulrik Rammeskov Bang-Pedersen, LL.D. (from 1 November 2013)

### **Deputy Chairman**

Professor Ulrik Rammeskov Bang-Pedersen, LL.D. (from 1 January 2013 to 31 October 2013)

## **Department representatives**

### **Banking Department**

Jørgen A. Horwitz, Director, The Danish Bankers Association

Klaus Willerslev-Olsen, Deputy Director, The Danish Bankers Association (from 1 January 2013 to 29 November 2013)

Susanne Dolberg, Vice President, The Danish Bankers Association (from 30 November 2013)

### **Mortgage Credit Department**

Ane Arnth Jensen, Managing Director, The Association of Danish Mortgage Banks

### **Investment Company Department**

Claus N. Sørensen, Stockbroker, FormueFyn Fondsmæglerelskab A/S

## **Representatives of depositors and investors**

Morten Bruun Pedersen, Economist, The Danish Consumer Council

Tine Roed, Director, The Confederation of Danish Industry

Alternates have been appointed for each of the board members who are representatives of the institutions comprised by the Fund or representatives of depositors and investors.

The former Chairman, Charlotte Møller resigned from the Board of the Guarantee Fund on 1 November 2013, and Ulrik Rammeskov Bang-Pedersen was appointed new Chairman of the Board.

At the end of November 2013, Susanne Dolberg replaced Klaus Willerslev-Olsen as representative of the Danish Bankers' Association.

The members of the Board of the Guarantee Fund have been appointed for the period until 31 October 2016.

# FINANCIAL REVIEW

## THE GUARANTEE FUND

The Guarantee Fund posted a profit of DKK 1,812 million in 2013, against a profit of DKK 22 million in 2012. The profit consisted primarily of payments from members of the Banking Department.

DKKm	2013	2012	Differ- ence
Premium income from banks	2,049	506	1,543
Commission received on loss guarantees provided	96	257	(161)
Payments from members	215	89	126
Dividend received and dowry repaid	3	713	(710)
Expected repayment of dowry provided	(93)	0	(93)
<b>Income</b>	<b>2,270</b>	<b>1,565</b>	<b>705</b>
Dowry provided	0	(1,004)	1,004
Expected IT withdrawal costs related to the restructuring of a bank	(84)	0	(84)
Provision for losses on guarantees	(341)	(527)	186
Net interest and market value adjustments	(27)	(4)	(23)
Costs	(6)	(8)	2
<b>Total expenses</b>	<b>(458)</b>	<b>(1,543)</b>	<b>1,085</b>
<b>Profit for the year</b>	<b>1,812</b>	<b>22</b>	<b>1,790</b>

As shown in the table below, the development from 2012 to 2013 resulted from issues in the Banking Department as well as in the Winding-up and Restructuring Department.

DKKm	2013	2012	Difference
Profit for the year, Banking Department	1,930	200	1,730
Profit/(loss) for the year, Winding-up and Restructuring Department	(118)	(178)	60
<b>Profit for the year</b>	<b>1,812</b>	<b>22</b>	<b>1,790</b>

## BANKING DEPARTMENT

DKKm	2013	2012
Premium income from banks	2,049	506
Dowry provided less dividend/dowry repayment	(90)	(291)
Interest expense for loan facilities	(24)	(18)
Net interest and market value adjustments, etc.	(5)	3
<b>Profit for the year, Banking Department</b>	<b>1,930</b>	<b>200</b>
Net wealth:		
Liquid net wealth	3,725	1,493
Expected dividend, estate in bankruptcy	148	450
<b>Total net wealth of the Department</b>	<b>3,873</b>	<b>1,943</b>

*The above is detailed further in the notes to the financial statements.*

In 2012, the Banking Department introduced a new funding model under which the banks pay contributions according to an insurance model. According to this model, the net wealth of the Banking Department are to be built up over a period of several years until it equals 1% of the covered net deposits. The annual contribution of the institutions is 0.25% of the covered net deposits. In 2013, premium income from the banks amounted to DKK 2,049 million.

In 2012, the Guarantee Fund received distributions from the calculated dowry amount from Sparebank Østjylland af 2012 and Max Bank af 2011. According to the dowry agreements made, the amount received is to be repaid if, on completion of the winding up of Sparebank Østjylland af 2012 and Max Bank af 2011, respectively, losses have been incurred. With respect to Max Bank af 2011, the financial results indicate that it is most likely that a part of the dowry repayment will have to be repaid. The 2013 financial statements include a provision of DKK 93 million of a total potential repayment obligation of DKK 169 million.

The funding model for the Banking Department outlined above comprises a liquidity requirement to the effect that the total liquidity in the form of liquid net wealth and loan commitments must at any given time equal or exceed 0.75% of the covered net deposits. With a view to complying with this requirement, the

Guarantee Fund has entered into agreements on loan facilities, which totalled DKK 2.9 billion at 31 December 2013. The Guarantee Fund's activities in 2013 did not require any drawings on these facilities. The commission on the loan facilities in 2013 amounted to DKK 24 million.

As shown in the table below, the Banking Department had total liquidity of DKK 6,625 million at 31 December 2013, which was DKK 298 million above the calculated liquidity requirement of DKK 6,327 million.

#### Liquidity overview, year end 2013:

Liquid net wealth in the Banking Department (ex expected dividend, estate in bankruptcy)	DKK 3,725 million
Committed liquidity	DKK 2,900 million
Total liquidity	DKK 6,625 million
0.75% of DKK 843,569 million	DKK 6,327 million
Excess cover	DKK 298 million

In 2013, interim dividend of DKK 302 million was received from the estate in bankruptcy of Capinordic Bank. The expected remaining dividend from the estate in bankruptcy of Capinordic Bank is estimated at DKK 148 million on the basis of the most recent circular letter from the liquidator.

## MORTGAGE CREDIT DEPARTMENT

The minimum asset requirement for the Mortgage Credit Department of DKK 10 million was met. Accordingly, only a redistribution of contributions was performed in 2013.

The Department's net wealth at 31 December 2013 amounted to DKK 11 million.

## INVESTMENT COMPANY DEPARTMENT

The minimum asset requirement for the Investment Company Department of DKK 10 million was met. A redistribution of contributions was performed in 2013.

The Department's net wealth at 31 December 2013 amounted to DKK 13 million.

## WINDING-UP AND RESTRUCTURING DEPARTMENT

Profit/loss DKKm	2013	2012
Commission received on loss guarantees	96	257
Contributions from banks	215	95
Provision for losses on loss guarantees	(341)	(527)
IT withdrawal costs	(84)	0
Costs, etc.	(4)	(3)
<b>Profit/(loss) for the year, Winding-up and Restructuring Department</b>	<b>(118)</b>	<b>(178)</b>

In addition to the contributed amount of DKK 215 million recognised in the income statement in 2013, the banks contributed DKK 176 million concerning a receivable from 2012. Accordingly, the banks paid a total amount of DKK 391 million in 2013.

Assets DKKm	Restructuring Department 2013	Winding-up Department 2013	Restructuring Department 2012	Winding-up Department 2012
Guarantees provided	1,000	3,200	1,000	3,200
Profit/(loss) before contributions from banks	(84)	(249)	0	(271)
Liquidity contributions receivable from banks, current year	84	131	0	95
Liquidity contributions receivable from banks, next year	0	118	0	176
<b>Total assets of the Department</b>	<b>1,000</b>	<b>3,200</b>	<b>1,000</b>	<b>3,200</b>

After recognition of the loss for the period of DKK 118 million, assets at year end amounted to DKK 4,082 million and are thus below the minimum requirement of DKK 4,200 million. Not later than in connection with the upcoming adjustment of contributions at 1 July 2014, an additional contribution, provisionally calculated at DKK 118 million, must be collected from institutions affiliated with the Winding-up Department.

The Winding-up Department has provided loss guarantees to Finansielt Stabilitet A/S with respect to the winding up of Amagerbanken af 2011 A/S, Fjordbank Mors af 2011 A/S, Max Bank af 2011 A/S and Sparebank Østjylland af 2012 A/S.

Since 2011, the Winding-up Department has received commission from loss guarantees of DKK 288 million in total, which together with the expected commission income in 2014 of DKK 72 million brings the actual income from loss guarantees to DKK 360 million. The loss on the loss guarantee concerning Fjordbank Mors is currently estimated at DKK 868 million. At 31 December 2013, the

Guarantee Fund thus had a net loss of DKK 508 million on the loss guarantees provided.

In connection with Jyske Bank's takeover of Sparekassen Lolland, the Guarantee Fund made a commitment that the Guarantee Fund's Winding-up and Restructuring Department would cover the actual cost of Sparekassen Lolland's withdrawal from its previous data centre. A provision of DKK 84 million was made in this respect in the 2013 financial statements on the basis of information obtained.



**FINANCIAL  
STATEMENTS  
2013**

# INCOME STATEMENT

Note	DKK '000	2013	2012
	<b>Financial items</b>		
	Interest on deposits with banks and Danmarks Nationalbank	0	652
	Yields of listed bonds	17,392	15,042
	Net interest income in connection with coverage activities	(23,716)	(18,214)
	Premium income from banks	2,048,749	506,314
2	Difference between commission received from loss guarantees provided and expected commission receivable, prior years	24,475	115,395
	Expected commission receivable on loss guarantees provided	72,000	142,000
	Value adjustment of bond portfolio	(20,582)	(1,657)
	<b>Net financials</b>	<b>2,118,318</b>	<b>759,532</b>
	<b>Coverage activities</b>		
2	Provision for IT withdrawal costs	(84,000)	-
2	Dowry, Bank Package 4	0	(1,004,016)
2	Provision for losses on loss guarantees	(341,000)	(527,000)
	<b>Total claims admitted</b>	<b>(425,000)</b>	<b>(1,531,016)</b>
	<b>Dividends and claims covered by members</b>		
2	Dividend received	3,210	2,813
2	Dowry repayment	(93,000)	710,000
	Net payments from members and management fees received	215,007	89,023
	<b>Total payments</b>	<b>125,217</b>	<b>801,836</b>
	<b>Profit/(loss) on coverage activities</b>	<b>(299,783)</b>	<b>(729,180)</b>
	<b>Profit/(loss) on net financials and coverage activities</b>	<b>1,818,535</b>	<b>30,352</b>
	<b>Costs</b>		
	Fees to the Chairman and Deputy Chairman of the Board	(241)	(259)
	Fees for legal and other external assistance	(304)	(568)
	Management fees	(5,000)	(4,370)
	Costs related directly to the Banking Department	(370)	(2,325)
	Costs in connection with loss guarantees provided	(63)	(752)
	Other management costs	(322)	(339)
	<b>Total costs</b>	<b>(6,300)</b>	<b>(8,613)</b>
3	<b>Profit for the year</b>	<b>1,812,235</b>	<b>21,739</b>

## BALANCE SHEET AT 31 DECEMBER

Note	DKK '000	2013	2012
<b>Assets</b>			
	Interest on deposits with banks and Danmarks Nationalbank	3,970,875	1,073,400
	Listed bonds	612,595	633,177
	Receivables from institutions	117,577	180,912
4	Receivable guarantees from institutions	4,214,912	4,214,731
	Expected commission from loss guarantees	72,000	142,000
5	Expected dividend, estates in bankruptcy	148,177	450,000
	Other receivables	7,032	9,877
	<b>Total assets</b>	<b>9,143,168</b>	<b>6,704,097</b>
<b>Equity and liabilities</b>			
4	<b>Assets of the Guarantee Fund</b>		
	Contributions from members	4,971	4,971
	Guarantees from members	4,214,912	4,214,731
	Total contributions and guarantees	4,219,883	4,219,702
	Accumulated profit before recognition of expected dividend	3,728,626	1,496,991
	Expected dividend, estates in bankruptcy	148,177	450,000
	<b>Total assets of the Guarantee Fund</b>	<b>8,096,686</b>	<b>6,166,693</b>
<b>Provisions</b>			
	Provision for losses on loss guarantees	868,000	527,000
	Provision for repayment of dowry provided	93,000	0
	Provision for IT withdrawal costs	84,000	0
	<b>Total provisions</b>	<b>1,045,000</b>	<b>527,000</b>
<b>Liabilities</b>			
	Debt to Finansiell Stabilitet A/S	1,250	1,411
	Debt to members	0	8,686
	Other payables	232	307
	<b>Total liabilities</b>	<b>1,482</b>	<b>10,404</b>
	<b>Total equity and liabilities</b>	<b>9,143,168</b>	<b>6,704,097</b>

# NOTES

## 1 ACCOUNTING POLICIES

### General

The Guarantee Fund for Depositors and Investors has prepared its 2013 financial statements in accordance with the Act on a Guarantee Fund for Depositors and Investors and the executive order issued in pursuance thereof.

The objective of the Guarantee Fund is centred on two main areas:

- **The guarantee departments** that cover depositors' and investors' losses in connection with a financial institution's reconstruction or bankruptcy and in connection with the winding up of an institution under the Consolidation Package or the Dowry Scheme by injecting funds or by providing a guarantee for the coverage of all of the bank's unsubordinated creditors.

Banks, mortgage credit institutions, investment companies and investment management companies in Denmark are required to join and pay contributions to the guarantee departments.

As of 2012, the Banking Department changed to an insurance model under which the affiliated banks are required to pay 0.25% of their covered net deposits annually until the assets of the Department equal 1% of the covered net deposits. The obligation to pay contributions will be resumed if the assets no longer exceed 1% of the covered deposits.

The Mortgage Credit and Investment Company Department must have assets of at least DKK 20 billion, and cash and cash equivalents must represent at least 25% of total assets. If the assets fall below the minimum requirement, contributions must be charged in connection with the next adjustment at the latest in order to comply with the minimum requirement. If cash and cash equivalents fall below 25%, the proportion must be re-established at the next adjustment of contributions.

- **The Winding-up and Restructuring Department**, which is to cover any losses incurred by Finansiel Stabilitet A/S in connection with the transfer of a bank under the Exit Package or the Consolidation Package, Model 2, and cover costs incurred by a buyer on the acquiring institution's withdrawal from data centres. Danish banks are required to be members of the Winding-up and Restructuring Department. The assets of the Department, which must total at least DKK 4.2 billion, consist solely of guarantees from the banks.

The accounting policies are consistent with those of last year, except that in the 2013 financial statements dividend received and dowry repaid are recognised in separate line items. This split has been implemented in consequence of the Guarantee Fund's obligation under the dowry agreements concluded to repay the dowry provided if the winding up of the relevant companies produces a loss. Dowry repayments received are recognised in the

income statement at the time of receipt. Provision for repayment of dowry repayments is made on the basis of notifications from Finansiel Stabilitet.

### Income statement

**Net interest income** comprises the return on the Guarantee Fund's interest-bearing cash funds and portfolio of listed bonds, net interest in connection with coverage activities and other interest income.

**Premium income from banks** comprises an annual premium in the Banking Department, calculated at 0.25% of the bank's covered net deposits. The detailed terms governing the premium are set out in the Act on a Guarantee Fund for Depositors and Investors and the executive order issued in pursuance thereof.

**Commission received on loss guarantees provided** comprises premiums from loss guarantees provided by the Winding-up Department of the Guarantee Fund to Finansiel Stabilitet in connection with the winding up of distressed banks under the Exit Package and the Consolidation Package. The detailed terms governing the amount of the premium are set out in the Executive Order on the winding up of subsidiaries of Finansiel Stabilitet and payment of a risk premium. Expected commission received notified by Finansiel Stabilitet are recognised as income in the financial year adjusted for the actual payments received.

**Value adjustment of bond portfolio** comprises value adjustments concerning the Guarantee Fund's listed bonds. Realised as well as unrealised gains and losses are recognised in the income statement.

**Claims admitted**, including dowry provided within the Guarantee Fund's scope of cover, are recognised in the income statement at the time of disbursement. Payouts in relation to claims for coverage from depositors and investors are calculated less any liabilities of the depositors and investors vis-à-vis the relevant distressed institutions. Furthermore, payouts made after 31 December, but before the presentation of the financial statements, in relation to estates that have suspended their payments or entered into bankruptcy prior to 31 December are expensed.

**Provision for losses on loss guarantees** provided to Finansiel Stabilitet is made on the basis of data received from Finansiel Stabilitet.

**Provision for IT withdrawal costs** concerns the Guarantee Fund's obligations under section 7 a(3) of the Act on a Guarantee Fund for Depositors and Investors to cover the actual costs in relation to an institution's withdrawal from its previous data centre.

**Dividends and claims covered by members** are recognised in the income statement at the amounts received. Expected dividend payments for the coming years which may be reliably determined are recognised adjusted for the actual payments received in the



financial year. The expected dividend payments are tied up as a special reserve which is not included when calculating whether the Guarantee Fund meets the statutory minimum requirements.

Dowry repayment is recognised in the income statement at the amounts received. Under the dowry agreements concluded, the Guarantee Fund has an obligation to repay the dowry repayment if the winding up of the relevant companies produces a loss. Provision for repayment of dowry repayment is made on the basis of information received from Finansiel Stabilitet.

**Costs** comprise expenses related to the management of the activities of the Guarantee Fund.

#### Balance sheet

**Listed bonds** are measured at fair value at the end of the financial year.

**Receivables from institutions** comprise ordinary commercial receivables. The item may also include an amount necessary in order for the Guarantee Fund to meet the statutory minimum requirement for assets.

**Receivable guarantees from institutions** are measured at the nominal value of the contribution determined by the Board of the Guarantee Fund, as the receivable is deemed to be current.

In connection with a suspension of payments or bankruptcy, the guarantee from the distressed bank will not normally be available to the Guarantee Fund. No provisions have been made in this respect in the financial statements, as the Board of the Guarantee Fund, if necessary, may resolve to collect additional contributions from the institutions in accordance with section 11(4) of the FSA's Executive Order on the Guarantee Fund for Depositors and Investors.

#### Net wealth of the Guarantee Fund

The Guarantee Fund's procurement of funds is recognised in the net wealth of the Guarantee Fund as the sum of contributions and guarantees from institutions required to pay contributions at the nominal value plus accumulated profit. As a result of uncertainty with respect to the time of disbursement, an expected dividend payment is not to be recognised as part of the minimum net wealth. The expected dividend payment is shown as a special reserve in the assets of the Guarantee Fund, which is not included in the calculation of the Guarantee Fund's minimum net wealth.

**Liabilities** are measured at net realisable value.

**Provisions** relate to provision for losses on guarantees provided to Finansiel Stabilitet, provisions for dowry repayment pursuant to dowry agreements and provision for IT costs in relation to a distressed institution's data centre withdrawal.

## 2 IMPACT OF BANK BANKRUPTCIES ON THE FINANCIAL STATEMENTS

DKK '000	Dowry	Dividend received / Dowry repayment	Commission received, loss guarantees	Provision for losses on loss guarantee	Provision for IT withdrawal costs
<b>2013</b>					
Amagerbanken af 2011 A/S	-	0	43,716	0	-
Fjordbank Mors af 2011 A/S	-	3,210	0	(341,000)	-
Max Bank af 2011 A/S	-	(93,000)	95,051	0	-
Sparebank Østjylland af 2012 A/S	-	-	27,708	0	-
Sparekassen Lolland	-	-	-	-	(84,000)
Commission recognised in prior years	-	-	(142,000)	-	-
<b>Total</b>	<b>0</b>	<b>(89,790)</b>	<b>24,475</b>	<b>(341,000)</b>	<b>(84,000)</b>
<b>2012</b>					
Amagerbanken af 2011 A/S	-	51	103,441	-	-
Fjordbank Mors af 2011 A/S	-	2,762	0	(527,000)	-
Max Bank af 2011 A/S	-	169,000	0	-	-
Sparebank Østjylland af 2012 A/S	(962,000)	541,000	11,954	-	-
Sparekassen Salling	(42,016)	-	-	-	-
<b>Total</b>	<b>(1,004,016)</b>	<b>712,813</b>	<b>115,395</b>	<b>(527,000)</b>	<b>-</b>

# NOTES

## 3 INCOME STATEMENT BY DEPARTMENT FOR 2013

DKK'000	Guarantee Fund, total	Banking Department	Mortgage Credit Department	Investment Company Department	Winding-up and Re- structuring Department
<b>General distribution</b>					
Yields of listed bonds	17,392				
Value adjustment of bond portfolio	(20,582)				
<b>Net financials</b>	<b>(3,190)</b>	<b>(3,171)</b>	<b>(8)</b>	<b>(11)</b>	<b>-</b>
<b>Costs:</b>					
Fees to the Chairman and Deputy Chairman of the Board	(241)				
Fees for legal and other external assistance	(304)				
Management fees	(5,000)				
Other management costs	(322)				
<b>Total</b>	<b>(5,867)</b>	<b>(1,848)</b>	<b>(11)</b>	<b>(12)</b>	<b>(3,996)</b>
<b>Total</b>	<b>(9,057)</b>	<b>(5,019)</b>	<b>(19)</b>	<b>(23)</b>	<b>(3,996)</b>
<b>Specific distribution</b>					
Dowry repayment	(93,000)	(93,000)	0	0	-
Dividend received	3,210	3,210	-	-	-
Provision for IT withdrawal costs	(84,000)	-	-	-	(84,000)
Premiums received from members	2,048,749	2,048,749	-	-	-
Payments from members	215,007	-	0	0	215,007
Net interest income in connection with coverage activities	(23,716)	(23,716)	-	-	-
Commission received, loss guarantees	96,475	-	-	-	96,475
Provision for losses on loss guarantees	(341,000)	-	-	-	(341,000)
Costs directly attributable to legal and auditing assistance	(433)	(370)	-	-	(63)
<b>Total</b>	<b>1,821,292</b>	<b>1,934,873</b>	<b>0</b>	<b>0</b>	<b>(113,581)</b>
<b>Profit/(loss) for the year</b>	<b>1,812,235</b>	<b>1,929,854</b>	<b>(19)</b>	<b>(23)</b>	<b>(117,577)</b>

The Guarantee Fund's profit from interest income and value adjustments is distributed among departments in proportion to their share of the contributions received plus accumulated profit at the beginning of the year. Net interest income in connection with coverage activities accrue to/are paid by the Banking Department, while commission payments from loss guarantees accrue to the Winding-up Department. Joint expenses are distributed among the departments in proportion to their assets at the beginning of the period. Claims payments, dividends received/dowry repayments and directly attributable costs are recognised under the relevant department.

## 4 ASSETS BY DEPARTMENT

DKK'000	Guarantee Fund, total	Banking Department	Mortgage Credit Department	Investment Company Department	Winding-up and Re- structuring Department
<b>Contributions from members</b>					
Contributions received at 1 January 2013	4,971	0	2,500	2,471	0
<b>Balance as at 31 December 2013</b>	<b>4,971</b>	<b>0</b>	<b>2,500</b>	<b>2,471</b>	<b>0</b>
Guarantees provided at 1 January 2013	4,214,731	0	7,500	7,231	4,200,000
Adjustments for the year	181	0	0	181	0
<b>Balance as at 31 December 2013</b>	<b>4,214,912</b>	<b>0</b>	<b>7,500</b>	<b>7,412</b>	<b>4,200,000</b>
<b>Total contributions at 31 December 2013</b>	<b>4,219,883</b>	<b>0</b>	<b>10,000</b>	<b>9,883</b>	<b>4,200,000</b>
<b>Accumulated profit/(loss) before recognition of expected dividend:</b>					
Balance as at 1 January 2013	1,496,991	1,492,955	1,377	2,659	0
Adjustments for the year	419,400	301,823			117,577
Profit for the year	1,812,235	1,929,854	(19)	(23)	(117,577)
<b>Balance as at 31 December 2013</b>	<b>3,728,626</b>	<b>3,724,632</b>	<b>1,358</b>	<b>2,636</b>	<b>0</b>
<b>Expected dividend, estates in bankruptcy</b>					
Balance as at 1 January 2013	450,000	450,000			
Interim dividend received	(301,823)	(301,823)			
<b>Balance as at 31 December 2013</b>	<b>148,177</b>	<b>148,177</b>			
<b>Total assets of the Guarantee Fund/departments</b>	<b>8,096,686</b>	<b>3,872,809</b>	<b>11,358</b>	<b>12,519</b>	<b>4,200,000</b>

The current guarantee from the institutions is stated at the nominal value both under assets and under liabilities.

## 5 EXPECTED DIVIDEND, ESTATE IN BANKRUPTCY

Interim dividend of just under DKK 302 million was received from the estate in bankruptcy of Capinordic Bank in 2013. The remaining dividend from the estate in bankruptcy of Capinordic Bank is recognised at an estimated value of DKK 148 million.

## 6 CONTINGENT LIABILITIES

The Guarantee Fund has provided a loss guarantee to Finansielt Stabilitet A/S for the winding up of Amagerbanken af 2011 A/S, Fjordbank Mors af 2011 A/S, Max Bank af 2011 A/S and Sparebank Østjylland af 2012 A/S. In relation to the winding up of Fjordbank Mors af 2011 A/S, a provision of DKK 868 million was made for losses on the loss guarantee. No provision was made for losses on other loss guarantees.

From Sparebank Østjylland af 2012 and Max Bank af 2011 the Guarantee Fund has received distributions from the calculated dowry amount. According to the dowry agreements made, the amount received is to be repaid if, on completion of the winding up of Sparebank Østjylland af 2012 and Max Bank af 2011, respectively, losses have been incurred. A provision of DKK 93 million was made in the 2013 financial statements out of a total contingent liability of DKK 169 million in relation to Max Bank af 2011. In addition, the Guarantee Fund has a contingent liability to Sparebank Østjylland af 2012 of DKK 541 million.

In connection with Jyske Bank's takeover of Sparekassen Lolland, the Guarantee Fund made a commitment that the Guarantee Fund's Winding-up and Restructuring Department would cover actual costs incurred in relation to Sparekassen Lolland's withdrawal from the data centre used up to the date of the takeover. Based on information obtained, a provision of DKK 84 million was made in this respect in the 2013 financial statements.

## STATEMENT BY MANAGEMENT

The Board has today considered and adopted the financial statements for 2013 of the Guarantee Fund for Depositors and Investors.

The financial statements are prepared in accordance with the Act on a Guarantee Fund for Depositors and Investors and the executive order issued in pursuance thereof.

In our opinion, the financial statements give a true and fair view of the Guarantee Fund's assets, liabilities and financial position at 31 December 2013 and of the results of the Guarantee Fund's operations for the financial year 1 January - 31 December 2013.

Furthermore, in our opinion, the management's review includes a fair review of the development and performance of the business and the financial performance of the Guarantee Fund, the results for the year and of the financial position of the Guarantee Fund.

Moreover, in our opinion, the transactions performed by the Guarantee Fund which are comprised by the financial statements are in accordance with laws and other regulations and with agreements concluded and normal practice.

Copenhagen, 6 March 2014

### BOARD

Ulrik Rammeskov Bang-Pedersen  
*Chairman*

Jørgen A. Horwitz

Susanne Dolberg

Ane Arnth Jensen

Claus N. Sørensen

Morten Bruun Pedersen

Tine Roed

# APPOINTED INTERNAL AUDITORS' REPORT

## TO THE BOARD OF THE GUARANTEE FUND

We have audited the financial statements of the Guarantee Fund for the financial year 1 January - 31 December 2013, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Act on a Guarantee Fund for Depositors and Investors and the Executive Order issued in that respect.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Act on a Guarantee Fund for Depositors and Investors and the Executive Order issued in that respect. Further, Management is responsible for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Further, it is Management's responsibility that the transactions comprised by the financial statements are in accordance with legislation and other regulations as well as agreements entered into and general practice.

### **Auditors' responsibility**

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

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

Further, the audit comprises an assessment as to whether business procedures and internal control have been established to ensure that the transactions comprised by the financial statements are in accordance with legislation and other regulations as well as agreements entered into and general practice.

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

Our audit has not resulted in any qualification.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the Guarantee Fund's assets, liabilities and financial position at 31 December 2013 and of the results of its operations for the financial year 1 January - 31 December 2013 in accordance with the Act on a Guarantee Fund for Depositors and Investors and the Executive Order issued in that respect.

Further, in our opinion, business procedures and internal control have been established to ensure that the transactions comprised by the financial statements are in accordance with legislation and other regulations as well as agreements entered into and general practice.

**Statement on the Management's review**

We have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 6 March 2014

**KPMG**

Statsautoriseret Revisionspartnerselskab

Lars Rhod Søndergaard  
*State Authorised Public Accountant*

Thomas Bruun Kofoed  
*State Authorised Public Accountant*

# THE INDEPENDENT AUDITOR'S REPORT

## TO THE BOARD OF GARANTIFONDEN FOR INDSKYDERE OG INVESTORER

### **Auditor's report on the financial statements**

We have audited the financial statements and the management report of Garantifonden for Indskydere og Investorer for the financial year 1 January - 31 December 2013. The financial statements include accounting practice, profit & loss statement, balance sheet and notes. The financial statements have been prepared in accordance with the Act on a Guarantee Fund for Depositors and Investors and regulations.

### **Management's responsibility for the financial statements and management report**

The management is responsible for preparing and presenting financial statements that give a true and fair view in accordance with the Act on a Guarantee Fund for Depositors and Investors and regulations. The management's responsibility also includes internal controls relevant to the preparation and fair presentation of financial statements and a management report free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Further, it is the responsibility of the management to ensure that the transactions included in the financial statements and the management report are consistent with appropriations granted, legislation, other rules and regulations, agreements made and common practice.

### **Auditor's responsibility and basis of opinion**

Our responsibility is to express an opinion on the financial statements and the management report based on our audit. We performed our audit in accordance with international auditing standards and additional requirements following from Danish audit legislation and good public-sector auditing practise cf. the Auditor General's

Act. Good public-sector auditing practice is based on the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards of Supreme Audit Institutions. The standards applied require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit includes procedures to obtain audit evidence about the amounts and disclosures in the financial statements and management report. The procedures selected depend on the auditor's judgment, including assessment of the risk of material misstatement in the financial statements, whether due to fraud or error. In making the risk assessment, the auditor considers internal controls relevant to the preparation and fair presentation of the financial statements by Garantifonden for Indskydere og Investorer and to the preparation of a fair management report. The objective is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of Garantifonden for Indskydere og Investorer internal controls. An audit also includes evaluating the appropriateness of the accounting policies applied by management and the reasonableness of the accounting estimates made as well as evaluating the overall presentation of the financial statements and management report.

Moreover, the audit includes evaluating whether the business procedures and internal controls established support the consistency of the transactions included in the financial statements with the appropriations granted, legislation, other rules and regulations, contracts made and common practice.

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

Our audit did not result in any qualification.



**Opinion**

In our opinion the financial statements give a true and fair view of Garantifonden for Indskydere og Investorer assets, liabilities and financial position as at 31 December 2013 and the result of Garantifonden for Indskydere og Investorer transactions for the fiscal year 1 January - 31 December 2013 in accordance with the Act on a Guarantee Fund for Depositors and Investors and regulations. We are also of the opinion that the business procedures and internal controls established support the consistency of the transactions included in the financial statements with the appropriations granted, legislation, other rules and regulations, agreements made and common practice.

Copenhagen, 6 March 2014

**RIGSREVISIONEN**

Lone Strøm  
*The Auditor General*

Morten Henrichsen  
*Head of Office*