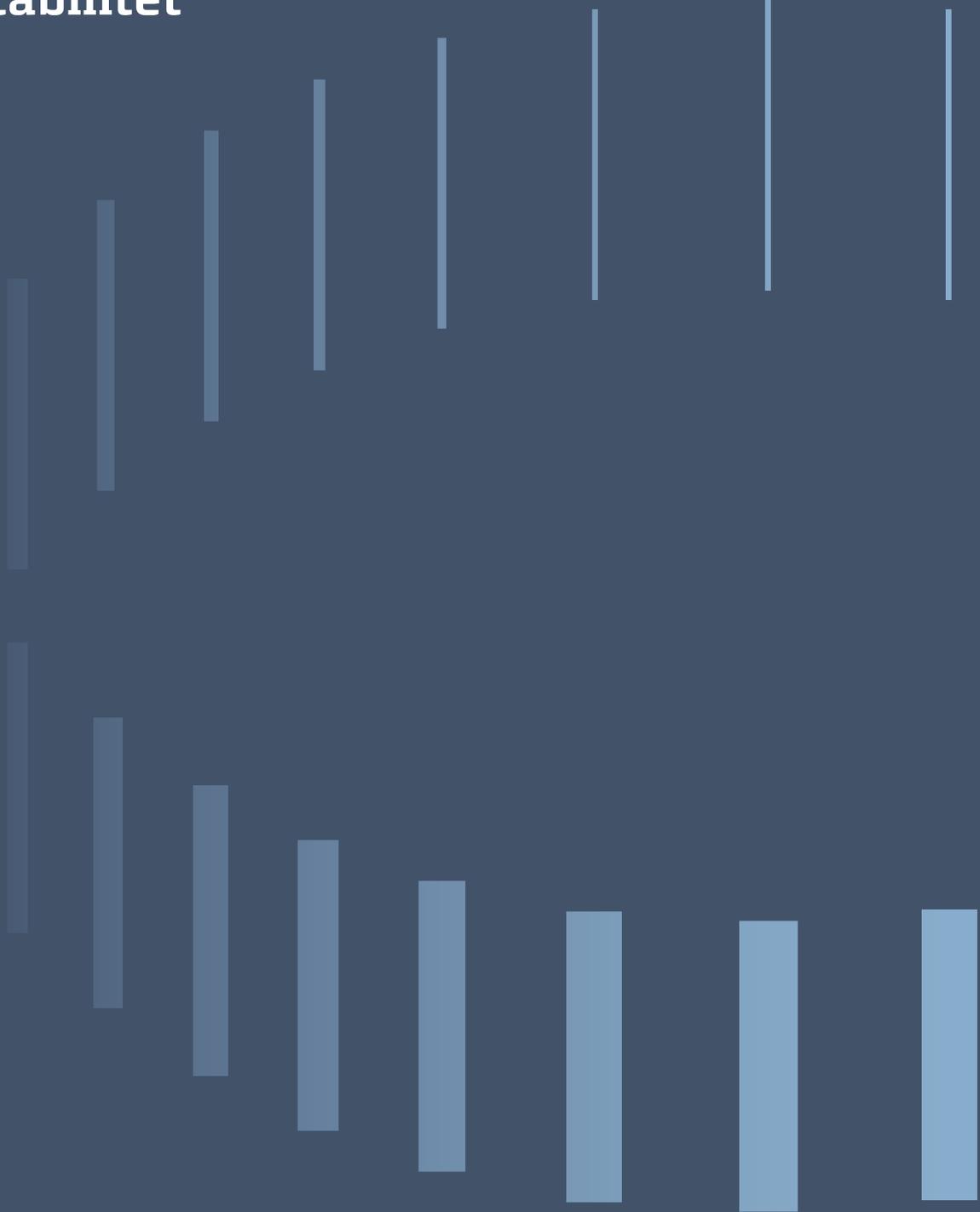


Finansiel Stabilitet



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

Management's review

2015 was in many ways a year characterised by change for Finansiel Stabilitet. In particular, this was due to the initiation of new activities with increased focus on contributing to future financial stability in Denmark. The new activities follow from Denmark's implementation in June 2015 of a common EU framework for the recovery and resolution of credit institutions and investment firms (BRRD).

With the implementation of the BRRD, the EU has adopted a common framework for the resolution of financial enterprises. The main purpose of the new framework is to ensure that the countries in the EU will not, as they did when the financial crisis hit in 2008, risk having to use tax payer funds for the restructuring and resolution of systemically important financial institutions should they fail.

One of the most important features of the common framework is that creditors of financial enterprises have to factor in a risk that they may incur losses on their claims. In that connection, the new rules also imply that financial enterprises will need to ensure that in future they have a sufficient share of private customer claims, which may be written down in connection with a restructuring or resolution of a failing financial enterprise. The private customer claims written down are to be used partly to absorb any additional losses in excess of the subordinated capital and partly to recapitalise the financial enterprise with a view to continuing as a going concern. The specific resolution strategy will determine the details of the individual process.

As part of the uniform regulation, financial enterprises are further required to contribute to financing a resolution fund. This creates a financial buffer which may be used in the event of restructuring or resolution of financial enterprises. This buffer may be used only if sufficient write-downs of private creditors have been made.

All countries in the EU are in the process of implementing or have implemented the new framework¹⁾. The common framework ensures that, within the EU, the same framework applies to the handling of failing financial enterprises, the aim being to establish uniform competition conditions.

The new framework gives Finansiel Stabilitet a number of new responsibilities and powers in addition to its previous resolution tasks. Finansiel Stabilitet and the Danish FSA have jointly been appointed as resolution authority in Denmark. As part of this task, resolution plans are to be prepared for credit institutions and investment companies

I. Moreover, a minimum level must be determined for the proportion of private customer claims on which Finansiel Stabilitet can make impairment charges should a financial enterprise fail (eligible liabilities).

In its capacity of resolution authority, Finansiel Stabilitet is also required to arrange for the build-up and management of the Resolution Fund, which must be fully established by the end of 2024, and to ensure that contingency measures are in place to handle situations in which an institution fails and there are no realistic prospects of a private sector or supervisory authority solution.

The establishment of the Resolution Fund, resolution plans and the new resolution tools made available to Finansiel Stabilitet are important elements in ensuring effective restructuring or resolution of failing institutions in future. This is intended to ensure, to the widest extent possible, the continuation of critical financial and economic functions and to minimise the effects of a collapse for the Danish economy and the financial system.

Concurrently with the introduction of the new framework, Finansiel Stabilitet A/S was converted into an independent public company. The conversion took effect for accounting purposes at 1 January 2015. The conversion was also effected as part of an amendment of the Act on a Guarantee Fund for Depositors and Investors, as a result of which the Guarantee Fund for Depositors and Investors (the former Guarantee Fund) ceased as an independent entity and was transferred to Finansiel Stabilitet as the Depositor and Investor Guarantee Scheme.

As for the takeover of the Depositor and Investor Guarantee Scheme, this will in practice be a continuation of the existing administrative tasks, which Finansiel Stabilitet has handled on behalf of the former Guarantee Fund since 2010. The existing assets of approximately DKK 13 billion have been transferred to Finansiel Stabilitet as the new Guarantee Fund.

The period until the conversion on 1 June 2015 entailed in significant activity for Finansiel Stabilitet, including application of resources to the travaux préparatoires, planning of strategies for the application of the new resolution tools and coordination with the relevant authorities and stakeholders at the national level as well as at EU level. In spite of the limited time available in connection with the introduction of the common framework, Finansiel Stabilitet came a

¹⁾ At mid-February 2016, Cyprus, Poland and Slovenia had yet to implement the new rules in full. The rules have been implemented in the other EU countries.

long way in the process of establishing and preparing for the new tasks. There are still areas of the new resolution scheme, such as the handling of SIFIs and the preparation of resolution plans for all enterprises, which are not expected to be fully in place until sometime in 2016.

On 5 October 2015, Finansiel Stabilitet under the new resolution scheme took over Andelskassen J.A.K. Slagelse, which at that time had been designated as failing by the Danish FSA and for which the possibilities of continuing the bank by way of a private sector solution had been exhausted.

Another important element in relation to the new rules on restructuring and resolution has been to implement a risk-based model for collection of contributions to the Resolution Fund. Against this backdrop, Finansiel Stabilitet sent out the first collection of contributions for a total amount of DKK 351 million at 31 December 2015, which was subsequently paid by the financial enterprises comprised. In aggregate, the Resolution Fund is expected, based on the currently covered deposits, to be built up to a target level of approximately DKK 7 billion by the end of 2024.

The opposite is the case with the Guarantee Fund. Including the contributions of DKK 2 billion made in 2015, the Guarantee Fund for the four departments (the Banking Department, the Mortgage Credit Department, the Investment Company Department and the Restructuring Department) has reached a level which expectedly makes further contributions in 2016 unnecessary.

The efforts to implement the new rules have also resulted in changes for the financial enterprises comprised by the new rules. One consequence of the new rules is that enterprises comprised by the Resolution Fund must report information for use in the calculation of their contribution to the Resolution Fund. Moreover, with effect from 1 June 2015, they have had to calculate covered deposits on the basis of a new gross principle as opposed to previously when a net principle was applied.

In addition, financial enterprises are required to ensure that their contingency set-up is adjusted so that they can submit the necessary information for use in Finansiel Stabilitet's assessment of possible restructuring and resolution options should the financial enterprises fail. To a wide extent, this marks a continuation of the original contingency set-up under Bank Packages III/IV, but as the new rules comprise requirements for access to additional information, includ-

ing a new creditor ranking scheme, the rules have also entailed changes for Danish financial enterprises. Other EU countries have introduced completely new rules, entailing a need for more far-reaching adjustments.

Compared with the previous Bank Package I-V activities, which are mentioned in the 2014 annual report, the winding up of exposures had reached such an advanced stage by the end of 2014 that the remaining exposures in Finansiel Stabilitet in essence consisted of receivables from estates in bankruptcy and other non-viable exposures and guarantees in a total approximate amount of DKK 9 billion. The winding up of these assets and liabilities continued in 2015, and at 31 December 2015 they made up a total amount of approximately DKK 1.5 billion. Since 2008, Finansiel Stabilitet has wound up loans and advances of approximately DKK 100 billion and deposits of DKK 65 billion. The winding up of Bank Packages I-V had a positive effect on the 2015 financial results.

In continuation of the winding up results achieved and with a view to simplifying the company structure and achieving cost efficiencies, Finansiel Stabilitet closed a number of companies in 2015. Accordingly, FS Finansselskabet (formerly FS Bank) was demerged and its assets and liabilities were transferred to Finansiel Stabilitet, FS Finans I, FS Finans II, FS Finans III and FS Finans IV. FS Ejendomsselskab II, FS Ejendomsselskab III and FS Ejendomsselskab IV were closed, and their activities were transferred to FS Ejendomsselskab.

In addition, the remaining customer portfolio in FS Property Finance was offered for sale in October 2015 and subsequently sold to LMN Finance Limited in December 2015. This brought Finansiel Stabilitet an important step closer to the final winding up of the original portfolio of DKK 17 billion which Finansiel Stabilitet took over from FIH in 2012. Accordingly, there are actually no activities left in the company, and it is expected that the winding up of the company may be finalised in 2016.

At 31 December 2015, Finansiel Stabilitet had a total of 55 employees, including 17 employees in Andelskassen J.A.K. Slagelse under kontrol. By way of comparison, Finansiel Stabilitet had 500 employees in 2011. The headcount has been adjusted in recent years to reflect Finansiel Stabilitet's new activities. As a result, Finansiel Stabilitet has relocated from its former headquarters at Kalvebod Brygge in Copenhagen.

Review and results

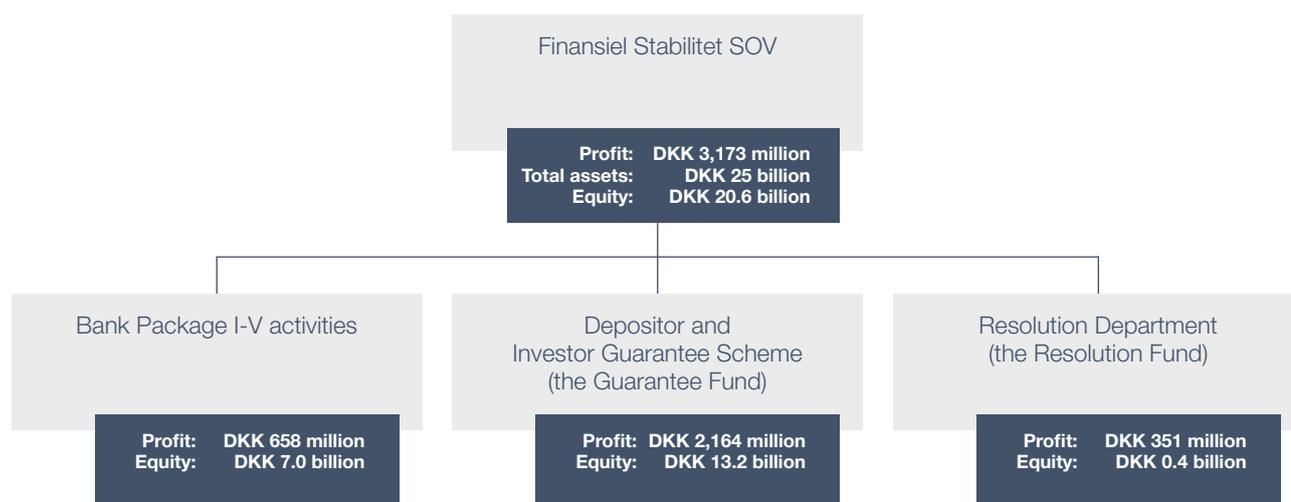
Group performance

Finansiel Stabilitet posted a profit of DKK 3,173 million for 2015. Relative to 2014, the addition of the Depositor and Investor Guarantee Scheme and the Resolution Department had a significant effect on performance.

The Depositor and Investor Guarantee Scheme contributed DKK 2,164 million to the profit. The profit was attributable to the Guarantee Fund's collection of contributions in the amount of DKK 2,110 million in 2015 and an income of DKK 149 million relating to purchase price and dowry adjustment.

The Resolution Department contributed DKK 351 million to the profit, corresponding to a collection of contributions in that amount.

Finally, the Bank Package I-V activities contributed DKK 658 million to the profit. The profit was due to better-than-expected winding up in the segment, reflected in the reversal of impairment charges totalling DKK 199 million and value adjustments, mainly of the holding of DLR shares. Of the segment profit, DKK 253 million was related to purchase price and dowry adjustment.



Purchase price and dowry adjustment 2015

(DKKm)		Bank Package I-V activities	Depositor and Investor Guarantee Scheme	Other creditors	Total
FS Finans I	Distribution	18%	82%	-	17
	Adjustment	3	14	-	
FS Finans II	Distribution	47%	53%	-	137
	Adjustment	65	72	-	
FS Finans III	Distribution	60%	26%	14%	243
	Adjustment	145	63	35	
FS Property Finance	Distribution	100%	-	-	40
	Adjustment	40	-	-	
Total	Adjustment	253	149	35	437

Under FS Finans I and II, no other creditors are included, as Sparekassen Østjylland (FS Finans I) and Max Bank (FS Finans II) were taken over under Bank Package IV. There is no purchase price adjustment in FS Finans IV, only a loss guarantee from the Restructuring Department under the Depositor and Investor Guarantee Scheme.

The Group's total assets at 31 December 2015 amounted to DKK 25 billion. Of this amount, the Depositor and Investor Guarantee Scheme accounted for DKK 14 billion, the Resolution Department accounted for DKK 0.6 billion, Bank Package I-V activities accounted for DKK 15 billion, and DKK 4 billion related to an intra-group balance. By comparison, the Group's total assets for 2014 amounted to DKK 22 billion. Total assets for 2014 is comparable to the current DKK 15 billion under the Bank Package I-V activities.

Total equity stood at DKK 21 billion, of which DKK 13 billion was attributable to the Depositor and Investor Guarantee Scheme, and DKK 0.4 billion to the Resolution Department. As Finansiel Stabilitet assumed the rights and risks in relation to the individual government guarantees, equity increased by DKK 0.9 billion at 1 January 2015. Similarly, the takeover of the Guarantee Fund for Depositors and Investors resulted in a DKK 0.6 billion increase in equity arising from purchase price and dowry adjustment. See note 1 to the financial statements.

While Finansiel Stabilitet's consolidated income statement and balance sheet comprise the former activities of Finansiel Stabilitet as well as the Guarantee Fund and the Resolution Fund, the funds of the three segments will remain separate. Finansiel Stabilitet is not liable for the Guarantee Fund or the Resolution Fund, and these 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.

Bank Package I-V activities

Finansiel Stabilitet's activities in relation to Bank Packages I-V generated a profit of DKK 658 million in 2015. The profit for 2014 was DKK 966 million.

The overall impact of the Bank Package I-V activities corresponds to the profit of Bank Package I plus income from the financing of FS Property Finance. Also included is a share of the purchase price and dowry adjustment in FS Finans I-IV and FS Property Finance.

That the latter has an impact on the profit is new. This is due to the fact that Finansiel Stabilitet settled Bank Package II with the Danish State during the first half of 2015 (effective 1 January 2015). As part of the settlement, Finansiel Stabilitet assumed the rights and risks associated with the final calculation of the settlement. See table on p. 5. The performance of FS Finans I-IV thus indirectly affects Finansiel Stabilitet's financial performance.

FS Finans I-III contributed a total amount of DKK 213 million, whereas there was no purchase price adjustment in FS Finans IV as losses are covered by the Restructuring Department's loss guarantee.

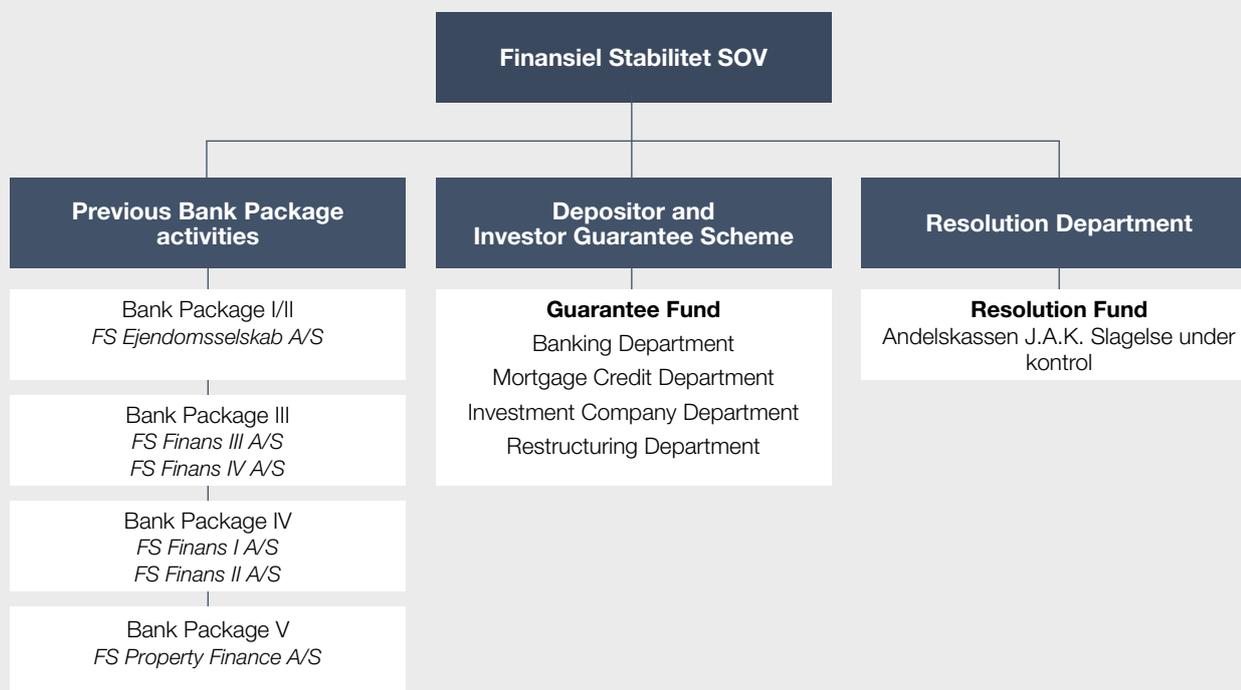
FS Property Finance contributed a total amount of DKK 48 million, of which DKK 40 million related to positive value adjustment of earn-out.

For a more detailed description of the impacts of the individual bank packages, see the description below following a brief presentation of the results of the winding-up activities.

(DKKm)	2015	2014
Bank Package I incl. funding FS Property Finance ¹⁾	405	966
Bank Package II	213	0
Bank Package III	0	0
Bank Package IV	0	0
Bank Package V	40	0
Total	658	966

¹⁾ For the period from October 2008 to 30 September 2010, under Bank Package I the Danish State guaranteed the full amount of unsecured creditors' claims against Danish banks. Under this scheme, the following companies were acquired: EBH Bank, Løkken Sparekasse, Gudme Raaschou Bank, Fionia Bank, Capinordic Bank, Eik Banki and Eik Bank Danmark. Subsequently, Roskilde Bank was also transferred to Finansiel Stabilitet and wound up under Bank Package I.

Business units



Bank Package I (Bank Package): For the period from October 2008 to 30 September 2010, the Danish State guaranteed the full amount of unsecured creditors' claims against Danish banks paying guarantee commission.

Bank Package II (Credit Package): From February 2009 until 31 December 2010, Danish banks and mortgage credit institutions could apply for individual government guarantees with maturities of up to three years and for state-funded capital injections.

Bank Package III (Exit Package): Guarantee was again only provided for up to EUR 100,000 for depositors. Failing banks could elect to be wound up by Finansiell Stabilitet, and in such case the former Guarantee Fund would provide a loss guarantee to prevent the Danish State from incurring losses in connection with the winding up.

Bank Package IV (Consolidation Package): Finansiell Stabilitet and the former Guarantee Fund could contribute a dowry if a viable bank took over all (model 1) or parts (model 2) of a failing bank. This was done without any loss being incurred by uncovered, unsecured creditors. Individual government guarantees could be extended after the expiry in 2013 in case of merger/takeover between two banks.

Bank Package V (Development Package): From March 2012, efforts were made to strengthen the access of small and medium-sized enterprises to funding through initiatives such as the establishment of Landbrugets FinansieringsBank and by Finansiell Stabilitet taking over FIH's portfolio of property exposures.

FS Finans I: Financing company established on 28 September 2012 based on Sparebank Østjylland af 2012 A/S after the company had deposited its banking licence with the Danish FSA.

FS Finans II: Financing company established on 1 November 2012 based on Max Bank af 2011 A/S after the company had deposited its banking licence with the Danish FSA.

FS Finans III: Financing company established on 15 March 2013 based on Amagerbanken af 2011 A/S after the company had deposited its banking licence with the Danish FSA.

FS Finans IV: Financing company established on 27 March 2013 based on Fjordbank Mors af 2011 A/S after the company had deposited its banking licence with the Danish FSA.

FS Property Finance: Financing company established on 2 July 2012 as part of the takeover of property exposures from FIH.

Depositor and Investor Guarantee Scheme: By Act no. 334 of 31 March 2015, the Guarantee Fund for Depositors and Investors (the former Guarantee Fund) was dissolved effective from 1 June 2015. The rights and obligations of the former Guarantee Fund were continued as a Depositor and Investor Guarantee Scheme (the new Guarantee Fund) without an independent board and managed by Finansiell Stabilitet.

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

Andelskassen J.A.K. under kontrol: The co-operative bank was taken over on 5 October 2015 after having been identified as failing.

Results of winding-up activities

As mentioned in the 2014 annual report, the winding up of exposures at the end of 2014 – excluding the FS Property Finance portfolio – reached such an advanced stage that the remaining exposures in Finansiel Stabilitet in essence consisted of receivables from estates in bankruptcy and other non-viable exposures and guarantees in a total approximate amount of DKK 3 billion. Including FS Property Finance, the volume was approximately DKK 9 billion. At the end of 2015, the activities were reduced to DKK 1.5 billion, when taking into account sales agreements already concluded.

In early 2015, the loan portfolio sold to Promontoria Holding 111 B.V. in late 2014 was finally transferred. The portfolio comprised 360 group exposures at a total gross loan value of approximately DKK 7.5 billion.

Also, in the spring of 2015, Finansiel Stabilitet offered the majority of the remaining exposures in FS Property Finance for sale. The portfolio offered for sale mainly consisted of Danish corporate customers with loans and credit agreements secured against properties totalling approximately DKK 3.5 billion. Some 40% of the portfolio consisted of loans to property companies owned and established by Danish investors, including limited partnerships. In June, the portfolio was sold to LMN Finance Limited, and the sales agreement was finalised in the second half of 2015.

In October 2015, Finansiel Stabilitet initiated a sales process with the aim of selling off the remaining customer portfolio in FS Property Finance consisting of property-related corporate exposures with total loans and credit agreements (gross) of DKK 1.7 billion. In December 2015, this process resulted in an agreement to transfer the customer portfolio to LMN Finance Limited. The sale is expected to be finalised during 2016.

With these sales, the customer activities in FS Property Finance have been wound up, and the company is expected to be wound up before the end of 2016, as originally planned.

At 31 December 2015, a significant part of the remaining portfolio of financial assets consisted of shares in DLR Kredit. In May 2013, DLR Kredit issued a declaration of intent to Finansiel Stabilitet that the company would buy back the shares in 2017 at the latest. As part of DLR's or-

dinary share redistribution in 2015, Finansiel Stabilitet sold shares for a total of DKK 49 million. On 9 February 2016, a conditional sales agreement was entered into with DLR Kredit, under which Finansiel Stabilitet will sell back the Group's remaining shares in DLR Kredit to the company. The sale is expected to be concluded on 23 March 2016 and is reflected in the financial statements for 2015 in the form of a revaluation of the assets.

Furthermore, in August 2015 Finansiel Stabilitet initiated a sales process with the aim of selling off a 30% ownership interest in Eik Banki P/F (Eik Banki). Prior to the sales process, a conditional agreement was entered into for the sale of the shareholding to TF Holding P/F (TF Holding), which in 2011 acquired 70% of the shares in Eik Banki from Finansiel Stabilitet. The conditional agreement was finalised, and TF Holding thus took over ownership of the shareholding. Accordingly, TF Holding now owns the entire share capital in Eik Banki. With this sale, Finansiel Stabilitet concludes the winding up of Eik Banki, which was taken over under Bank Package I and covered by the general government guarantee.

The remaining property portfolio mainly consists of Enrum Slot and various minor properties and plots with a total value at 31 December 2015 of DKK 252 million. The value of the property portfolio was thus reduced by DKK 336 million in 2015. The winding up is a net amount, comprising a limited inflow of properties of DKK 38 million acquired as part of the winding up of exposures (including DKK 8 million from the takeover of Andelskassen J.A.K. Slagelse) as well as market value adjustments of DKK 22 million.

As part of a simplification of its group structure and with a view to achieving cost efficiencies due to the advanced stage of winding up, in 2015 Finansiel Stabilitet closed down the many property companies as well as FS Finanselskabet (formerly FS Bank).

Accordingly, in June Finansiel Stabilitet transferred the shares in FS Ejendomsselskab II, FS Ejendomsselskab III and FS Ejendomsselskab IV to Finansiel Stabilitet from FS Finans II, FS Finans III and FS Finans IV, respectively. As a result of the transfer, the three property companies were subsequently merged with FS Ejendomsselskab as the continuing company. The transfer was completed for accounting purposes with effect from 1 January 2015.

As some uncertainty existed in FS Ejendomsselskab III as to the future sales prospects for the remaining two properties, as part of the transfer an earn-out agreement was entered into with the transferring company, FS Finans III. Under the terms of the earn-out agreement, FS Finans III will continue to receive profits and incur losses on the two properties.

With respect to FS Finansselskabet, the company was demerged and its assets and liabilities were transferred to Finansiel Stabilitet, FS Finans I, FS Finans II, FS Finans III and FS Finans IV. The demerger was finalised in November 2015 with effect for accounting purposes at 1 January 2015.

Lawsuits and disputes

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

Finansiel Stabilitet has instituted a number of compensation proceedings against the former managements, among others, of seven of the failing banks taken over. The lawsuit against the former management of Capinordic Bank is the first compensation proceedings 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. The judgment was appealed first by the defendants and subsequently by Finansiel Stabilitet.

In November 2015, the compensation proceedings against the former management and auditors of Roskilde Bank commenced. Judgment in this case is expected to be delivered in 2017.

Expenses related to actions for damages brought against the former managements of banks taken over amounted to about DKK 55 million in 2015. Finansiel Stabilitet expects to continue to incur considerable expenses on such cases in the years ahead. Expenses related to actions for damages brought against former bank managements have run into DKK 203 million to date.

After Finansiel Stabilitet took over control of Andelskassen J.A.K. Slagelse, a legal enquiry into the co-operative bank has been launched. The result of the legal enquiry is expected to be ready during the first half of 2016.

Bank Packages I / II

Bank Package I generated a profit of DKK 658 million after tax in 2015. FS Ejendomsselskab contributed a loss of DKK 33 million, and FS Property Finance contributed a profit of DKK 48 million relating to earn-out and Finansiel Stabilitet's funding of the company. The rest of the DKK 643 million profit was attributable to the parent company, including its share of purchase price and dowry adjustment in FS Finans I, II and III totalling DKK 213 million. The adjustment accrues to Finansiel Stabilitet under Bank Package I due to the fact that, as mentioned above, Finansiel Stabilitet settled Bank Package II with the Danish State at the beginning of 2015.

Due to the settlement, Finansiel Stabilitet in the framework of Bank Package I assumed the Danish State's risk of the losses under the scheme growing higher, which in practice would mean a reduction of the dividend in FS Finans I-IV. On the other hand, Finansiel Stabilitet's profit will increase if a higher dividend is achieved in these companies. As Finansiel Stabilitet is wholly owned by the Danish State, the matter is purely technical.

As a result of the change, the regular purchase price/dowry adjustment in FS Finans I-III accrues to Finansiel Stabilitet in the framework of Bank Package I, corresponding to the dowry that Finansiel Stabilitet originally contributed to these companies on behalf of the Danish State. The remaining part of any purchase price/dowry adjustment in the companies accrues to the Depositor and Investor Guarantee Scheme and, with respect to FS Finans III, also to other external creditors (see table on p. 5).

Bank Package III – FS Finans III and IV

In Amagerbanken (FS Finans III) and Fjordbank Mors (FS Finans IV), unsecured creditors incurred losses as a result of the transfer to Finansiel Stabilitet, as the transfer took place under Bank Package III. Under this model, unsecured creditors are not fully reimbursed, except for the agreed cover for deposits via the Depositor and Investor Guarantee Scheme.

After the expert valuers' review, the dividend (initial dividend) was fixed at 84.4% for Amagerbanken and 86.0% for Fjordbank Mors. If the winding up of these banks produces a better result than anticipated, the unsecured creditors may receive additional distributions. If the winding up produces a loss which had not been anticipated

at the time of fixing of the initial dividend, such loss will be covered by the Depositor and Investor Guarantee Scheme.

FS Finans III reported a profit for 2015 of DKK 52 thousand after tax, equal to the statutory return requirement to Finansielt Stabilitet on contributed equity.

This performance equals a profit of DKK 243 million before purchase price adjustment, among other things driven by a better-than-expected winding-up performance. Against this background, the purchase price adjustment was increased by DKK 243 million to DKK 1,741 million at the end of 2015. The improvement is in large part attributable to the sale of FS Finans III's ownership interest in Mols-Linjen A/S and the sale of DLR shares. The allocation of the purchase price adjustment affected the segment's performance by DKK 145 million.

Based on the current purchase price adjustment, the original dividend of 84.4% paid to creditors in Amagerbanken is expected to be increased to approximately 91%.

FS Finans IV posted a profit of DKK 36 million after tax in 2015. There is no purchase price adjustment in FS Finans

IV, and previously realised losses are covered by a loss guarantee in the Restructuring Department under the Depositor and Investor Guarantee Scheme.

Bank Package IV – FS Finans I and II

Except for the Depositor and Investor Guarantee Scheme and the Danish State, no unsecured creditors incurred any losses as a result of the transfer of Max Bank (FS Finans II) and Sparekassen Østjylland (FS Finans I) to Finansielt Stabilitet, as the transfers were made under Bank Package IV. Both the Depositor and Investor Guarantee Scheme and the Danish State contributed a dowry to both banks, as sufficient assets were not available to fully reimburse all creditors. The dowry was calculated at DKK 1.7 billion for Max Bank and DKK 1.2 billion for Sparekassen Østjylland.

If the winding up of these banks produces a better result than expected, the dowry may be reduced by way of a pro rata distribution, i.e. in proportion to the Depositor and Investor Guarantee Scheme's and Finansielt Stabilitet's respective shares of the contributed dowry. However, the final dividend, which is not fixed until the winding-up process has been concluded, is subject to substantial uncertainty.

Financial highlights FS Finans III and IV (Group)

(DKKm)	FS Finans III		FS Finans IV	
	2015	2014	2015	2014
Income statement				
Profit/(loss) for the period	0	0	36	348
Movement in purchase price adjustment included in profit	243	205	0	0
Balance sheet at 31 December				
Loans and advances	294	700	62	140
Other assets	1,597	1,017	331	521
Total assets	1,891	1,717	393	661
Purchase price adjustment	1,741	1,498	0	0
Other provisions	80	93	122	141
Other liabilities	69	125	155	46
Equity	1	1	116	474
Total equity and liabilities	1,891	1,717	393	661

FS Finans I posted a profit of DKK 52 thousand after tax in 2015, equal to the statutory return requirement to Finansiel Stabilitet on contributed equity.

This performance equals a profit of DKK 17 million before purchase price adjustment, driven by a better-than-expected winding-up performance. Against this background, the purchase price adjustment was adjusted by DKK 17 million to DKK 886 million at 31 December 2015. DKK 653 million of this amount was dowry previously paid. The remainder amounted to DKK 233 million.

Similarly, FS Finans II posted a profit of DKK 1 million after tax, equal to the statutory return requirement to Finansiel Stabilitet on contributed equity.

This performance equals a profit of DKK 137 million before purchase price adjustment, which is also, among other things, driven by a better-than-expected winding-up performance. Against this background, the purchase price adjustment was adjusted by DKK 137 million to DKK 439 million at 31 December 2015. DKK 322 million of this amount was dowry previously paid. The remainder amounted to DKK 117 million.

Bank Package V – FS Property Finance

Following the divestment of activities described under “Results of winding-up activities” above, the customer activities of FS Property Finance have now been wound up. Against this backdrop, the company is expected to be wound up in 2016 in accordance with the original plan.

The winding up comprised the divestment of a portfolio of property exposures of DKK 17 billion from FIH Erhvervsbank A/S, which Finansiel Stabilitet took over in July 2012.

The winding-up process was better than expected, and FS Property Finance reached break-even in 2015. The break-even result was achieved through a DKK 333 million revaluation of the loss-absorbing loan. The positive results, reflected by the revaluation of the loss-absorbing loan, were mainly driven by positive net interest income and reversed impairment losses.

This performance affected Finansiel Stabilitet's results positively by DKK 40 million by way of an earn-out. The terms of the earn-out were determined in the original agreement with FIH on the takeover of FS Property Finance and implied that if, at the time of calculation, the company's accumulated results were better than a loss

Financial highlights FS Finans I and II (Group)

(DKKm)	FS Finans I		FS Finans II	
	2015	2014	2015	2014
Income statement				
Profit/(loss) for the period	0	0	1	5
Movement in purchase price adjustment included in profit	17	50	137	15
Balance sheet at 31 December				
Loans and advances	13	41	21	166
Other assets	330	297	240	616
Total assets	343	338	261	782
Purchase price adjustment	233	216	117	0
Other provisions	97	116	60	106
Other liabilities	12	5	82	656
Equity	1	1	2	20
Total equity and liabilities	343	338	261	782

of DKK 500 million (before use of loss-absorbing loans), Finansiel Stabilitet would receive 25% of the difference. Since almost all activities have now been divested, the accumulated results amount to a total loss of DKK 340 million, meaning that Finansiel Stabilitet is to receive 25% of DKK 160 million, equivalent to DKK 40 million.

In addition, Finansiel Stabilitet's funding of FS Property Finance contributed total revenue of DKK 8 million to Finansiel Stabilitet's profit (recognised under the Bank Package I activities), whereby the total effect on Finansiel Stabilitet's profit from this segment was DKK 48 million.

As mentioned in the 2014 annual report and the interim report for the six months ended 30 June 2015, the European Commission in December 2013 approved Finansiel Stabilitet's takeover of the company subject to modification of a few sub-elements of the transaction structure, including an additional payment of DKK 310 million from FIH to Finansiel Stabilitet. The amount plus interest of DKK 29 million has been provisionally deposited with Finansiel Stabilitet as FIH has decided to appeal the European Commission's ruling. In light of the uncertainty as to the outcome of the case, the amount has not yet been recognised.

Depositor and Investor Guarantee Scheme

Structure of the Guarantee Fund

With the introduction of Act no. 334 of 31 March 2015 to amend the Financial Business Act, the Financial Stability Act, the Act on a Guarantee Fund for Depositors and Investors, the Securities Trading, etc. Act and the Tax Assessment Act, the Guarantee Fund for Depositors and Investors (the former Guarantee Fund) was dissolved. The rights and obligations of the former Guarantee Fund were continued as a Depositor and Investor Guarantee Scheme (the new Guarantee Fund) without an independent board and managed by Finansiel Stabilitet. Going forward, the Board of Directors of Finansiel Stabilitet will safeguard the interests of the new Guarantee Fund.

It follows from the amending act that in future the new Guarantee Fund, like the Resolution Fund, will be managed as a separate business area with its own segment financial statements under Finansiel Stabilitet. Accordingly, assets and liabilities are to be accounted for separately from Finansiel Stabilitet's other activities, meaning that the Guarantee Fund will not be liable on behalf of Finansiel Stabilitet and vice versa.

Financial highlights FS Property Finance (Group)

(DKKm)	2015	2014
Income statement		
Profit/(loss) for the period	0	0
Movement in loss-absorbing loans/guarantee FIH included in profit	333	620
Balance sheet at 31 December		
Due from credit institutions and central banks	931	404
Loans and advances	229	4,617
Receivable from FIH	77	33
Other assets	159	631
Total assets	1,396	5,685
Other liabilities	1,395	3,685
Equity	1	2,000
Total equity and liabilities	1,396	5,685

In future, Finansielt Stabilitet will be in charge of pay-outs from the new Guarantee Fund, which is divided into departments in the same way as the former Guarantee Fund, with assets and liabilities belonging to the same departments. As the Guarantee Fund has taken over all obligations, any claims against the former Guarantee Fund in the period until the act entered into force may be raised against the Guarantee Fund after the effective date of the act.

It followed from the regulations of the former Guarantee Fund and repealed Executive Order no. 679 of 27 June 2012 on a guarantee fund for depositors and investors that the Minister of Business and Growth was required on the dissolution of the former Guarantee Fund to make a decision on the application of the existing assets subject to approval by the Minister of Finance and after consulting the institutions. According to the amending act, all assets and liabilities of the former Guarantee Fund and hence the existing assets will be transferred to the new Guarantee Fund, which will have the same objects as the former Guarantee Fund.

Activities and results in 2015

The Guarantee Fund posted a total profit of DKK 2.2 billion in 2015. The profit was primarily related to the Banking Department, which produced a profit of DKK 2.2 billion, DKK 2.1 billion of which was attributable to deposits from the department's members. A small part of the Banking Department's profit of DKK 61 million in aggregate was attributable to better-than-expected results of bank winding-up activities in the form of purchase price adjustment. This primarily includes the previously mentioned purchase price adjustment of DKK 149 million and expected lower dividends relating to Capinordic. The other departments had no material effect on the financial results.

In 2012, the Banking Department of the former Guarantee Fund began to build up assets to cover potential future losses. Pursuant to the act then in force, the assets were to be built up over a number of years to 1% of covered net deposits. The legislative amendment which took effect from 1 June 2015 changed the target for the Guarantee Fund's assets to 0.8% of covered deposits. Based on an estimate of covered deposits of DKK 700 billion, this will result in a target for the Guarantee Fund's assets of

Income statement for the Depositor and Investor Guarantee Scheme

(DKKm)	2015	2014
Yields of listed bonds	14	17
Net interest income in connection with coverage activities	0	(4)
Value adjustment of bond portfolio	(12)	(14)
Premium income from banks	2,110	2,105
Profit from the winding up of banks	60	93
Expected commission from loss guarantees	(2)	262
IT withdrawal costs covered by the Resolution Department	-	(27)
Net payments from members and management fees received	-	2
Administrative expenses	6	6
Profit/(loss) for the year	2,164	2,428

approximately DKK 6 billion. At 31 December 2015, the Banking Department had total assets of DKK 8.8 billion. In addition to this, the Restructuring Department's assets amounted to DKK 4.4 billion, of which DKK 4.2 billion consisted in guarantees. The assets of the remainder of the departments were minor.

Loss guarantees provided

The Restructuring Department has issued loss guarantees to Finansiel Stabilitet in connection with the winding up of Amagerbanken af 2011, Fjordbank Mors af 2011, Max Bank af 2011 and Sparebank Østjylland af 2012. At 31 December 2015, the Guarantee Fund had recognised a provision of DKK 589 million on the loss guarantees provided.

Departments

At 31 December 2015, the Guarantee Fund covered 140 institutions: 87 banks (7 foreign banks), 7 mortgage

credit institutions, 39 investment companies, 4 investment management companies and 3 managers of alternative investment funds.

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 managers of alternative investment funds) and the Restructuring Department. With the most recent legislative amendment, the name was changed from the Winding-up and Restructuring Department to the Restructuring Department in order to avoid confusion with the Resolution Fund. In spite of the amendments to the Financial Stability Act and consequently the coverage of the Guarantee Fund, the Restructuring Department is continued with a view to maintaining the financing of loss guarantees already provided in connection with the former section 2 a of the Act on a Guar-

Balance sheet for the Depositor and Investor Guarantee Scheme

(DKKm)	2015	2014
ASSETS		
Interest on deposits with banks and Danmarks Nationalbank	8,621	6,277
Listed bonds	240	476
Guarantees provided by banks, mortgage credit institutions and investment companies	4,215	4,215
Purchase price and dowry adjustment receivable	706	0
Other receivables	120	146
Total assets	13,902	11,114
EQUITY AND LIABILITIES		
Assets of the former Guarantee Fund	13,245	10,525
Provision for losses on loss guarantees	589	587
Other provisions	40	0
Total provisions	629	587
Amounts owed to group enterprises	25	0
Other payables	3	2
Total liabilities	28	2
Total equity and liabilities	13,902	11,114

Income statement by department for 2015

(DKK '000)	Guarantee Fund, total	Banking Department	Mortgage Credit Department	Investment Company Department	Restruc- turing Department
General distribution					
Yields of listed bonds	13,670				
Value adjustment of bond portfolio	(12,113)				
Net financials	1,557	1,548	4	5	-
Costs:					
Fees to the Chairman and Deputy Chairman of the Board (1 Jan - 31 May)	(146)				
Management fee, Finansiell Stabilitet	(4,656)				
Other management costs	(263)				
Total shared costs	(5,065)	(3,027)	(5)	(6)	(2,027)
Total general distribution	(3,508)	(1,479)	(1)	(1)	(2,027)
Specific distribution					
Profit from the winding up of banks etc.	60,471	60,471			
Premium income from banks	2,109,790	2,109,790			
Provision for losses on loss guarantees	(2,181)				(2,181)
Costs directly attributable to legal and auditing assistance	(564)	(564)			
Total specific distribution	2,167,516	2,169,697			(2,181)
Profit/(loss) for the year	2,164,008	2,168,218	(1)	(1)	(4,208)

antee Fund for Depositors and Investors with respect to capitalisation of subsidiaries, provision of a liquidity facility for subsidiaries and any losses incurred by subsidiaries due to winding up.

Financing of the Guarantee Fund

Pursuant to Consolidation Act no. 917 of 7 August 2015 on a depositor and investor guarantee scheme, any need for funding of the Banking Department will in future be effected by way of a fixed annual contribution from the banks. Going forward, the total annual contribution payable by the banks to the Banking Department will in such case constitute 0.25% of the covered net deposits calculated at 31 March, 30 June, 30 September and 31 De-

ember of the preceding year. Reports on the institutions' covered deposits for the preceding year must be submitted on or before 31 January and will form the basis of Finansiell Stabilitet's calculation of the contributions of the individual institutions. Payment is to be effected on or before 30 April of the year to which the contribution relates. The contribution amounted to DKK 2.1 billion in 2015. For 2016, no collection of contributions is deemed necessary, as the assets exceed the statutory requirement.

As a new feature, the implementation of EU Directive 2014/49 of 16 April 2014 on deposit guarantee schemes (DGSD) will entail that contributions made by banks and mortgage credit institutions must be calculated on the

basis of the amount of covered deposits and the degree of risk incurred by the individual institutions. In order to ensure uniform application of the directive, the DGSD provides that the European Banking Authority (EBA) is to issue guidelines for such risk adjustment of the institutions' contributions. Upon the recommendation of Finansiell Stabilitet, the Danish FSA must approve the risk-based method for determining and calculating the risk-based contributions. The recommendation made to the Danish FSA on the determination of contributions must take the EBA guidelines into consideration. The calculation of contributions should reflect the members' risk and give due consideration to the risk profile of their business models. In order to adapt the contributions to market conditions and risk profiles, the Guarantee Fund may, however, use its own risk-based methods. The EBA must be informed about the approved methods. The implementation will take place in connection with a revision of Executive Order no. 819 of 3 July 2015 on a depositor and investor guarantee scheme ahead of an ordinary collection of contributions for 2017.

The banks' obligation to pay this contribution will cease if the assets of the Banking Department exceed 0.8%

of covered deposits. The obligation to pay contributions will be resumed if the assets no longer exceed 0.8% of covered deposits. The Banking Department had total assets of DKK 8,791 million at 31 December 2015. In accordance with applicable law, any excess cover cannot be repaid and will therefore be kept as a buffer, ensuring that it will not be necessary to make any further contributions in the event of minor losses such as in the case of Andelskassen J.A.K. Slagelse.

The Mortgage Credit Department and the Investment Company Department, respectively, are required to have total assets of at least DKK 10 million. However, the part of the assets collected on the basis of the covered funds must total at least DKK 2.5 million of the total assets.

The total assets of the Restructuring Department must 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 assets of DKK 1 billion earmarked for restructuring, including for coverage of costs in connection with withdrawal from data centres. This part of the assets must consist of guarantees or cash payments from the banks required to pay contributions.

Assets by department for 2015

(DKK '000)	Guarantee Fund, total	Banking Department	Mortgage Credit Department	Investment Company Department	Restructuring Department
Contributions					
Contributions received at 1 January 2015	4,971		2,500	2,471	
Adjustments for the year	(2,500)		(2,500)		
Balance at 31 December 2015	2,471		-	2,471	
Guarantees provided (unchanged in 2015)	4,214,912		7,500	7,412	4,200,000
Retained earnings					
Balance at 1 Jan 2015	6,304,912	6,066,053	1,357	2,635	234,867
Purchase price and dowry adjustment at 1 Jan 2015	556,442	556,442			
Adjustments for the year	2,500		2,500		
Profit/(loss) for the year	2,164,008	2,168,218	(1)	(1)	(4,208)
Balance at 31 December 2015	9,027,862	8,790,713	3,856	2,634	230,659
Assets at 31 Dec 2015	13,245,245	8,790,713	11,356	12,517	4,430,659

Financial position

The Guarantee Fund's liquid assets including securities totalled DKK 8.8 billion at 31 December 2015. Finansielt Stabilitet has adopted an investment strategy for the Guarantee Fund based on investments being made in liquid, low-risk assets. In light of the current investment options, this implies that the assets of the Guarantee Fund have been placed as current account deposits.

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. The Guarantee Fund also has the option of borrowing funds from Finansielt Stabilitet, which may be financed through the raising of state-funded re-lending.

Area of coverage

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 and managers of alternative investment funds for certain losses in connection with reconstruction or bankruptcy. The area of coverage of the Guarantee Fund has recently been expanded with the implementation of the BRRD and the DGSD.

The Restructuring Department may furthermore contribute to a reconstruction, among other things by covering costs associated with withdrawal from a data centre in connection with the merger of a failing bank or the takeover of assets under the Financial Stability Act and the Resolution Act.

Scope of coverage

The Guarantee Fund covers deposits and cash funds up to EUR 100,000 (approximately DKK 745,000) for each depositor with each bank.

However, pension funds, e.g. cash deposits into annuity pension and capital pension schemes, are fully covered. Moreover, increased coverage is provided for a number of special deposits for a period of 6-12 months. Consequently, deposits which serve social purposes and are linked to particular life events are covered by EUR 150,000 for a period of six months and deposits resulting from real estate transactions relating to non-traders are

covered by up to EUR 10 million for a period of 12 months from the date on which the deposit was made. In future, the extended coverage in connection with real estate transactions also applies to disbursements to a seller of real estate.

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 failing institution is comprised by the investor compensation scheme. Coverage is calculated net of any loans or other liabilities vis-à-vis the relevant institution. No changes have been made to the Guarantee Fund's coverage of securities in connection with the recent legislative amendment.

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. The supplementary coverage covers pension accounts and the special deposits which are subject to increased coverage from the Guarantee Fund for a period of 6-12 months after the amount was deposited with the bank.

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 à Luxembourg S.A. have applied for coverage under the former Guarantee Fund as a supplement to the coverage provided by the national guarantee schemes.

It is the guarantee scheme of the host country, in Denmark the Guarantee Fund, which is to make disbursements to depositors on behalf of the guarantee scheme of the home country in connection with the winding up of a branch. The procedure for the co-operation between the Guarantee Fund and the deposit guarantee schemes of the home countries will be adjusted through multilateral co-operation agreements and EBA guidelines.

Additional information on the Guarantee Fund's coverage is provided on the Guarantee Fund's website, www.gii.dk.

Legislative framework

The legislative framework governing the Guarantee Fund is Consolidation Act no. 917 of 7 August 2015 on a Depositor and Investor Guarantee Scheme.

The act was most recently amended in 2015 by Act no. 334 of 31 March 2015, which implements the Deposit Guarantee Schemes Directive (Directive 2014/49/EU of 16 April 2014) (DGSD) and Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (BRRD). The amendments to Part 4 (sections 7 and 7a) did not enter into force until 1 January 2016, see section 7(2) of Act no. 334 of 31 March 2015.

In addition, the Guarantee Fund is governed by Executive Order no. 819 of 3 July 2015 on a Depositor and Investor Guarantee Scheme and Executive Order no. 820 of 3 July 2015 on the Guarantee Fund's coverage of depositors and investors.

The act entered into force on 1 June 2015, and the executive orders were issued shortly after. The act has not yet been put into force for the Faroe Islands and Greenland. As a result, institutions registered in the Faroe Islands or Greenland, respectively, are covered in accordance with the previous coverage rules which were put into force 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 and 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.

Resolution Department

Structure of the Resolution Fund

Act no. 333 of 31 March 2015 on the Restructuring and Resolution of Certain Financial Enterprises implemented the new resolution and restructuring framework of Finansielt Stabilitet and established the Resolution Fund.

The Resolution Fund is to be managed as a separate business area with its own segment financial statements under Finansielt Stabilitet. Accordingly, assets and liabilities are to be accounted for separately from Finansielt Stabilitet's other activities, meaning that the Resolution Fund will not be liable on behalf of Finansielt Stabilitet and vice versa.

Activities and results in 2015

The Resolution Department, including the Resolution Fund, generated a profit of DKK 351 million in 2015.

In 2015, the department's administrative expenses amounted to DKK 10 million, offset by corresponding income allotted through the Finance and Appropriation Act. The administrative tasks relate to, among other things, legal work in relation to the new Act on Restructuring and Resolution of Certain Financial Enterprises, enabling

Income statement for the Resolution Fund

(DKKm)	2015
Premium income	351
Other income	10
Profit/(loss) on net financials and coverage activities	361
Costs	
Management fees	10
Total costs	10
Profit/(loss) for the year	351

legislation and commencement of work to prepare resolution plans and build up the Resolution Fund.

As a result of the Act on Restructuring and Resolution of Certain Financial Enterprises, which entered into force on 1 June 2015, Finansiel Stabilitet has initiated the build-up of the Resolution Fund, which is to total at least 1% of the covered deposits of the enterprises comprised. The Fund will be built up over 10 years through payment of annual contributions from the covered deposits on the basis of the individual enterprises' liabilities less capital injections, covered deposits, intra-group balances and an individually determined risk adjustment, among other items.

At the end of 2015, Finansiel Stabilitet collected the first contributions to the Resolution Fund for the period 1 June – 31 December 2015. Total contributions for the period amounted to DKK 351 million, which corresponded to six months' contributions according to the agreement with the sector.

For the period in 2015, a total of 90 enterprises made contributions, composed of 74 banks, 7 mortgage credit institutions and 9 investment companies.

Of these enterprises, about one third paid according to a model for risk-adjusted basic contribution, and the

remaining two thirds paid an administratively determined contribution. Most of the contributions made by enterprises during the period were charged on the basis of the risk-adjusted contribution model.

Banks contributed DKK 235.5 million, mortgage credit institutions contributed DKK 115.3 million and investment companies contributed just under DKK 0.1 million.

Andelskassen J.A.K. Slagelse

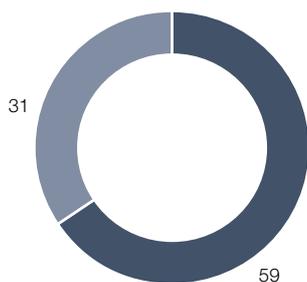
On 5 October 2015, the Danish FSA notified Finansiel Stabilitet that Andelskassen J.A.K. Slagelse was failing and that there was no prospect of any other solutions that could resolve co-operative bank's problems within a reasonable timeframe. Finansiel Stabilitet assumed control of the co-operative bank and implemented resolution measures.

These resolution measures entailed that Finansiel Stabilitet established a subsidiary, Broinstitut I A/S, which injected new share capital after the write-down of the existing share capital and is thus the sole shareholder of the co-operative bank. Via Broinstitut I A/S, the Resolution Fund has injected new share capital in the amount of DKK 38 million.

Balance sheet for the Resolution Fund

(DKKm)	2015
ASSETS	
Demand deposits with central banks	151
Due from credit institutions	181
Investments in subsidiaries etc.	38
Total assets	370
EQUITY AND LIABILITIES	
Other liabilities	10
Provisions	9
Total provisions	19
Resolution Fund	351
Total equity and liabilities	370

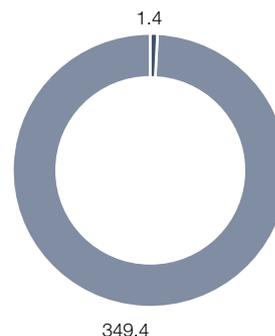
No. of companies



- Administratively determined contributions (Article 10)
- Risk-adjusted contributions

Note: Greenlandic and Faroese institutions not yet included.

Contributions (DKKm)



- Administratively determined contributions (Article 10)
- Risk-adjusted contributions

A preliminary valuation indicated that, in addition to the share capital, all subordinated debt, claims of unsecured creditors and all deposits in Andelskassen J.A.K. Slagelse exceeding the amount covered by the Guarantee Fund were lost.

The final valuation of total assets, which will be made by independent valuer H.C. Krogh, auditor with PwC, is under way and is expected to be announced in the first half of 2016.

As part of the takeover of the co-operative bank, a legal enquiry was initiated to investigate whether there are grounds for bringing an action for damages against the former management and auditors of the co-operative bank.

The aim is to sell Andelskassen J.A.K. Slagelse in the first half of 2016. Against this background, Finansiell Stabilitet in January 2016 initiated a selling process targeting qualified investors with the aim of divesting the co-operative bank or separately divesting customer activities comprising some 800 group exposures with gross lending in a total amount of approximately DKK 250 million and some 2,200 savings account customers. It is expected that a sales agreement can be concluded during the first half of 2016.

Financing of the Resolution Fund

During the period from 2015 to 2024, the Resolution Fund is to build up assets up to a level ensuring that it has funds equivalent to at least 1% of the covered deposits of all institutions. The build-up must be distributed as evenly as possible over the period mentioned, until the target level has been reached, always with due consideration for the economic climate and the potential effects of pro-cyclical contributions on the financial position of contributing enterprises.

Pursuant to Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex ante contributions to resolution financing arrangements, the financing of the Resolution Fund takes place through a fixed annual contribution from supervised enterprises.

For small enterprises, the contributions are generally determined as a fixed amount which is solely adjusted in proportion to their size as measured in terms of the amount of liabilities and total assets. The fixed (administrative) contributions vary from EUR 1,000 to EUR 50,000 per year. This approach allows for a wider adjustment of the contribution for larger institutions, which are generally more systemic, in proportion to their risk profile.

Accordingly, for large institutions, the contribution is determined on the basis of a number of risk pillars and indicators with a view to determining the contribution to be made by the individual enterprises based on their risk profile. In simplified terms, this means that contributions are determined according to this method by adjusting the basic contribution of the enterprises by an individually determined risk adjustment of between 0.8 and 1.5. The basic contribution is determined in this context as the individual enterprise's share of the contributions collected for the period, expressed as the ratio of the enterprise's basis of liabilities (total liabilities less intragroup lending, promotional loans, own funds, covered deposits and other items) to the total basis of liabilities of all enterprises comprised by the risk adjustment model.

The enterprises will cease to make contributions if the assets exceed 1% of covered deposits. If the available financial means of the Resolution Fund are not sufficient to cover losses, costs or other expenses in connection with the resolution of an institution or entity, Finansielt Stabilitet may request payment of extraordinary contributions. However, such extraordinary contributions may not exceed three times the most recent annual contribution paid.

Finansielt Stabilitet's calculation of the Fund's target level and the contributions of the individual enterprises is based on information obtained from the Danish FSA and from the enterprises. For a further description of the model, go to www.finansieltstabilitet.dk.

Financial position

The Resolution Fund had liquid assets of DKK 332 million at 31 December 2015.

Finansielt Stabilitet is responsible for ensuring that the available financial means of the Resolution Fund are from time to time proportionate with the Resolution Fund's potential liabilities.

Like for the Guarantee Fund, Finansielt Stabilitet has therefore adopted an investment strategy for the Resolution Fund which is based on investments being made in liquid, low-risk assets. In light of the current investment options, this implies that the assets of the Guarantee Fund have been placed as current account deposits.

In case of insufficient funds, the Resolution Fund may raise loans in the market or from the corresponding resolution financing schemes of other countries. Moreover, Finansielt Stabilitet may raise state-funded re-lending to be used as loan financing of the Resolution Fund.

Scope

On 1 June 2015, a new set of rules on the restructuring and resolution of banks, mortgage credit institutions and investment companies I entered into force. The rules provide Finansielt Stabilitet with a range of different powers to initiate a restructuring or resolution of a failing enterprise with the purpose of securing continuity in the enterprise's critical functions and also to minimise any negative effects on the general economy and the financial system.

Finansielt Stabilitet may initiate a restructuring or resolution process if the Danish FSA identifies that (i) a company fails or is expected to fail, and (ii) there is no prospect of other solutions from e.g. the private sector or the Danish FSA within a reasonable time frame, and if Finansielt Stabilitet assesses that (iii) a resolution is necessary in the public interest.

In the case of restructuring and resolution, Finansielt Stabilitet may e.g. assume control over the enterprise, effect a full or partial sale of the enterprise to a subsidiary of Finansielt Stabilitet (bridge institution or portfolio management company) or write down or convert the enterprise's liabilities.

In connection with restructuring and resolution, losses are generally to be borne in accordance with the order of priority of creditors, and it is further a precondition that no creditor may be placed at a financial disadvantage to a bankruptcy process. This is to be assessed in a subsequent independent valuation. If it is assessed that there are creditors who have been placed at a disadvantage, they will be entitled to compensation from the Resolution Fund. See below. Depositors may also be affected by restructuring and resolution measures, but the value of their deposits will never be less than the amount of coverage provided under the Guarantee Fund.

For use in the restructuring and resolution of failing enterprises, the build-up of a Resolution Fund has been initiated. See above.

The Resolution Fund may be used to provide guarantees, loans etc. in connection with the use of restructuring or resolution measures. The Fund may also be used in special circumstances directly to cover losses in an enterprise, provided liabilities have first been written down or converted in an amount equivalent to at least 8% of the enterprise's liabilities. In such situation, the Fund may contribute assets equivalent to up to 5% of the enterprise's liabilities.

Resolution plans

An important element of Finansielt Stabilitet's new activities is to prevent and in a best-case scenario minimise the financial consequences to society of banks, mortgage credit institutions or investment companies failing. If an institution fails anyway, it is important for an efficient and optimum socio-economic handling of the situation that Finansielt Stabilitet has been "close" to the institution up to the point when it failed and is prepared to take action. It is also important that no critical obstacles emerge in connection with a restructuring or resolution process which could have been avoided in whole or in part by due diligence and planning.

As part of this preparation process, Finansielt Stabilitet prepares resolution plans for all Danish banks, mortgage credit institutions and investment companies in collaboration with the Danish FSA. This work was initiated in 2015 and is expected to be completed in 2016. The resolution plans will subsequently be updated on an ongoing basis and as and when needed.

The resolution plan must provide a description of how the specific enterprise may be wound up in a number of different scenarios without the use of government funds. Finansielt Stabilitet prepares draft resolution plans to be adopted by the Danish FSA. If it becomes necessary to initiate a restructuring or resolution of an enterprise, Finansielt Stabilitet will use the resolution plan as a basis but is not bound by it.

In the preparation of the resolution plans, an assessment should be made of whether the specific enterprise is capable of being restructured or resolved, or whether there are obstacles preventing restructuring or resolution, which the Danish FSA will order the enterprise to eliminate. Moreover, the Danish FSA determines a requirement for eligible liabilities for the individual enterprises. The purpose

of this requirement is to ensure that the enterprise has sufficient liabilities which may be used to absorb the enterprise's losses and possibly to recapitalise the enterprise.

In collaboration with the Danish FSA and Danmarks Nationalbank, which are to be consulted about resolution plans for institutions designated as SIFs, Finansielt Stabilitet has initiated the work to prepare resolution plans.

Legislative framework

The legislative framework of the Resolution Department and the Resolution Fund is Act no. 333 of 31 March 2015 on Restructuring and Resolution of Certain Financial Enterprises and Executive Order no. 823 of 3 July 2015 on the Resolution Fund. In addition, executive orders have been issued on resolution planning and contingency resolution measures as well as on Finansielt Stabilitet's use of resolution measures.

The act entered into force on 1 June 2015, and the executive orders were issued shortly after. The act has not yet been put into force for the Faroe Islands and Greenland.

The rules implement Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (BRRD). With a view to achieving a uniform application of the rules, the European Commission is to issue a number of delegated acts and implementing acts in this area. These acts are expected to be issued in 2016.

Finansielt Stabilitet participates e.g. in the work of the European Banking Authority (EBA) to prepare the acts for the European Commission.

Significant risks

The principal risks affecting Finansielt Stabilitet relate to the winding up of activities that Finansielt 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, Finansielt Stabilitet's risks are divided into corresponding categories.

The principal risks affecting the different segments are described below. For further information on risks and risk management, see note 32 to the financial statements.

Bank Packages I-V

Risks under Bank Package I-V activities are to a considerable extent influenced by the special tasks involved in taking over and winding up failing banks. As the exposures have been significantly reduced, the most significant future risks in this segment will be related to the outcomes of lawsuits and disputes. In addition to this, when settling Bank Package II with the Danish State, Finansiell Stabilitet assumed the risk that resolution in this segment proceeds less well than expected at the time of the settlement. In practice, losses can only be incurred if the purchase price and dowry adjustment in the businesses under Bank Packages III and IV is reduced.

The Depositor and Investor Guarantee Scheme

The principal risks under the Depositor and Investor Guarantee Scheme relate to the winding up of activities that Finansiell Stabilitet has taken over under Bank Packages III-IV and the risk of future losses as a result of the restructuring and resolution of failing banks resulting in losses on covered deposits.

If the winding up of activities under Bank Packages III and IV produces a loss which had not been anticipated at the time of fixing of the initial dividend at the takeover date, such loss will have to be covered by the Depositor and Investor Guarantee Scheme. Based on the preliminary winding up, the only additional losses recorded under Bank Package III relate to the winding up of FS Finans IV.

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

The investment of cash funds must take into account that all currency risk is hedged (euro positions are not included in this calculation), and interest rate risk must be within the

limits set out in the investment strategy approved by the Board of Directors. The Depositor and Investor Guarantee Scheme is mainly funded by the Guarantee Fund's own assets. Additional funding is available by means of Finansiell Stabilitet's access to state-funded re-lending.

Resolution Department

In relation to the Resolution Department, the principal risks are related to losses in connection with the restructuring or resolution of institutions in which the Resolution Fund has injected capital. Moreover, the investment of the Resolution Fund will be subject to risk, depending on the chosen investment profile. The Act on Restructuring and Resolution of Certain Financial Enterprises stipulates that the assets of the Resolution Fund must be invested in low-risk assets. Each year, Finansiell Stabilitet's Board of Directors defines the investment strategy for the assets. The investment strategy must be determined so as to ensure that the available financial means of the Resolution Fund are from time to time proportionate with the Resolution Fund's potential liabilities. The investment of cash funds must take into account that all currency risk is hedged (euro positions are not included in this calculation).

Events after 2015

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

Outlook for 2016

The profit for the Finansiell Stabilitet Group for 2016 is expected to correspond to the expected contributions to the Resolution Fund of approximately DKK 700 million. No further contributions are expected to be made to the Guarantee Fund in 2016.

The outlook is subject to some uncertainty due to the continued substantial uncertainty about the 2016 results of the activities relating to previous Bank Package activities. Accordingly, the profit guidance provided above does not include any potential effect on operations of value adjustments of assets should the winding-up results prove either better or worse than the carrying amounts. Moreover, the outcome of lawsuits and disputes is subject to substantial uncertainty.

Corporate governance

Finansiel Stabilitet structures the management of the Group and the performance of the Group's activities in accordance with the special obligation imposed on Finansiel Stabilitet to support financial stability in Denmark.

Finansiel Stabilitet complies with the recommendations for exercising ownership and practising corporate governance in state-owned public companies, as described in the ownership policy of the Danish State published in 2015. In addition, Finansiel Stabilitet has chosen to comply with the corporate governance recommendations to the widest extent possible, even though Finansiel Stabilitet is not directly comprised by the recommendations.

Finansiel Stabilitet on a regular basis considers developments in the corporate governance recommendations applicable to listed companies. At least once a year, the Board of Directors and the Management Board review principles defined for the management of Finansiel Stabilitet and make ongoing adjustments as and when needed to ensure that the Company complies with good practice in the area.

The overall objectives are defined by Ministry of Business and Growth and, therefore, decisions on acceptance of risk are not left to the Board of Directors as would normally be the case. As the Company's objects and the achievement thereof are defined by law, Finansiel Stabilitet does not comply with the Committee's corporate governance recommendations in relation to risk management. Moreover, the Committee's recommendations on the handling of takeover bids have no relevance for Finansiel Stabilitet due to the Company's status as an independent public company. Likewise, the Company has chosen not to comply with a few other recommendations as described below. Within the given framework, the Board of Directors of Finansiel Stabilitet has sought to enhance the risk management efficiency of the assets taken over.

Communication with the owner and stakeholders of the Company

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

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

Finansiel Stabilitet is subject to the rules applying to state-owned companies, which implies, among other things, that in key areas the Company is subject to the same requirements as listed companies.

Announcements and other information from Finansiel Stabilitet and its subsidiaries are released through the Danish Business Authority and through the Company's website, www.finansielstabilitet.dk. The website also provides information about the Company's structure, activities, etc.

General meeting

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

Representatives of the Ministry of Business and Growth, the Board of Directors, the Management Board, the National Audit Office and the Company's auditors attend the annual general meeting. General meetings are open to the press. However, the Board of Directors of Finansiel Stabilitet may decide that a general meeting should be closed or partially closed to the press if motivated by considerations for the discharge of Finansiel Stabilitet's objects, powers and responsibilities.

Notices convening general meetings are published and distributed to the Minister for Business and Growth or his proxy not less than two weeks and not more than four weeks prior to the date of the general meeting.

Management structure

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

Finansiel Stabilitet's subsidiaries are managed by independent management boards and boards of directors, which consist fully or partly of the day-to-day management of Finansiel Stabilitet. This structure entails that Finansiel Stabilitet is represented on the boards of directors of all subsidiaries.

Board work

The Board of Directors is responsible for the overall management of Finansiel Stabilitet.

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

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

A total of 14 board meetings were held in 2015, including 7 extraordinary board meetings. A total of 9 board meetings were held in 2014.

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

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

The Board of Directors regularly and at least once a year assesses the tasks and composition of the Board of Directors and the collaboration between the Board of Directors and the Management Board.

Until March 2015, Finansiel Stabilitet had an internal audit department, which covered the entire Group. The internal audit department was closed down as a consequence of Finansiel Stabilitet's reduced level of activity.

Composition of the Board of Directors

At 31 December 2015, the Board of Directors of Finansiel Stabilitet consisted of five members. The Minister for Business and Growth appoints the members of the Board of Directors, including the Chairman and the Deputy Chairman. Neither the employees of Finansiel Stabilitet nor the employees of Finansiel Stabilitet's subsidiaries are entitled to elect members to the Board of Directors of Finansiel Stabilitet.

The members of the Board of Directors are elected for a term of one year, but are eligible for re-election.

At the annual general meeting held on 7 April 2015, Peter Engberg Jensen was elected Chairman, and Nina Dietz Legind was elected as a member of the Board of Directors. Jakob Brogaard and Birgitte Nielsen resigned from the Board of Directors on the same occasion. Bent Naur, Anette Eberhard and Erik Sevaldsen were re-elected.

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

Age is not deemed to be a disqualifying factor, and therefore no age limit has been determined for the members of the Board of Directors. Finansiel Stabilitet thereby deviates from the recommendations of the Committee on Corporate Governance.

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

Prior to election of members to the Board of Directors at the general meeting, information must be provided on the experience and professional background of the individual candidates. As the candidates are nominated by the Company's sole owner, the Ministry of Business and Growth, it is assessed that there is no need to distribute information about the competences of the candidates together with the

notice convening the general meeting. Finansiel Stabilitet thereby deviates from the recommendation of the Committee on Corporate Governance.

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

Management Board

The Management Board is composed of Henrik Bjerre-Nielsen, CEO.

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

Remuneration of the Board of Directors and the Management Board

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

In the financial year 2015, the remuneration paid to the Board of Directors amounted to DKK 1,097,000 (2014: DKK 1,382,000), including DKK 445,000 (2014: DKK 525,000) to the Chairman and the Deputy Chairman.

The remuneration of the Management Board is determined by the Board of Directors, and in 2015 the remuneration of the Management Board consisted of a basic salary. Finansiel Stabilitet has no pension obligations towards the Management Board. Members of the Management Board do not receive a separate fee for directorships held in subsidiaries.

The total remuneration paid to the Management Board amounted to DKK 3.0 million in 2015 (2014: DKK 3.4 million).

The terms of employment of the Management Board, including remuneration and severance terms, are deemed to be consistent with ordinary standards for a position of this nature and do not entail any special obligations on the part of the Company.

Finansiel Stabilitet complies with the remuneration recommendations of the Danish State's ownership policy, including

by not paying top-bracket salaries. Finansiel Stabilitet abides by legally binding agreements with employees entered into in connection with the takeover of failing banks.

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

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

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

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

Finansiel Stabilitet's Board of Directors previously resolved to establish a whistleblower scheme for the Group. Before Finansiel Stabilitet received permission from the Danish Data Protection Agency to introduce the scheme, Finansiel Stabilitet's tasks and scope of activity changed significantly. Based on the new scope of activity and tasks of Finansiel Stabilitet, the Board of Directors will consider in 2016 whether to introduce a whistleblower scheme for the Group.

Auditors

The activities of Finansiel Stabilitet are audited by the Auditor General of Denmark and a state-authorised public accountant.

The state-authorised public accountant is appointed for a term of one year at the general meeting and must be certified by the Danish FSA. Before nominating a candidate for appointment at the general meeting, the Board of Directors makes an assessment of the state-authorised public accountant's independence, qualifications, etc.

The framework for the auditors' duties, including their remuneration, audit and non-audit assignments are written into a service contract.

Ernst & Young was appointed auditors of the Finansiel Stabilitet Group's activities in 2015.



Corporate social responsibility

Finansiel Stabilitet is required to contribute to ensuring financial stability in Denmark, primarily by winding up failing banks. In performing this task, Finansiel Stabilitet assumes significant corporate social responsibility.

Focus is on minimising losses on assets taken over, minimising the Company's risks and contributing to ensuring stability, including in other sectors such as the property market and the agricultural sector. The Company aims for business with the Group's customers to continue under the auspices of other banks to the extent possible or under the auspices of purchasers who are obliged to manage the customer portfolio in accordance with the Executive Order on good business practice for financial undertakings.

In addition, the Company is focused on organising an adequate and expense-focused process for examining complaints and lawsuits and claims from creditors and ensuring that cases are handled in a legally correct manner.

The Company and its subsidiaries live up to their responsibility as employers, business partners and consumers of natural resources. However, the Company does not act as an intermediary for sales of products or services outside the Group, nor does it operate internationally or invest with a view to obtaining a profit. For this reason, the Company has not found it relevant to sign up to any special CSR standards.

The Company has not defined any corporate responsibility policy or any policies regarding the protection of human rights or climate impact reduction.

Employees

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

After recent years' adjustment of resources, the winding up of activities taken over under the Bank Packages is now so advanced that the organisation and headcount is considered to have reached a more stable level. If deemed necessary, Finansiel Stabilitet will on an ongoing basis make natural task and organisational adjustments. Likewise, in connection with the taking over of a failing bank, Finansiel Stabilitet will assess whether an adjustment of employee resources is required.

Gender composition of Management

Finansiel Stabilitet aims to have balanced gender composition of its Management at Group level. Against this background, Finansiel Stabilitet has defined a policy to increase the proportion of women in management positions throughout the Group.

The ambition is for women to hold at least one third of the seats on the Company's Board of Directors. Two of the five members of the Board of Directors of Finansiel Stabilitet are women, while two out of three members of the boards of directors of the subsidiaries Bridge Institution I, FS Finans I, FS Finans II, FS Finans III and FS Finans IV are women. Accordingly, Finansiel Stabilitet meets its target.

The Company also aims to ensure an adequate gender composition at the Group's other management levels. The Group's female employees should feel that they have the same career opportunities and opportunities to be considered for management positions as their male colleagues. In addition, Finansiel Stabilitet aims to have an open and unbiased corporate culture allowing employees to optimise their skills and talents in the best possible way, regardless of gender. Finansiel Stabilitet is focused on gender composition in connection with its employment and recruitment procedures. Achievement of the policy target is further supported by internal controls.

The proportion of women at the Group's other management levels was 38% at 31 December 2015, compared with 32% at the year-earlier date.

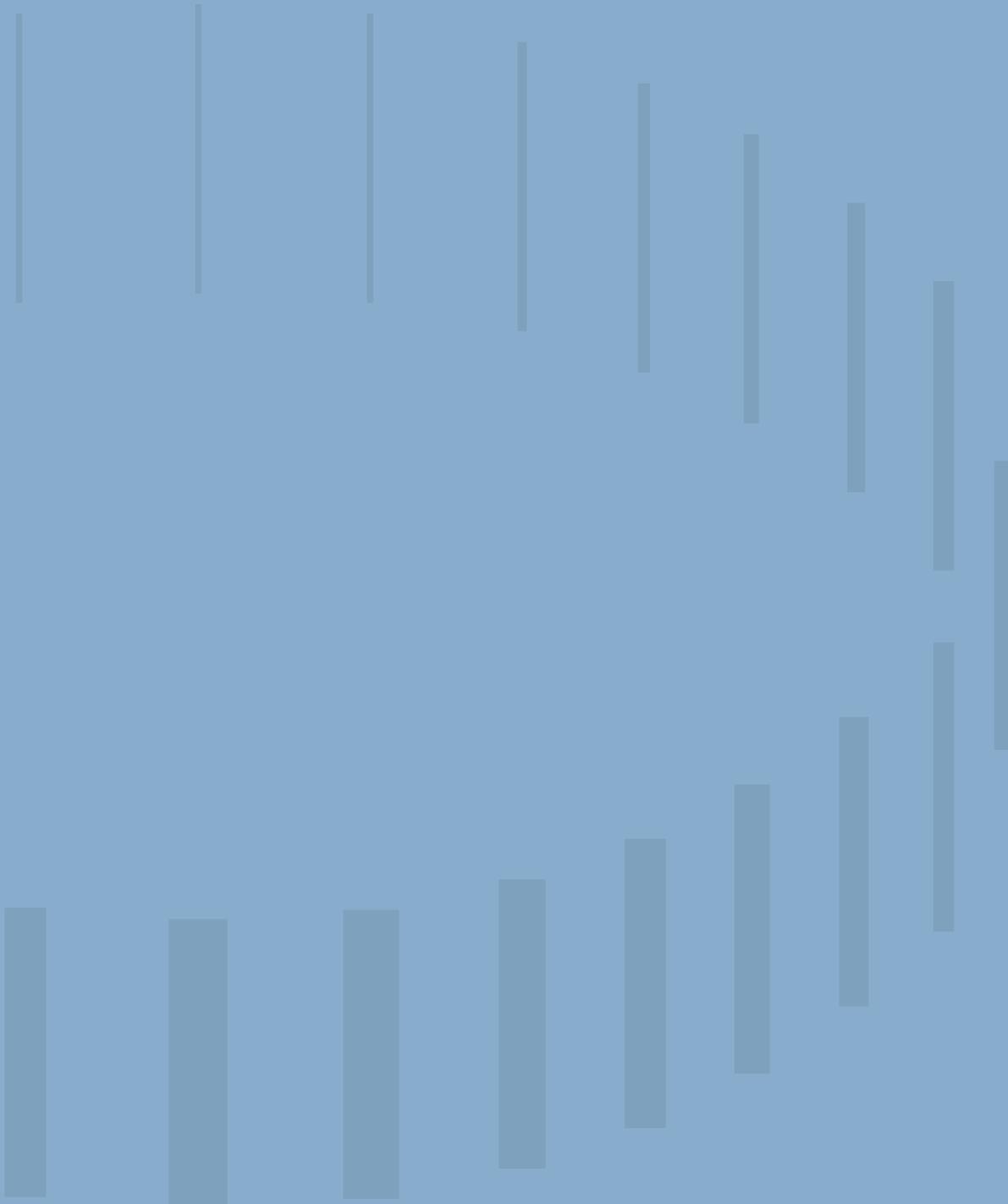
Business partners and suppliers

The Company is focused on using suppliers who comply with applicable and relevant standards in the specific area. This applies to the property area in connection with completion of properties and projects taken over by Finansiel Stabilitet from failing banks or on realisation of collateral. Finansiel Stabilitet will use labour clauses in new building and construction contracts irrespective of the contract amount in order to ensure that work is performed in accordance with Danish remuneration and employment terms.

Environmental and climate impact

In performing its business activities, Finansiel Stabilitet seeks to limit its environmental and climate impact. However, the Company's environmental and climate impact is limited due to its business volume, and no separate policies and business procedures have been drawn up in this respect.

Financial statements



Income and comprehensive income statement

(DKKm)	Note	Group		Parent	
		2015	2014	2015	2014
Interest and fees					
Interest income	5	367	556	107	221
Interest expense	6	59	80	35	55
Net interest income					
		308	476	72	166
Share dividends, etc.		2	6	0	2
Contributions to the Guarantee Fund		2,110	-	2,110	-
Contributions to the Resolution Fund		351	-	351	-
Fees and commissions received	7	12	89	7	83
Fees and commissions paid	7	5	63	5	63
Net interest and fee income					
		2,778	508	2,535	188
Market value adjustments	8	241	(85)	134	(26)
Value adjustment, loss-absorbing loans FIH		(225)	(939)	-	-
Other operating income	9	512	1,422	324	363
Staff costs and administrative expenses	10	280	281	202	232
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		1	2	0	0
Other operating expenses	11	279	357	179	286
Impairment losses on loans, advances and receivables, etc.	12	(338)	(1,471)	(199)	(716)
Profit/(loss) from investments in associates and subsidiaries	13	120	39	1	280
Dowry and purchase price adjustment		(35)	(720)	362	-
Loss guarantee from the Danish State re. individual government guarantees		-	(60)	-	(60)
Profit/(loss) for the year before tax					
		3,169	996	3,174	943
Tax	14	(4)	30	1	(23)
Profit/(loss) for the year					
		3,173	966	3,173	966
Comprehensive income statement					
Profit/(loss) for the year		3,173	966	3,173	966
Other comprehensive income after tax		0	0	0	0
Total comprehensive income					
		3,173	966	3,173	966
Appropriation of profit/(loss)					
Proposed dividend		0	5,304	0	5,304
The Guarantee Fund		2,164	-	2,164	-
The Resolution Fund		351	-	351	-
Retained earnings		658	(4,338)	658	(4,338)
Total amount appropriated					
		3,173	966	3,173	966

Balance sheet

(DKKm)	Note	Group		Parent	
		2015	2014	2015	2014
ASSETS					
Cash in hand and demand deposits with central banks		14,688	1,162	14,687	1,162
Due from credit institutions and central banks	15	771	1,373	324	259
Loans, advances and other receivables at fair value	16	8	41	8	40
Loans, advances and other receivables at amortised cost	16	922	7,229	309	4,408
Bonds at fair value	17	247	397	240	135
Shares, etc.	18	1,035	1,026	580	609
Investments in associates, etc.	19	49	344	49	334
Investments in subsidiaries		0	0	677	2,974
Investment properties	20	252	588	44	19
Other property, plant and equipment	21	1	2	0	0
Assets held temporarily	22	0	0	0	0
Guarantees provided by banks, mortgage credit institutions and investment companies		4,215	-	4,215	-
Receivable re. loss guarantee from the Danish State relating to individual government guarantees		0	3,489	0	3,489
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank		2,550	4,331	2,550	4,331
Purchase price and dowry adjustment receivable		0	0	1,840	0
Other assets	23	532	1,682	338	1,140
Prepayments		3	0	3	5
Total assets		25,273	21,664	25,864	18,905

(DKKm)	Note	Group		Parent	
		2015	2014	2015	2014
EQUITY AND LIABILITIES					
Liabilities					
Due to credit institutions and central banks	24	1,341	1,171	0	0
Deposits and other payables	25	204	0	0	0
Loans through the state-funded re-lending scheme	26	801	5,628	801	5,628
Other liabilities	27	864	1,108	3,591	1,711
Deferred income		8	0	8	0
Total liabilities		3,218	7,907	4,400	7,339
Provisions					
Provision for losses on guarantees		299	452	128	192
Purchase price adjustment (earn-out)	28	252	1,714	0	-
Other provisions	29	907	874	739	657
Total provisions		1,458	3,040	867	849
Total liabilities		4,676	10,947	5,267	8,188
Equity					
Finansiel Stabilitet		7,001	5,413	7,001	5,413
The Guarantee Fund		13,245	-	13,245	-
The Resolution Fund		351	-	351	-
Proposed dividend		0	5,304	0	5,304
Total equity		20,597	10,717	20,597	10,717
Total equity and liabilities		25,273	21,664	25,864	18,905

Note 30: Contingent assets and liabilities

Note 31: Derivative financial instruments

Note 32: Financial risk management

Note 33: Related parties

Note 34: Group overview

Note 35: Break-down of balance sheet items by contractual and expected terms to maturity

Note 36: Fair value disclosure

Note 37: Fair value of balance sheet items at amortised cost

Note 38: Return on financial instruments

Note 39: Leases

Note 40: Finansiel Stabilitet 2011-2015

Statement of changes in equity

Group (DKKm)	2015						2014
	Finansiel Stabilitet			Guarantee Fund	Resolution Fund	Total equity	
	Sub-ordinated assets	Retained earnings	Proposed dividend				
Equity as at 1 January	1	5,412	5,304	-	-	10,717	9,751
Addition at 1 January re. the Guarantee Fund for Depositors and Investors	-	-	-	10,525	-	10,525	-
Comprehensive income for the period	-	658	0	2,164	351	3,173	966
Transactions with owners							
Purchase price and dowry adjustment	-	930	-	556	-	1,486	-
Dividend paid	-	-	(5,304)	-	-	(5,304)	-
Equity as at 31 December	1	7,000	0	13,245	351	20,597	10,717

Parent company (DKKm)	2015						2014
	Finansiel Stabilitet			Guarantee Fund	Resolution Fund	Total equity	
	Sub-ordinated assets	Retained earnings	Proposed dividend				
Equity as at 1 January	1	5,412	5,304	-	-	10,717	9,751
Addition at 1 January re. the Guarantee Fund for Depositors and Investors	-	-	-	10,525	-	10,525	-
Comprehensive income for the period	-	658	-	2,164	351	3,173	966
Transactions with owners							
Purchase price and dowry adjustment	-	930	-	556	-	1,486	-
Dividend paid	-	-	(5,304)	-	-	(5,304)	-
Equity as at 31 December	1	7,000	0	13,245	351	20,597	10,717

Cash flow statement

(DKKm)	Group	
	2015	2014
Cash flows from operating activities		
Profit/(loss) for the year after tax	3,173	966
Impairment of loans, etc., net	(338)	(1,471)
Depreciation/amortisation	1	2
Loss guarantee	-	60
Other	(386)	(334)
Total operating activities	2,450	(777)
Working capital		
Changes in credit institutions, net	223	764
Change in loans, advances and other receivables	6,873	5,400
Changes in securities	838	108
Change in deposits and other payables	(42)	(868)
Changes in other assets and liabilities	6,050	688
Total working capital	13,942	6,092
Total cash flows from operating activities	16,392	5,315
Cash flows from investing activities		
Net investment in subsidiaries	23	-
Purchase/sale of property, plant and equipment	336	852
Total	359	852
Cash flows from financing activities		
Relending	(4,761)	(7,736)
Dividend	(5,304)	-
Total	(10,065)	(7,736)
Change in cash and cash equivalents*		
Cash and cash equivalents at the beginning of the year	8,501	3,793
Change during the year	6,686	(1,569)
Cash and cash equivalents at the end of the year	15,187	2,224
Cash and cash equivalents comprise:		
Cash in hand, etc.	14,668	1,162
Due from credit institutions and central banks within less than three months	519	1,062
Cash and cash equivalents at the end of the year	15,187	2,224

* The difference in cash and cash equivalents at the end of 2014 and at the beginning of 2015 is due to the merger of Finansiel Stabilitet and the Guarantee Fund for Depositors and Investors.

Notes

1. Accounting policies

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

The parent company, Finansiel Stabilitet SOV, presents its financial statements in accordance with the Danish Financial Business Act. In 2014, the former Finansiel Stabilitet A/S presented its financial statements in accordance with the Danish Financial Statements Act. The transition to reporting under the Financial Business Act has not resulted in changes to the recognition and measurement of assets and liabilities compared with the financial statements of 2014.

Finansiel Stabilitet A/S has implemented the IFRS standards and interpretations taking effect for 2015. The implementation of these did not affect recognition or measurement in 2015.

Apart from the below additions to the accounting policies as a result of the takeover of the Guarantee Fund for Depositors and Investors, the accounting policies are thus consistent with those applied last year.

Additions to the accounting policies following the takeover of the Guarantee Fund for Depositors and Investors

The Group

- Contributions to the Guarantee Fund
- Guarantees provided by banks, mortgage credit institutions and investment companies

The parent company

- Purchase price and dowry adjustment receivable

Conversion of Finansiel Stabilitet into an independent public company and takeover of the Guarantee Fund for Depositors and Investors

As a result of the Act on Restructuring and Resolution of Certain Financial Enterprises, on 1 June 2015 Finansiel Stabilitet was converted from a state-owned public limited company into an independent public company.

For accounting purposes, the conversion of Finansiel Stabilitet took place retroactively at 1 January 2015. As a result of the conversion, the former share capital was converted into subordinated assets. The conversion did not affect the recognition or measurement of the assets or of total assets and liabilities at 1 January 2015.

In continuation of the conversion and pursuant to Act no. 333 of 31 March 2015, Finansiel Stabilitet took over the assets and liabilities of the previously independent entity, the Guarantee Fund for Depositors and Investors. The takeover was completed for accounting purposes with effect from 1 January 2015.

All items of a uniform nature in the two entities have been consolidated, after which intercompany balances have been eliminated and relevant items reclassified to align the recognition and measurement with that of Finansiel Stabilitet.

The most significant changes relative to the 2014 annual report are the following items: "Contributions to the former Guarantee Fund", covering the banks' premium payments, which for 2015 amount to 0.25% of the banks' covered net deposits; "Guarantees provided by banks, mortgage credit institutions and investment companies", comprising the nominal value of guarantees provided to the now dissolved Guarantee Fund for Depositors and Investors and "Purchase price and dowry adjustment receivable", covering the parent company's expected receivables in FS Finans I-IV.

In accordance with the Act on Restructuring and Resolution of Certain Financial Enterprises, Finansiel Stabilitet's assets, the Guarantee Fund and the Resolution Fund must be kept separate. Finansiel Stabilitet is not liable for the Guarantee Fund or the Resolution Fund, and these are only liable for their own obligations and liabilities.

Merger and demerger

In June 2015, the shares in FS Ejendomsselskab II, FS Ejendomsselskab III and FS Ejendomsselskab IV were transferred to Finansiel Stabilitet from FS Finans II, FS Finans III and FS Finans IV. The companies were subsequently merged with FS Ejendomsselskab, which was the continuing company. In November 2015, a liquidation demerger of FS Finansselskabet was effected, and the demerged assets and liabilities were transferred to Finansiel Stabilitet, FS Finans I, FS Finans II, FS Finans III and FS Finans IV.

1. Accounting Policies (continued)

The merger and the demerger were both completed for accounting purposes with effect from 1 January 2015.

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 Interpretation Committee (IFRIC) has issued a number of interpretations that have not yet come into force.

It is as yet too early to predict whether these changes will 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, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, the Group and parent company are subject to risks and uncertainties that may cause actual outcomes to deviate from the estimates and assumptions made.

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

Estimates significant to the financial reporting include the following:

- Impairment losses on loans and advances
- Provision for losses on guarantees and legal disputes, etc.
- Fair value of securities
- Contingent assets

Accounting policies for the Group

Foreign currency translation

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

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

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

Offsetting

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

Financial instruments – general

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

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

Derivative financial instruments

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

Notes

1. Accounting Policies (continued)

the basis of current market data and generally accepted valuation methods.

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the parent company, Finansiell Stabilitet SOV, and subsidiaries which the parent company controls. Control is achieved by directly or indirectly holding or having the disposal of more than 50% of the voting rights or otherwise exercising a controlling influence over the relevant enterprise.

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

In assessing whether the parent company exercises control or significant influence, potential voting rights exercisable at the balance sheet date are taken into account.

The consolidated financial statements have been prepared consolidating the financial statements of the parent company and the individual subsidiaries stated under the Group's accounting policies, eliminating intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions. Unrealised gains on transactions

with associates are eliminated in proportion to the Group's share of the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that no impairment has occurred.

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

Balance sheet

Due from credit institutions and central banks

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

Loans, advances and receivables at fair value

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

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

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

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

Loans, advances and receivables at amortised cost

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

1. Accounting Policies (continued)

On takeover of existing loans, advances and receivables, any difference between amortised cost and fair value will be amortised over the expected term to maturity.

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

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

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

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

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

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

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

Collective impairment write-downs are calculated using rating and segmentation models. The model-based collective

impairment write-downs are subsequently adjusted to the extent that it is found that events have occurred that the models do not take into account or that the historical loss experience on which the models are based does not reflect the actual circumstances.

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

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

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

Bonds, shares, etc.

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

Unlisted securities are recognised at fair value using the fair value option, because management thereof is based on fair value which, accordingly, forms the basis for the internal management reporting. Fair values of unlisted securities are measured on the basis of models, agreed trading prices according to articles of association, or the like.

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

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

Leases

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

All other leases are classified as operating leases.

Notes

1. Accounting Policies (continued)

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

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

Associates

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

Property

Property comprises investment properties.

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

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

Land is not depreciated.

Other property, plant and equipment

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

Impairment of property, plant and equipment

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

Tax payable and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated tax on the taxable

income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on-account tax scheme.

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

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

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

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

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

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

Assets held temporarily

Assets held temporarily comprise non-current assets and disposal groups held for sale. A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction. Liabilities regarding assets held for sale are liabilities directly associated with those assets that will be transferred in the transaction. Assets are

1. Accounting Policies (continued)

classified as “held temporarily” if their carrying amount will be recovered principally through a sale transaction within 12 months in accordance with a formal plan rather than through continuing use.

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

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

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

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

Guarantees provided by banks, mortgage credit institutions and investment companies

The item comprises the nominal value of guarantees provided to the now dissolved Guarantee Fund for Depositors and Investors.

Receivable re. loss guarantee from the Danish State relating to Roskilde Bank

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

Other assets

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

Financial liabilities

At the date of borrowing, deposits, issued bonds and debt to credit institutions, central banks, etc. are recognised at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost, applying the “effective interest method”, to the effect that the difference between the proceeds and the nominal value

is recognised in the income statement under financial expenses over the term of the loan. Other financial liabilities are measured at amortised cost.

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

Other liabilities

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

Purchase price adjustment

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

Provisions

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

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

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

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

Notes

1. Accounting Policies (continued)

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

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

Equity

Finansiel Stabilitet's assets, the Guarantee Fund and the Resolution Fund are shown as three separate items. Danish legislation provides that Finansiel Stabilitet's assets and the two funds are only liable for their own obligations.

Proposed dividend

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

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

Contingent assets and liabilities

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

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

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

Income statement

Interest income and expense

Interest income and expense and current commission in respect of interest-bearing financial instruments measured

at amortised cost are recognised in the income statement applying the effective interest method based on the cost of the financial instrument.

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

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

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

Contributions to the Guarantee Fund

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

Contributions to the Resolution Fund

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

Fee and commission income, net

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

Market value adjustments

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

Value adjustment, loss-absorbing loans FIH

The item comprises the value adjustment of the loss-absorbing loans issued by FIH in connection with the establishment of FS Property Finance and should be seen in conjunction with adjustments of impairment losses and provisions for the underlying loan portfolio.

1. Accounting Policies (continued)

Other operating income

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

Staff costs and administrative expenses

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

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

With a few former members of Management, the Group has entered into defined benefit plans. The pension liability in this respect is based on an actuarial assessment of the present value of expected benefits. Present value is calculated on the basis of the most recent yield curve of the Danish FSA and benchmark mortality rates and any changes other than pension payments for the period are adjusted in through profit or loss/other comprehensive income.

Depreciation and impairment of tangible assets

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

Other operating expenses

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

Impairment losses on loans, advances and receivables

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

Profit/(loss) from investments in associates

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

Tax

As a result of Finansiel Stabilitet having been converted from a state-owned public limited company into an independent public company, as from 2015, the joint taxation has ceased.

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

Special accounting issues relating to the parent company financial statements

Receivables re. loss guarantee from the Danish State relating to individual government guarantees

The parent company's expected loss relating to individual government guarantees was previously stated as a receivable because of the government guarantees.

After Finansiel Stabilitet's assumption of the risk on the individual government guarantees issued, a receivable will not be recognised going forward.

Purchase price and dowry adjustment receivable

The parent company's expected receivables in FS Finans I-IV.

Tax payable and deferred tax

Finansiel Stabilitet SOV is exempt from taxation.

Other fees and commissions received

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

Consolidated cash flow statement

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

Notes

1. Accounting Policies (continued)

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

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

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

Cash flows from financing activities comprise changes in the size or composition of share capital, subordinated debt, re-lending and distribution of dividend.

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

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

Segment information for the Group

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

Inter-segment transactions are settled on market terms. Costs incurred such as salaries, rent, depreciation, amorti-

sation, etc. are allocated to individual segments based on direct and proportionate consumption.

In connection with the conversion of Finansiell Stabilitet into an independent public company and the takeover of assets and liabilities from the Guarantee Fund for Depositors and Investors, the former segmentation has been changed to the effect that there are now five principal segments: Bank Packages I and II, Bank Packages III and IV, Bank Package V, the Guarantee Fund under the Depositor and Investor Guarantee Scheme and the Resolution Fund under the Resolution Department.

Accordingly, the Group's reporting segments are:

Bank Package I-V activities

- *Bank Packages I and II*
This segment comprises the activities under the original Bank Package I and the activities under Bank Package II. These two areas of activity have been 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*
This segment comprises the former activities related to banks taken over under Bank Packages II and IV, 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*
This segment comprises winding-up activities relating to FS Property Finance.

The Guarantee Fund

This 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 Restructuring departments.

The Resolution Fund

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

1. Accounting Policies (continued)

Segment information for the parent company

In connection with the conversion of Finansiel Stabilitet into an independent public company and the takeover of the Guarantee Fund for Depositors and Investors, the parent company's former segmentation has been changed to the effect that there are now three principal segments: Finansiel Stabilitet, the Guarantee Fund under the Depositor and Investor Guarantee Scheme and the Resolution Fund under the Resolution Department.

Accordingly, the parent company's reporting segments are:

- *Finansiel Stabilitet*
This segment comprises the original Bank Package activities
- *The Guarantee Fund*
This segment comprises Finansiel Stabilitet's activities relating to the Guarantee Fund, which can be divided into four sub-departments: The Banking, Mortgage Credit, Investment Company and Restructuring Departments.
- *The Resolution Fund*
This segment comprises Finansiel Stabilitet's activities relating to the Resolution Fund.

Opening balance sheet at 1 January 2015 (Group)

(DKKm)	Finansiel Stabilitet 31.12.2014	Guarantee Fund 31.12.2014	Adjust- ments*	Elimi- nations	Group 01.01.2015
ASSETS					
Cash in hand and demand deposits with central banks	1,162	6,277	-	-	7,439
Due from credit institutions and central banks	1,373	-	-	-	1,373
Loans, advances and other receivables at fair value	41	-	-	-	41
Loans, advances and other receivables at amortised cost	7,229	-	-	-	7,229
Bonds at fair value	397	476	-	-	873
Shares etc.	1,026	-	-	-	1,026
Investments in associates, etc.	344	-	-	-	344
Investments in subsidiaries	-	-	-	-	-
Investment properties	588	-	-	-	588
Other property, plant and equipment	2	-	-	-	2
Purchase price and dowry adjustment receivable	-	-	1,497	(1,497)	-
Guarantees provided by banks, mortgage credit institutions and investment companies	-	4,215	-	-	4,215
Receivable re. loss guarantee from the Danish State relating to individual government guarantees	3,489	-	-	-	3,489
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank	4,331	-	-	-	4,331
Other assets	1,682	146	-	(599)	1,229
Total assets	21,664	11,114	1,497	(2,096)	32,179

* Adjustments relate to Finansiel Stabilitet's takeover rights and obligations regarding individual government guarantees effective from 1 January 2015.

Notes

1. Accounting Policies (continued)

(DKKm)	Finansiel Stabilitet 31.12.2014	Guarantee Fund 31.12.2014	Adjust- ments*	Elimi- nations	Group 01.01.2015
EQUITY AND LIABILITIES					
Liabilities					
Due to credit institutions and central banks	1,171	-	-	-	1,171
Deposits and other payables	-	-	-	-	-
Loans through the state-funded re-lending scheme	5,628	-	-	-	5,628
Issued bonds at amortised cost	-	-	-	-	-
Due to mortgage credit institutions	-	-	-	-	-
Other liabilities	1,108	2	-	(1)	1,109
Total liabilities	7,907	2	-	(1)	7,908
Provisions					
Provision for losses on guarantees	452	587	-	(587)	452
Purchase price adjustment (earn-out)	1,714	-	-	(1,497)	217
Other provisions	874	-	11	(11)	874
Total provisions	3,040	587	11	(2,095)	1,543
Total liabilities	10,947	589	11	(2,096)	9,451
Equity					
Finansiel Stabilitet	10,717	-	930	-	11,647
The Guarantee Fund	-	10,525	556	-	11,081
The Resolution Fund	-	-	-	-	-
Total equity	10,717	10,525	1,486	-	22,728
Total equity and liabilities	21,664	11,114	1,497	(2,096)	32,179

* Adjustments relate to Finansiel Stabilitet's takeover of individual government guarantees effective from 1 January 2015.

1. Accounting Policies (continued)

Opening balance sheet at 1 January 2015 (Parent)

(DKKm)	Finansiel Stabilitet 31.12.2014	Guarantee Fund 31.12.2014	Adjust- ments*	Elimi- nations	Finansiel Stabilitet SOV
ASSETS					
Cash in hand and demand deposits					
with central banks	1,162	6,277	-	-	7,439
Due from credit institutions and central banks	259	-	-	-	259
Loans, advances and other receivables at fair value	40	-	-	-	40
Loans, advances and other receivables					
at amortised cost	4,408	-	-	-	4,408
Bonds at fair value	135	476	-	-	611
Shares etc.	609	-	-	-	609
Investments in associates, etc.	334	-	-	-	334
Investments in subsidiaries	2,974	-	-	-	2,974
Total land and buildings	19	-	-	-	19
Investment properties	19	-	-	-	19
Other property, plant and equipment	-	-	-	-	-
Purchase price and dowry adjustment receivable			1,497	-	1,497
Guarantees provided by banks, mortgage credit institutions and investment companies	-	4,215	-	-	4,215
Receivable re. loss guarantee from the Danish State relating to individual government guarantees	3,489	-	-	-	3,489
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank	4,331	-	-	-	4,331
Other assets	1,145	146	-	(588)	703
Total assets	18,905	11,114	1,497	(588)	30,928

Notes

1. Accounting Policies (continued)

Opening balance sheet at 1 January 2015 (Parent)

(DKKm)	Finansiel Stabilitet 31.12.2014	Guarantee Fund 31.12.2014	Adjust- ments*	Elimi- nations	Finansiel Stabilitet SOV
EQUITY AND LIABILITIES					
Liabilities					
Loans through the state-funded re-lending scheme	5,628	-	-	-	5,628
Other liabilities	1,711	2	-	(1)	1,712
Total liabilities	7,339	2		(1)	7,340
Provisions					
Provision for losses on guarantees	192	587	-	(587)	192
Purchase price adjustment (earn-out)	-	-	-	-	-
Other provisions	657	-	11	-	668
Total provisions	849	587	11	(587)	860
Total liabilities	8,188	589	11	(588)	8,200
Equity					
Finansiel Stabilitet	10,717	-	930	-	11,647
The Guarantee Fund	-	10,525	556	-	11,081
The Resolution Fund	-	-	-	-	-
Total equity	10,717	10,525	1,486	-	22,728
Total equity and liabilities	18,905	11,114	1,497	(588)	30,928

2. Segment information for the Group

Activities 2015 (DKK m)	Bank packages I and II	Bank packages III and IV	Bank package V	Guarantee Fund	Reso- lution- Fund	Elimina- tions	Total
Net interest income	84	37	173	14	3		311
Contributions to the Guarantee Fund	-	-	-	2,110	351		2,461
Other net fee income, market value adjustments, etc.	245	254	(102)	(12)	-	3	388
Purchase price and dowry adjustment	213	(397)	0	149	-		(35)
Value adjustment, loss-absorbing loans FIH etc.	108	0	(333)	-	-		(225)
Other operating income/expenses, net	42	31	298	(91)	10	(60)	230
Operating expenses	214	79	28	6	14	(60)	281
Impairment losses on loans, advances, guarantees etc.	(199)	(142)	4	-	(1)		(338)
Profit/(loss) from investments in associates	(18)	3	0	-	0	(3)	(18)
Profit/(loss) for the period before tax	659	(9)	4	2,164	351	0	3,169
Tax	1	(9)	4	-	-		(4)
Profit/(loss) for the period	658	0	0	2,164	351	0	3,173
Total assets at 31 December 2015	10,769	2,888	1,396	13,901	601	(4,282)	25,273
Investments in associates at 31 Dec. 2015 at net asset value	49	0	0	0	0		49
Total liabilities at 31 December 2015	3,768	2,888	1,396	656	250	(4,282)	4,676

Activities 2014 (DKK m)	Bank packages I and II	Bank packages III and IV	Bank package V	Elimi- nations	Total
Net interest income		161	90	225	476
Other net fee income, market value adjustments, etc.		(39)	101	(115)	(53)
Purchase price and dowry adjustment		0	(720)	0	(720)
Value adjustment, loss-absorbing loans FIH etc.		0	0	(939)	(939)
Other operating income/(expenses), net		220	418	635	1,273
Operating expenses		145	124	14	283
Impairment losses on loans, advances, guarantees etc.		(750)	(513)	(208)	(1,471)
Profit/(loss) from investments in associates		41	(2)	0	39
Loss guarantee re. the former Guarantee Fund		0	(268)	0	(268)
Profit/(loss) for the period before tax		988	8	0	996
Tax		22	8	0	30
Profit/(loss) for the period		966	0	0	966
Total assets at 31 December 2014		11,973	4,006	5,685	21,664
Investments in associates at 31 Dec. 2014 at net asset value		49	0	0	49
Total liabilities at 31 December 2014		1,256	4,006	5,685	10,947

According to agreement with the Danish State, the risk on individual government guarantees has been transferred to Finansiel Stabilitet effective from 2015.

Consequently, the Bank Package II segment has in 2015 been included in Bank Package I.

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 has been 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

Now consists of the activities under the original Bank Package I and the activities under Bank Package II. These two areas of activity have been 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 comprise 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 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 assets and liabilities regarding the Guarantee Fund, which can be divided into four sub-departments: The Banking, Mortgage Credit, Investment Company and Restructuring departments.

The Resolution Fund under the Resolution Department

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

3. Segment information for the parent company

Activities 2015					
(DKKm)	Bank Package activities	Guarantee Fund	Resolution Fund	Elimina- tions	Total
Interest income	93	14	0		107
Interest expense	35	0	0		35
Net interest income	58	14	0		72
Share dividends, etc.	0	0	0		0
Contributions to the Guarantee Fund	-	2,110	-		2,110
Contributions to the Resolution Fund	-	-	351		351
Fees and commissions received	7	0	0		7
Fees and commissions paid	5	0	0		5
Net interest and fee income	60	2,124	351		2,535
Market value adjustments	146	(12)	0		134
Other operating income	335	0	10	(15)	330
Staff costs and administrative expenses	207	6	10	(15)	208
Other operating expenses	88	91	0		179
Impairment losses on loans, advances and receivables, etc.	(199)	0	0		(199)
Profit/(loss) from investments in associates and subsidiaries	1	0	0		1
Purchase price and dowry adjustment	213	149	0		362
Profit/(loss) for the period before tax	659	2,164	351	0	3,174
Tax	1				1
Profit/(loss) for the period	658	2,164	351		3,173
Total assets at 31 December 2015*	12,184	13,901	370	(591)	25,864
Total liabilities at 31 December 2015*	5,183	656	19	(591)	5,267

* Assets and liabilities are specified in note 40.

Notes

4. Takeover of enterprises

In performing its objects under the Act on Financial Stability, Finansiel Stabilitet has taken over all assets and liabilities of Andelskassen J.A.K. Slagelse. The takeover took place pursuant to the Act on Restructuring and Resolution of Certain Financial Enterprises.

On 5 October 2015, the Danish FSA notified Finansiel Stabilitet that Andelskassen J.A.K. Slagelse was failing and that there was no prospect of any other solutions that could resolve the co-operative bank's problems within a reasonable timeframe. Finansiel Stabilitet assumed control of the co-operative bank and implemented resolution measures.

These resolution measures entailed that Finansiel Stabilitet established a subsidiary, Broinstitut I A/S, which injected new share capital after the write-down of the existing share capital and thus becoming the sole shareholder of the co-operative bank. Via Broinstitut I A/S, the Resolution Fund has injected new share capital in the amount of DKK 38 million.

The assets and liabilities taken over mainly comprised loans, advances and guarantees, deposits, balances with credit institutions and central banks and certain contractual obligations.

A preliminary valuation indicated that, in addition to the share capital, all subordinated debt, claims of unsecured creditors and all deposits in Andelskassen J.A.K. Slagelse exceeding the amount covered by the Guarantee Fund

were lost. In that connection, the loss incurred by the Guarantee Fund was preliminarily calculated at approximately DKK 25 million.

Furthermore, in connection with the financial reporting for 2015, an additional provision has been made based on a conservative estimate of the total winding-up costs, including the Guarantee Fund's own costs for legal and financial assistance, etc.

The final valuation, which will be made by independent valuer H.C. Krogh, auditor with PwC, is underway and is expected to be announced in the first half of 2016. As part of the takeover of the co-operative bank, a legal enquiry was initiated to investigate whether there are grounds for bringing an action for damages against the former management and auditors of Andelskassen J.A.K. Slagelse.

The aim is to sell Andelskassen J.A.K. Slagelse in the first half of 2016. Against this background, Finansiel Stabilitet in January 2016 initiated a selling process targeting qualified investors with the aim of divesting Andelskassen J.A.K. Slagelse or separately divesting customer activities comprising some 800 group exposures with loans and credit agreements in a total amount of approximately DKK 250 million and some 2,200 savings account customers. It is expected that a sales agreement can be concluded during the first half of 2016.

(DKKm)	Group		Parent	
	2015	2014	2015	2014
5. Interest income				
Due from credit institutions and central banks	13	46	9	17
Loans, advances and other receivables at amortised cost	233	400	51	172
Loans, advances and other receivables at fair value	0	3	0	3
Bonds	50	20	25	12
Total derivative financial instruments	45	85	0	0
Foreign exchange contracts	0	7	0	0
Interest rate contracts	45	78	0	0
Other interest income	26	2	22	17
Total	367	556	107	221
Interest income relates to:				
Assets at amortised cost	270	424	80	206
Assets at fair value	97	132	27	15
Total	367	556	107	221
Interest on financial assets written down individually amounted to	38	171	27	106
6. Interest expense				
Credit institutions and central banks	23	25	0	0
Deposits and other payables	0	1	0	1
Loans through the state-funded re-lending scheme	35	54	35	54
Other interest expense	1	0	0	0
Total	59	80	35	55
7. Fees and commissions received				
Fees and commissions received				
Guarantees	11	87	7	82
Other fees and commissions	1	2	0	1
Total	12	89	7	83
Fees and commissions paid				
Guarantees	0	72	0	72
Commissions paid on loss guarantees provided by the former Guarantee Fund	-	(25)	-	(25)
Other fees and commissions paid	5	16	5	16
Total	5	63	5	63

Notes

(DKKm)	Group		Parent	
	2015	2014	2015	2014
8. Value adjustments				
Adjustment for credit risk for loans and advances at fair value	1	(31)	1	(31)
Bonds	(9)	36	(10)	(7)
Shares, etc.	324	75	198	25
Investment properties	27	(55)	7	(1)
Currency	33	(5)	8	(5)
Foreign exchange, interest, share, commodity and other contracts and derivative financial instruments	(69)	(95)	(4)	(3)
Other assets and liabilities	(66)	(10)	(66)	(4)
Total	241	(85)	134	(26)
Market value adjustments relate to:				
Assets and liabilities at fair value	307	(36)	200	(23)
Other assets and liabilities	(66)	(49)	(66)	(3)
Total	241	(85)	134	(26)
9. Other operating income				
Sale of activities	3	24	0	4
Rental income, property	29	86	0	0
Damages awarded through litigation	151	0	151	0
Sale of management services for external parties	0	4	0	4
Gain from disposal of exposures	295	738	8	0
Income from group companies	-	-	39	97
Reversed provisions for litigation/settlement	6	193	0	175
Income from the Danish FSA	10	-	10	-
Other items	18	377	116	83
Total	512	1,422	324	363

(DKKm)	Group		Parent	
	2015	2014	2015	2014
10. Staff costs and administrative expenses				
Salaries and remuneration to Board of Directors and Management Board:				
Management Board	3	4	3	4
Board of Directors	1	1	1	1
Total	4	5	4	5
Staff costs:				
Salaries	30	110	26	108
Severance pay	13	14	13	14
Provisions for salaries during release period	2	5	2	5
Pensions	9	11	7	11
Social security costs	1	(136)	1	(107)
Total	55	4	49	31
Other administrative expenses	221	272	149	196
Total	280	281	202	232
Average number of employees during the financial year converted into full-time equivalent	74	167	68	166
Board emoluments paid (DKK'000)				
Peter Engberg Jensen (Chairman) - appointed 2015	220	-	220	-
Bent Naur (Deputy Chairman)	225	225	225	225
Anette Eberhard*	196	150	196	150
Erik Sevaldsen	150	150	150	150
Nina Dietz Legind - appointed 2015	110	-	110	-
Jakob Brogaard - resigned 2015	81	300	81	300
Visti Nielsen - resigned 2015	40	150	40	150
Michael Mikkelsen - resigned 2015	75	150	75	150
Flemming Hansen - resigned 2014	-	41	-	41
Cecilia Lysemose - resigned 2014	-	138	-	138
Else Strandgaard - resigned 2014	-	75	-	75
Per F. Laursen - resigned 2013	-	3	-	3
Total emoluments	1,097	1,382	1,097	1,382
* Includes emoluments from the former Guarantee Fund.				
Management Board remuneration paid (DKK'000)				
Henrik Bjerre-Nielsen (November 2008 -)	2,952	2,832	2,952	2,832
Lars Jensen (July 2012 - March 2014)	-	629	-	629
Total	2,952	3,461	2,952	3,461

The members of the Management Board are not covered by bonus plans.

Other significant risk takers

The Finansiel Stabilitet Group has identified five other significant risk takers. Salaries include fixed remuneration to these in the total amount of DKK 8 million. For 2014, salaries to seven significant risk takers amounted to a total of DKK 16.1 million in fixed remuneration.

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

Notes

10. Staff costs and administrative expenses - continued

(DKKm)	Group		Parent	
	2015	2014	2015	2014
Provisions for defined benefit plans				
Present value of pension obligations	36	39	15	17
Fair value of pension assets	0	0	0	0
Total	36	39	15	17
Movements in provisions for defined benefit plans				
Provision, beginning of year	39	42	17	20
Additions on takeover of subsidiaries	0	0	0	0
Standard costs	0	0	0	0
Calculated interest expenses	1	1	1	1
Actuarial gains/losses	0	0	0	0
Pensions paid	(4)	(5)	(3)	(3)
Provisions, end of year*	36	39	15	17
Defined benefit costs recognised in the income statement/other comprehensive income				
Standard costs	0	0	0	0
Calculated interest expenses	1	2	1	1
Actuarial gains/losses	0	0	0	0
Defined benefit costs	1	2	1	1
Actuarial assumptions:				
Discount rate	3.0%	3.5%	3.0%	3.5%
Pension adjustment rate	1.0%	1.0%	1.0%	1.0%
Fees to auditors appointed in general meeting				
Total fees to the auditors appointed in general meeting can be specified as follows:				
Statutory audit	3	2	2	1
Assurance engagements	0	0	0	0
Tax advice	0	0	0	0
Non-audit services	0	5	0	2
Total audit fees	3	7	2	3

* The figures include rounding differences.

(DKKm)	Group		Parent	
	2015	2014	2015	2014
11. Other operating expenses				
Loss guarantee from the former Guarantee Fund	-	268	-	268
Provision for litigation	81	2	81	2
Property management costs	74	52	2	0
Other operating expenses	124	35	96	16
Total	279	357	179	286

(DKKm)	Group			
12. Impairment losses on loans, advances and receivables etc.				
2015				
Loans, advances and other receivables at amortised cost				
	Loans, etc., individual write-down	Loans, etc., collective write-down	Total	Impact on operations
Impairment losses and provisions, beginning of year	14,114	256	14,370	
Impairment losses and provisions during the period	162	28	190	190
Reversed impairment losses and provisions	(7,189)	(110)	(7,299)	(7,299)
Impairment losses and provisions, end of year	7,087	174	7,261	(7,109)
Losses recorded, etc.				6,771
Impairment losses charged to income statement				(338)

Impairment losses/adjustment for credit risk, end of year				
	Impairment losses beginning of year	Impairment losses during the period	Reversed impair- ment losses	Impairment losses end of year
Due from credit institutions	0	0	0	0
Loans and advances at amortised cost	13,918	111	(7,067)	6,962
Loans and advances at fair value	33	0	(20)	13
Guarantees	452	79	(232)	299
Total	14,403	190	(7,319)	7,274

Notes

(DKKm)

Parent

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

2015

Loans, advances and other receivables at amortised cost

	Loans, etc., individual write-down	Loans, etc., collective write-down	Total	Impact on operations
Impairment losses and provisions, beginning of year	7,027	112	7,139	
Impairment losses and provisions during the period	24	27	51	51
Reversed impairment losses and provisions	(3,923)	(37)	(3,960)	(3,960)
Impairment losses and provisions, end of year	3,128	102	3,230	(3,909)
Losses recorded, etc.				3,710
Impairment losses charged to income statement				(199)

Impairment losses/adjustment for credit risk, end of year

	Impairment losses beginning of year	Impairment losses during the period	Reversed impair- ment losses	Impairment losses end of year
Due from credit institutions	0	0	0	0
Loans and advances at amortised cost	6,928	45	(3,871)	3,102
Loans and advances at fair value	33	0	(20)	13
Guarantees	211	6	(89)	128
Total	7,172	51	(3,980)	3,243

Gross loans	3,411
Loans valued at zero	(2,747)
Gross loans with a value greater than zero	664
Impairment losses	3,102
Impairment losses where loans valued at zero	(2,747)
Impairment losses where loan value greater than zero	355
Loans, carrying amount	309

(DKKm)

Group

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

2014

Loans, advances and other receivables at amortised cost

	Loans, etc., individual write-down	Loans, etc., collective write-down	Total	Impact on operations
Impairment losses and provisions, beginning of year	15,617	638	16,255	
Impairment losses and provisions during the period	3,434	84	3,518	3,518
Reversed impairment losses and provisions	(4,937)	(466)	(5,403)	(5,403)
Impairment losses and provisions, end of year	14,114	256	14,370	(1,885)
Losses recorded, etc.				414
Impairment losses charged to income statement				(1,471)

Impairment losses/adjustment for credit risk, end of year

	Impairment losses beginning of year	Impairment losses during the period	Reversed impair- ment losses	Impairment losses end of year
Due from credit institutions	0	0	0	0
Loans and advances at amortised cost	15,761	3,283	(5,126)	13,918
Loans and advances at fair value	27	6	0	33
Guarantees	494	235	(277)	452
Total	16,282	3,524	(5,403)	14,403

Notes

(DKKm)

Parent

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

2014

Loans, advances and other receivables at amortised cost

	Loans, etc., individual write-down	Loans, etc., collective write-down	Total	Impact on operations
Impairment losses and provisions, beginning of year	8,489	234	8,723	
Additions on demerger of subsidiary	636	39	675	
Impairment losses and provisions during the period	573	33	606	606
Reversed impairment losses and provisions	(2,671)	(194)	(2,865)	(2,865)
Impairment losses and provisions, end of year	7,027	112	7,139	(2,259)
Losses recorded, etc.				1,543
Impairment losses charged to income statement				(716)

Impairment losses/adjustment for credit risk, end of year

	Impair- losses 1 Jan.	Additions on acquisition of subsidiaries	Impair- ment losses during year	Reversed impairment losses	Impairment losses 31 Dec.
Due from credit institutions	0	0	0	0	0
Loans and advances at amortised cost	8,500	705	542	(2,800)	6,947
Loans and advances at fair value	27	0	6	0	33
Guarantees	223	(30)	64	(65)	192
Total	8,750	675	612	(2,865)	7,172

Gross loans	11,355
Loans valued at zero	(3,235)
Gross loans with a value greater than zero	8,120

Impairment losses	6,947
Impairment losses where loans valued at zero	(3,235)
Impairment losses where loan value greater than zero	3,712

Loans, carrying amount	4,408
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(DKKm)	Group		Parent	
	2015	2014	2015	2014
13. Profit/(loss) from investments in associates and subsidiaries				
Profit/(loss) from investments in associates	120	39	(17)	42
Profit/(loss) from investments in subsidiaries	0	0	18	238
Total	120	39	1	280
14. Tax				
Estimated tax on the profit for the year	7	16	0	5
Adjustment of deferred tax	0	33	0	(21)
Prior-year tax adjustments	(11)	(19)	1	(7)
Total	(4)	30	1	(23)
Effective tax rate				
Corporate tax rate in Denmark	23.5%	24.5%	23.5%	24.5%
Tax-exempt activities and unrecognised deferred tax assets	(23.5)%	(21.0)%	(23.5)%	(24.5)%
Effective tax rate	0.0%	3.5%	0.0%	0.0%
15. Due from credit institutions and central banks				
Due from credit institutions	771	1,373	324	259
Total balances due from credit institutions and central banks	771	1,373	324	259
Broken down by term to maturity				
Demand deposits	496	657	272	190
3 months or less	23	405	0	0
Between 3 months and 1 year	10	42	2	4
Between 1 and 5 years	28	72	0	16
More than 5 years	214	197	50	49
Total	771	1,373	324	259

Notes

(DKKm)	Group		Parent	
	2015	2014	2015	2014
16. Loans, advances and other receivables				
Loans, advances and other receivables at fair value	8	41	8	40
Loans, advances and other receivables at amortised cost	922	7,229	309	4,408
Impairment losses	6,922	13,918	3,102	6,947
Fair value adjustment	13	66	13	33
Total loans, advances and other receivables before impairment losses	7,905	21,254	3,432	11,428
Broken down by term to maturity				
On demand	6,371	7,006	3,156	6,213
3 months or less	241	7,256	8	4,134
Between 3 months and 1 year	699	1,780	42	100
Between 1 and 5 years	358	1,843	182	787
More than 5 years	236	3,369	44	194
Total	7,905	21,254	3,432	11,428
Loans and advances at fair value				
Nominal value	21	107	21	73
Fair value adjustment	(13)	(66)	(13)	(33)
Total	8	41	8	40
Credit risk				
Credit risk is defined as the risk of loss because customers or counterparties fail to meet all or part of their obligations. In consequence of Finansiell Stabilitet's objective of winding up or restructuring failing banks, the Company has taken over a considerable credit risk exposure. During the period after Finansiell Stabilitet's takeover of subsidiaries, new credits have to a limited extent been granted in cases where this has been deemed to reduce the overall risk of losses. For further description of credit risk, see note 32.				
Credit exposure (gross)				
Balance sheet items:				
Cash in hand and demand deposits with central banks	14,688	1,162	14,687	1,162
Due from credit institutions and central banks	771	1,373	324	259
Loans, advances and other receivables at fair value	21	107	21	73
Loans, advances and other receivables at amortised cost	7,884	21,147	3,411	11,355
Total credit exposure recognised in balance sheet:	23,364	23,789	18,443	12,849
Off-balance sheet items:				
Guarantees	1,150	1,834	585	776
Individual government guarantees	0	826	0	826
Credit exposure re. lending activity	24,514	26,449	19,028	14,451

16. Loans, advances and other receivables - continued

Credit institutions and central banks

Of the remaining credit exposure, DKK 15.4 billion relates to amounts due from credit institutions and central banks. No impairment losses have been recognised on amounts due from central banks and credit institutions.

Loans, advances and other receivables at fair value

Loans, advances and other receivables at fair value (DKK 8 million) relate to mortgage deeds which have been adjusted for credit risk in the total amount of DKK 13 million.

Loans and advances at amortised cost and guarantees

The remaining part of the credit exposure relates to the Group's lending activities proper. In the following table, loans, advances and guarantees are broken down by line of business.

(DKKm)	Group				Parent			
	2015		2014		2015		2014	
Loans and guarantees (gross)								
1. Public authorities	0	0%	0	0%	0	0%	0	0%
2. Commercial sector								
2.1 Agriculture, hunting, forestry and fishing	761	8%	1,169	5%	160	4%	253	2%
2.2 Industry and raw materials extraction	4	0%	82	0%	0	0%	59	0%
2.3 Energy supply	403	4%	642	3%	261	7%	591	5%
2.4 Construction	288	3%	1,302	6%	54	1%	143	1%
2.5 Trade	159	2%	230	1%	77	2%	123	1%
2.6 Transport, hotel and restaurant business	154	2%	172	1%	77	2%	104	1%
2.7 Information and communication	0	0%	94	0%	0	0%	28	0%
2.8 Finance and insurance	1,671	18%	2,457	11%	615	15%	3,913	32%
2.9 Property	4,784	53%	13,854	60%	2,434	61%	5,444	45%
2.10 Other commercial sector	311	3%	1,184	8%	130	3%	950	8%
Total commercial sector	8,535	94%	21,799	95%	3,808	95%	11,608	96%
3. Retail sector	499	6%	1,182	5%	188	5%	523	4%
Total	9,034	100%	22,981	100%	3,996	100%	12,131	100%

The distributional percentages in the totals may include rounding differences.

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

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

Risk of loss has been identified in relation to virtually all loans. A break-down of loans by degree of security is shown below.

Notes

16. Loans, advances and other receivables –continued

(DKKm)	Group		Parent	
	2015	2014	2015	2014
Break-down of loans by degree of security (partially based on estimates)				
Commercial sector				
Loans, completely unsecured	5,022	8,235	2,753	6,885
Loans secured on charges or other security:				
– secured in full	124	2,966	48	292
– secured in part	2,347	8,323	454	3,055
Total	7,493	19,524	3,255	10,232
Retail sector				
Loans, completely unsecured	388	1,300	155	931
Loans secured on charges or other security:				
– secured in full	1	11	1	6
– secured in part	2	314	0	186
Total	391	1,625	156	1,123
Total	7,884	21,149	3,411	11,355
The loan value of the collateral security received relates largely to properties. The table below shows a break-down on main categories.				
Collateral security				
Mortgages on real property	502	5,596	0	741
Mortgages on vehicles, ships, etc.	4	334	0	5
Security in deposits	16	0	11	0
Guarantees	10	1	0	1
Other	502	534	239	295
Total	1,034	6,465	250	1,042

Enforcement of collateral security will generally happen on behalf of the borrower. However, in certain situations, the Group as the highest bidder will take over properties in forced sales.

Properties thus taken over will either be sold quickly or be considered investment properties if the Group sees a poten-

tial increase in value. The Group has not had any properties temporarily taken over in recent years.

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

16. Loans, advances and other receivables –continued

(DKKm)	Group				Parent			
	2015		2014		2015		2014	
Impairment losses and provisions by line of business								
1. Public authorities	0	0%	0	0%	0	0%	0	0%
2. Commercial sector								
2.1 Agriculture, hunting, forestry and fishing	646	9%	907	6%	134	4%	182	3%
2.2 Industry and raw materials extraction	0	0%	55	0%	0	0%	45	1%
2.3 Energy supply	386	5%	359	2%	247	8%	309	4%
2.4 Construction	226	3%	775	5%	48	1%	112	2%
2.5 Trade	99	1%	150	1%	65	2%	88	1%
2.6 Transport, hotel and restaurant business	66	1%	44	0%	27	1%	25	0%
2.7 Information and communication	0	0%	92	1%	0	0%	27	0%
2.8 Finance and insurance	1,322	19%	1,875	13%	408	13%	580	8%
2.9 Property	3,782	53%	7,506	53%	1,933	60%	4,327	61%
2.10 Other commercial sector	251	4%	1,500	11%	113	3%	881	12%
Total commercial sector	6,778	96%	13,263	92%	2,975	92%	6,576	92%
3. Retail sector	309	4%	851	6%	153	5%	451	6%
Total	7,087	98%	14,114	98%	3,128	97%	7,027	98%
Collective impairment write-downs	174	2%	256	2%	102	3%	112	2%
Total impairment write-downs	7,261	100%	14,370	100%	3,230	100%	7,139	100%

For a more detailed description of the Group's credit risk management goals and policies, see note 32.

(DKKm)	Group		Parent	
	2015	2014	2015	2014
17. Bonds at fair value				
Bonds	247	397	240	135
Total	247	397	240	135
18. Shares, etc.				
Shares/unit trust certificates listed on Nasdaq OMX Copenhagen A/S	0	18	0	0
Unlisted shares at fair value	1,035	1,008	580	609
Total	1,035	1,026	580	609

Notes

(DKKm)	Group		Parent			
	2015	2014	2015	2014		
19. Investments in associates						
Cost, beginning of year	334	351	299	316		
Disposals	276	17	241	17		
Cost, end of year	58	334	58	299		
Revaluations and impairment, beginning of year	10	(12)	35	11		
Revaluations and impairment	0	39	0	24		
Disposals	19	17	44	0		
Revaluations and impairment, end of year	(9)	10	(9)	35		
Total	49	344	49	334		
Investments in associates	Owner-ship (%)	Domicile	Total assets	Total liabilities	Revenue	Profit/(loss)
Landbrugets FinansieringsBank A/S	33%	Copenhagen	472	329	18	0
EBH Tyskland 1 A/S	45%	Horsens	7	0	0	(3)

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

(DKKm)	Group		Parent	
	2015	2014	2015	2014
20. Investment properties				
Investment properties				
Fair value, beginning of year	588	1,439	19	37
Additions	30	199	30	2
Additions from acquisition of company	8	-	-	-
Disposals	352	700	12	19
Value adjustments	27	(369)	7	(1)
Other changes	(49)	19	0	0
Fair value, end of year	252	588	44	19

Rental income from investment properties amounted to DKK 30 million. (2014: DKK 91 million). Direct costs in relation to investment properties generating revenue amounted to DKK 10 million, and in relation to investment properties not generating revenue amounted to DKK 2 million. The corresponding costs for 2013 were DKK 43 million and DKK 9 million.

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

21. Other property, plant and equipment

Cost, beginning of year	18	46	12	0
Disposals	14	28	12	0
Cost, end of year	4	18	0	0
Depreciation and impairment, beginning of year	16	41	12	0
Depreciation	1	2	0	0
Disposals during the year	14	27	12	0
Depreciation and impairment, end of year	3	16	0	0
Carrying amount, end of year	1	2	0	0

Notes

(DKKm)	Group		Parent	
	2015	2014	2015	2014
22. Assets held temporarily				
Balance, beginning of year	0	480	0	9
Additions on takeover of subsidiary	0	0	0	-
Additions during the year	0	1	0	0
Disposals during the year	0	447	0	9
Value adjustment during the year	0	(34)	0	0
Carrying amount, end of year	0	0	0	0
23. Other assets				
The Guarantee Fund for Depositors and Investors	-	587	-	587
Positive market values of derivative financial instruments	102	473	7	10
Other assets	430	622	331	543
Total	532	1,682	338	1,140
24. Due to credit institutions and central banks				
Due to credit institutions	1,341	1,171	0	0
Due to credit institutions and central banks	1,341	1,171	0	0
broken down by term to maturity				
Due on demand	6	0	0	0
3 months or less	0	0	0	0
Between 3 months and 1 year	1,335	17	0	0
Between 1 and 5 years	0	988	0	0
More than 5 years	0	166	0	0
Total	1,341	1,171	0	0

(DKKm)	Group		Parent	
	2015	2014	2015	2014
25. Deposits and other payables				
On demand	67	0	0	0
Subject to term of notice	73	0	0	0
Time deposits	0	0	0	0
Special types of deposits	64	0	0	0
Total deposits	204	0	0	0
broken down by term to maturity				
Due on demand	204	0	0	0
3 months or less	0	0	0	0
Between 3 months and 1 year	0	0	0	0
Total	204	0	0	0

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

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

Year end 2015	Principal	Interest rate	Maturity	Carrying amount
Danish State	800	2.5%	2016	801
Total	800			801

Year end 2014	Principal	Interest rate	Maturity	Carrying amount
Danish State	3,278	2.5%	2016	3,367
Danish State	2,050	4.0%	2017	2,261
Total	5,328			5,628

Notes

(DKKm)	Group		Parent	
	2015	2014	2015	2014
27. Other liabilities				
Deposit re. EU case FIH	339	327	339	327
Negative market values of derivative financial instruments	45	223	7	11
Interest and commissions payable	13	55	8	36
Other liabilities	467	503	3,237	1,337
Total	864	1,108	3,591	1,711

28. Purchase price adjustment (earn-out)

Beginning of year	1,714	1,183		
Transferred to equity at 1 January 2015	(1,497)	0		
Additions during the year	35	531		
End of year	252	1,714	-	-

29. Other provisions

Litigation	789	777	672	630
Other provisions	118	97	67	27
Total	907	874	739	657

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

Litigation

Beginning of year	777	1,118	630	1,001
Additions during the year	49	62	49	2
Reversed	6	193	0	175
Used	31	210	7	198
End of year	789	777	672	630

Other provisions

Beginning of year	97	489	27	189
Additions on takeover of subsidiary	14	0	-	-
Additions during the year	17	19	49	0
Reversed	0	199	8	0
Used	10	212	1	162
End of year	118	97	67	27

(DKK m)	Group		Parent	
	2015	2014	2015	2014
30. Contingent assets and liabilities				
Financial guarantees	11	76	0	2
Loss guarantees for mortgage loans	765	967	425	547
Registration and conversion guarantees	0	50	0	0
Government guarantee pursuant to Bank Package II	0	826	0	826
Other	76	289	32	35
Total	852	2,208	457	1,410
Other contingent liabilities				
Irrevocable credit commitments	10	18	-	-
Total	10	18	0	0

Tax

The Group has a tax asset of DKK 0.4 billion (2014: DKK 2.5 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 338 million with Finansiel Stabilitet. Against that background, the DKK 338 million has not impacted Finansiel

Stabilitet's profit for 2015. In the spring of 2014, FIH appealed the European Commission's ruling.

Individual government guarantees

In addition, pursuant to the Act to amend the Act on Financial Stability of 4 February 2009, the Company's object is to enter into agreements for the provision of individual government guarantees for existing and new unsubordinated, unsecured debt with a maturity of up to three years. In the first quarter of 2015, the last guarantees of DKK 0.8 billion were redeemed.

Other contingent liabilities

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

Notes

(DKKm)

Group

31. Derivative financial instruments

Group	2015			2014		
	Nominal value	Positive market value	Negative market value	Nominal value	Positive market value	Negative market value
Foreign exchange contracts						
Forward/futures, purchase	0	0	-	523	11	-
Forward/futures, sale	257	-	0	486	-	10
Swaps	(12)	0	0	285	2	2
	245	0	0	1,294	13	12
Interest rate contracts						
Swaps	1,862	102	45	7,235	459	210
Options, purchase	0	0	-	82	1	-
Options, sale	0	-	0	82	-	1
	1,862	102	45	7,399	460	211
Total	2,107	102	45	8,693	473	223

32. Financial risk management

The risk factors impacting Finansielt Stabilitet and the management thereof are to a significant extent influenced by the special circumstances resulting from having taken over failing banks. Risk is managed separately for each segment: Bank Packages I-V activities; the Guarantee Fund and the Resolution Fund.

Bank Package I-V activities

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

As, at the end of 2015, Finansielt Stabilitet had wound up the majority of the exposures taken over, future risks will mainly be linked to the remaining lawsuits and disputes. For further information on risks related to lawsuits and disputes, see p. 9 of the management's review.

In addition to this, Finansielt Stabilitet is to a minor extent exposed to property and market risk. Property risk arises directly from ownership as well as indirectly through credit exposures to the property market.

Finansielt Stabilitet has no liquidity risk, as the Company has access to state-funded re-lending.

As Finansielt Stabilitet's Bank Package activities are in the course of being wound up, the absolute amount of risk is expected to be gradually reduced, all other things being equal.

Credit risk

Finansielt Stabilitet's credit risk management builds on the legislative framework governing Finansielt Stabilitet's business activities. Pursuant to this, Finansielt Stabilitet is not allowed to assume new exposures or, in general, extend existing ones. Credit risk is thus in all material respects limited to existing exposures and the development of these. The remaining credit risk is managed with due consideration for and in the context of Finansielt Stabilitet's winding-up activities, including the principles of ensuring that the winding up is conducted in a financially responsible, proper and fair manner.

As Finansielt Stabilitet's exposures were assumed in connection with the takeover of failing banks and a significant portion of the exposures have been sold, the remaining exposures are generally of poor financial standing. Finansielt Stabilitet does, however, have a considerable portfolio of guarantees

32. Financial risk management – continued

related to, among other things, mortgage loans, which are of more average credit standing.

Moreover, the quality of the exposures makes it impossible to achieve a well-balanced risk-return ratio. Most of the loans are impaired exposures on which the individual payment ability is limited. For this reason, it is not possible to apply the normal risk management approach of a financial business. Management of credit risk at Finansiel Stabilitet is incorporated as an integral part of the ongoing winding up of the assets, taking into consideration that a well-balanced portfolio will not be achievable due to market conditions.

The Company monitors credit exposures on an ongoing basis by classifying customers based on their creditworthiness.

As a result of the winding up of a considerable portion of exposures, the remaining risk has been significantly reduced relative to previous years. Moreover, a large part of the exposures are covered by way of mortgages, dividends from estates in bankruptcy, etc. Against this background, the remaining risk relating to exposures, after recognition of impairment write-downs, is assessed to be limited.

Market risk

Finansiel Stabilitet pursues a general policy of minimising its exposure to market risks. To the extent that the Company is exposed to market risks, the intention is for the group companies to wind up activities that expose the Company to market risks or, alternatively, to hedge such exposures.

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

Interest rate risk

The market risks faced by Finansiel Stabilitet are in the form of interest rate risks arising in connection with differences in the maturities of assets and liabilities. The majority of loans to group companies carry floating interest, while liabilities in part consist of loans raised by Finansiel Stabilitet through the state-funded re-lending scheme. Accordingly, the duration of assets and liabilities is not perfectly matched, and Finansiel Stabilitet is thus exposed to interest rate changes.

At 31 December 2015, the Group's total interest rate risk was calculated at DKK (7) million (2014: DKK (34) million). Of this amount, Finansiel Stabilitet had an interest rate risk of DKK 0

million at 31 December 2015 (2014: DKK 4 million), meaning that a 1 percentage point increase in interest rates would have a DKK 0 million effect on Finansiel Stabilitet's operating profit (2014: a decrease of DKK (4) million).

Equity risk

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

The overall portfolio of shares etc. amounted to DKK 785 million at 31 December 2015 (DKK 1,171 million at 31 December 2014). Excluding the subsidiaries under the Bank Packages III-V, the portfolio of shares etc. amounted to DKK 505 million (2014: DKK 744 million). A 10% drop in share prices would result in a DKK 46 million deterioration of Finansiel Stabilitet's profit/(loss) (2014: DKK 41 million).

See note 18, Shares, etc. for a specification of share positions. Guarantee certificates are not included in the specification of the exposure. These amounted to DKK 124 million (2014: DKK 198 million). Associates, see note 19, are not included in the calculation of share positions and are not included in the calculation of the sensitivity to share price drops. Associates amounted to DKK 49 million (2014: DKK 344 million).

Currency risk

In connection with Finansiel Stabilitet's activities related to the winding up of failing banks, the Company is also exposed to currency risk. The currency risk is hedged by the individual subsidiaries, and the overall currency exposure is thus limited. To the extent that foreign commercial interests are involved, including that customers have raised loans with a view to financing foreign activities, assets are hedged by way of similar financing in foreign currency. Finansiel Stabilitet does not hedge EUR.

32. Financial risk management – continued

At 31 December 2015, exchange rate indicator 1 was 0.2%, calculated excluding EUR (2014: 0.2%) of Finansiel Stabilitet's equity.

Excluding banks taken over under Bank Packages III-V, exchange rate indicator 1, calculated excluding EUR, was 0.01% of equity (2014: 0.01%). A 2.25% change in the DKK/EUR exchange rate and a 10% change in all other exchange rates would affect Finansiel Stabilitet's profit/(loss) by DKK 2 million (2014: DKK 6 million).

The overall currency position calculated in terms of exchange rate indicator 1 amounted to DKK 763 million at 31 December 2015 (DKK 2,337 million at 31 December 2014). Excluding the subsidiaries under Bank Packages III-V, the currency position amounted to DKK 67 million (DKK 265 million at 31 December 2014). See also the calculation of currency risk at the end of note 32.

Liquidity risk

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

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

Guarantee Fund

The principal risks under the Depositor and Investor Guarantee Scheme relate to the winding up of activities that Finansiel Stabilitet has taken over under Bank Packages III-IV and the risk of future losses as a result of the restructuring and resolution of failing banks resulting in losses on covered deposits. If the winding up of activities under Bank Packages III and IV produces a loss which had not been anticipated at the time of fixing of the initial dividend at the takeover date, such loss will have to be covered by the Depositor and Investor Guarantee Scheme. Based on the preliminary winding up, the

only additional losses recorded under Bank Package III relate to the winding up of FS Finans IV.

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

The investment of cash funds must take into account that all currency risk is hedged (euro positions are not included in this calculation), and interest rate risk must be within the limits set out in the investment strategy approved by the Board of Directors. For the time being, it has been decided that funds not already invested (DKK 0.2 billion) are placed in a current account with Danmarks Nationalbank.

The Depositor and Investor Guarantee Scheme is mainly funded by the Guarantee Fund's own assets. Additional funding is available by means of Finansiel Stabilitet's access to state-funded re-lending.

Resolution Fund

The principal risks relate to losses in connection with the restructuring or winding up of institutions in which the Resolution Fund has injected capital. Moreover, the investment of the Resolution Fund will be subject to risk, depending on the chosen investment profile. The Act on Restructuring and Resolution of Certain Financial Enterprises stipulates that the assets of the Resolution Fund must be invested in low-risk assets. Each year, Finansiel Stabilitet's Board of Directors defines the investment strategy for the assets. The investment strategy must be determined so as to ensure that the available financial means of the Resolution Fund are from time to time proportionate with the Resolution Fund's potential liabilities. The investment of cash funds must take into account that all currency risk is hedged (euro positions are not included in this calculation). For the time being, it has been decided that the funds are placed in a current account with Danmarks Nationalbank.

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

(DKKm)	Group	
	2015	2014
32. Financial risk management – continued		
Currency risk		
Total assets in foreign currency	961	1,727
Total liabilities in foreign currency	57	1
Exchange rate indicator 1	763	2,337
Exchange rate indicator 1 in per cent of equity	3.7%	21.8%
Interest rate risk		
Exposures in the trading portfolio:		
Swaps	-	-
Exposures outside the trading portfolio:		
On-balance sheet items, excluding positions with limited or hedged interest rate exposure	0	4
Positions with limited or hedged interest rate	-	-
All positions	0	4
Interest rate risk by modified duration		
0 - 3 mths.	-	1
3 - 6 mths.	-	-
6 - 9 mths.	-	-
9 - 12 mths.	-	-
Between 1 and 2 years	-	-
Between 2 and 3.6 years	-	-
More than 3.6 years	-	3
Total	0	4
Interest rate risk by banks' currencies subject to the greatest interest rate risk		
Currency		
DKK	-	4
EUR	-	-
SEK	-	-
Total	0	4

Notes

(DKKm)

Group

33. 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.

The table below shows the most significant related party transactions.

Related party	Relation	Transaction	Income/ expense 2015	Balance sheet 31.12.2015	Income/ expense 2014	Balance sheet 31.12.2014
Parties exercising significant influence						
The Danish State	100% ownership of Finansiel Stabilitet SOV	Loans through the state-funded re-lending scheme. Market rate of interest plus 0.15% commission	(107)	(801)	(67)	(5,628)
Subsidiaries						
FS Finans I A/S, Copenhagen	Subsidiary of Finansiel Stabilitet SOV	Deposits on market terms	0	(227)	0	(153)
		Management agreement	2	-	6	-
FS Finans II A/S, Copenhagen	Subsidiary of Finansiel Stabilitet SOV	Loans on market terms	3	0	9	386
		Deposits on market terms	0	(72)	0	0
		Management agreement	9	-	30	-
FS Finans III A/S, Copenhagen	Subsidiary of Finansiel Stabilitet SOV	Loans on market terms	0	-	2	0
		Deposits on market terms	0	-	0	(583)
		Management agreement	12	-	30	-
FS Finans IV A/S, Copenhagen	Subsidiary of Finansiel Stabilitet SOV	Loans on market terms	1	142	4	0
		Deposits on market terms	0	0	0	(8)
		Management agreement	10	-	23	-

(DKKm)

Group

33. Related parties – continued

Related party	Relation	Transaction	Income/ expense 2015	Balance sheet 31.12.2015	Income/ expense 2014	Balance sheet 31.12.2014
Subsidiaries – continued						
FS Property Finance A/S, Copenhagen	Subsidiary of Finansiel Stabilitet SOV	Loans on market terms	0	0	64	2,420
		Deposits on market terms	0	(931)	0	(189)
Other government entities						
Danmarks Nationalbank	Controlled by the Danish State	Deposit	0	14,688	0	1,162

34. Group overview

	Share capital	Profit/(loss)	Equity	Ownership
Finansiel Stabilitet SOV, Copenhagen	1	3,173	20,597	
Broinstitut I A/S, Copenhagen	38	0	38	100%
Credit institution:				
Andelskassen J.A.K. Slagelse under kontrol, Slagelse*	38	0	38	100%
Significant subsidiaries:				
FS Finans I A/S, Copenhagen	1	0	1	100%
FS Finans II A/S, Copenhagen	1	1	2	100%
FS Finans III A/S, Copenhagen	1	0	1	100%
FS Finans IV A/S, Copenhagen	80	36	116	100%
FS Property Finance A/S, Copenhagen	1	0	1	100%

* Taken over at 5 October 2015. The stated profit/(loss) relates to the period after the takeover (5/10 - 31/12 2015).

Notes

(DKKm)

Group

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

2015	On demand 0-3 mths.	Between 3 mths. and 1 year	Between 1 and 5 years	More than 5 years	Total
Assets					
Cash in hand and demand deposits with central banks	14,688	-	-	-	14,688
Due from credit institutions and central banks	519	10	28	214	771
Loans, advances and other receivables at fair value	-	8	-	-	8
Loans, advances and other receivables at amortised cost	529	263	69	61	922
Bonds at fair value	-	240	7	-	247
Shares, etc.	-	799	236	-	1,035
Investments in subsidiaries and associates, etc.	-	-	49	-	49
Guarantees provided by banks, mortgage credit institutions and investment companies	-	-	-	4,215	4,215
Land and buildings	-	252	-	-	252
Other property, plant and equipment	-	1	-	-	1
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank	-	-	2,550	-	2,550
Other assets, etc.	105	105	297	28	535
Total assets	15,841	1,678	3,236	4,518	25,273
	On demand 0-3 mths.	Between 3 mths. and 1 year	Between 1 and 5 years	More than 5 years	Total
Equity and liabilities					
Due to credit institutions and central banks	6	1,335	-	-	1,341
Deposits and other payables	204	-	-	-	204
Loans through the state-funded re-lending scheme	-	801	-	-	801
Other liabilities, etc.	207	41	375	253	876
Provisions	14	181	1,259	-	1,454
Equity	-	-	-	20,597	20,597
Total equity and liabilities	431	2,358	1,634	20,850	25,273

Pursuant to section 91 of the Executive Order on Financial Reporting, it is disclosed that the parent company's loans at amortised cost are distributed as follows on expected terms to maturity:

	On demand 0-3 mths.	Between 3 mths. and 1 year	Between 1 and 5 years	More than 5 years	Total
	288	2	17	2	309

(DKKm)

Group

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

2014	On demand 0-3 mths.	Between 3 mths. and 1 year	Between 1 and 5 years	More than 5 years	Total
Assets					
Cash in hand and demand deposits with central banks	1,162	-	-	-	1,162
Due from credit institutions and central banks	1,062	42	72	197	1,373
Loans, advances and other receivables at fair value	-	41	-	-	-
Loans, advances and other receivables at amortised cost	2,572	1,293	707	2,657	7,229
Bonds at fair value	-	161	7	229	397
Shares, etc.	-	16	904	106	1,026
Investments in subsidiaries and associates, etc.	-	-	344	-	344
Total land and buildings	24	432	-	132	588
Other property, plant and equipment	2	-	-	-	2
Assets held temporarily	-	-	-	-	-
Receivable re. loss guarantee from the Danish State relating to individual government guarantees	3,489	-	-	-	3,489
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank	-	1,811	2,520	-	4,331
Other assets, etc.	246	320	781	335	1,682
Total assets	8,557	4,116	5,335	3,656	21,664
	On demand 0-3 mths.	Between 3 mths. and 1 year	Between 1 and 5 years	More than 5 years	Total
Equity and liabilities					
Due to credit institutions and central banks	-	17	988	166	1,171
Loans through the state-funded re-lending scheme	-	-	5,628	-	5,628
Issued bonds at amortised cost	-	-	-	-	-
Liabilities relating to assets held temporarily	-	-	-	-	-
Due to mortgage credit institutions	-	-	-	-	-
Other liabilities, etc.	169	101	609	154	1,033
Provisions	32	295	2,626	162	3,115
Equity	-	5,304	4,413	1,000	10,717
Total equity and liabilities	201	5,717	14,264	1,482	21,664

Pursuant to section 91 of the Executive Order on Financial Reporting, it is disclosed that the parent company's loans at amortised cost are distributed as follows on expected terms to maturity:

	On demand 0-3 mths.	Between 3 mths. and 1 year	Between 1 and 5 years	More than 5 years	Total
	4,242	60	83	23	4,408

Notes

(DKKm)

Group

36. Fair value disclosure

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

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

Break-down of financial instruments by valuation method

Group	2015			2014		
	Amor- tised cost	Fair value	Total	Amor- tised cost	Fair value	Total
Financial assets						
Cash in hand and demand deposits with central banks	14,688	0	14,688	1,162	0	1,162
Due from credit institutions and central banks	771	0	771	1,373	0	1,373
Loans, advances and other receivables at amortised cost	922	0	922	7,229	0	7,229
Loans, advances and other receivables at fair value	0	8	8	0	41	41
Bonds	0	247	247	0	397	397
Shares, etc.	0	1,035	1,035	0	1,026	1,026
Guarantees provided by banks, mortgage credit institutions and investment companies	4,215	0	4,215	0	0	0
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank	2,550	0	2,550	4,331	0	4,331
Receivables re. loss guarantee from the Danish State relating to individual government guarantees	0	0	0	3,489	0	3,489
Derivative financial instruments	0	102	102	0	473	473
Total financial assets	23,146	1,392	24,538	17,584	1,937	19,521
Financial liabilities						
Due to credit institutions and central banks	1,341	0	1,341	1,171	0	1,171
Deposits and other payables	204	0	204	0	0	0
Loans through the state-funded re-lending scheme	801	0	801	5,628	0	5,628
Derivative financial instruments	0	45	45	0	223	223
Total financial liabilities	2,346	45	2,391	6,799	223	7,022

(DKKm)

Group

36. Fair value disclosure - continued

Instruments recognised at fair value

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

If a financial instrument is quoted in a market that is not active, the valuation is based on the most recent transaction price.

Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations.

For a number of financial assets and liabilities, no market exists. In such situations, an estimated value is used instead, taking account of recent transactions in similar instruments, and discounted cash flows or other recognised estimation and assessment techniques based on the market terms existing at the balance sheet date.

In most cases, the valuation is largely based on observable input. As for the valuation of unlisted shares in banking enterprises, the Group uses prices in connection with sales and prices disclosed by the Association of Local Banks in Denmark.

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

Investment properties measured at fair value at 31 December 2015 amounted to DKK 252 million (2014: DKK 588 million). The fair value of investment properties is based on a required rate of return of 8% (2014: 7%).

As draft sales agreements are in place for the majority of the remaining properties, the valuation is not considered to be subject to significant risk.

2015	Listed prices	Observable input	Non-observable input	Total
Fair value, Group				
Financial assets at fair value broken down into:				
Loans, advances and other receivables at fair value	0	0	8	8
Bonds	240	7	0	247
Shares, etc.	0	1	1,034	1,035
Derivative financial instruments	0	102	0	102
Total	240	110	1,042	1,392
Financial liabilities				
Derivative financial instruments	0	45	0	45
Total	0	45	0	45

Notes

(DKKm)

Group

36. Fair value disclosure - continued

2014	Listed prices	Observ-able input	Non-observ-able input	Total
Fair value, Group				
Financial assets at fair value broken down into:				
Loans, advances and other receivables at fair value	0	0	41	41
Bonds	0	397	0	397
Shares, etc.	18	0	1,008	1,026
Derivative financial instruments	0	473	0	473
Total	18	870	1,049	1,937
Financial liabilities				
Derivative financial instruments	0	223	0	223
Total	0	223	0	223

Fair value based on non-observable input	2015	2014
Beginning of year	1,049	1,119
Additions during the year	0	0
Value adjustment through profit or loss (note 6)	325	44
Disposals during the year	(332)	(114)
Fair value, end of year	1,042	1,049

(DKKm)

Group

37. Fair value of balance sheet items at amortised cost

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

	Amorti- sed cost	Fair value	Amorti- sed cost	Fair value
	2015	2015	2014	2014
Financial assets				
Cash in hand and demand deposits with central banks	14,688	14,688	1,162	1,162
Due from credit institutions and central banks	771	771	1,344	1,344
Loans, advances and other receivables	922	922	7,229	7,229
Receivable re. loss guarantee from the Danish State relating to individual government guarantees	0	0	3,489	3,489
Guarantees provided by banks, mortgage credit institutions and investment companies	4,215	4,215	0	0
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank	2,550	2,550	4,331	4,331
Total financial assets	23,146	23,146	17,555	17,555
Financial liabilities				
Due to credit institutions and central banks	1,341	1,341	1,171	1,171
Deposits and other payables	204	204	0	0
Loans through the state-funded re-lending scheme	801	821	5,628	5,713
Total financial assets	2,346	2,366	6,799	6,884

Notes

(DKKm)

Group

38. Return on financial instruments

	2015			2014		
	Assets and liabilities at cost	Assets and liabilities at fair value	Total	Assets and liabilities at cost	Assets and liabilities at fair value	Total
Interest income	270	97	367	424	132	556
Interest expense	59	0	59	80	0	80
Net interest income	211	97	308	344	132	476
Share dividends etc.	0	2	2	0	6	6
Fees and commissions received	11	0	11	8	0	8
Fees and commissions paid	0	0	0	14	0	14
Net interest and fee income	222	99	321	338	138	476
Market value adjustments	(66)	307	241	(988)	(36)	(1,024)
Other operating income	7	0	7	758	117	875
Total	163	406	569	108	219	327

39. Leases

	31.12.2015	31.12.2014
The item Loans and advances at amortised cost comprises finance leases	207	320
Net investments in financial items		
Terms up to 1 year	113	102
Terms between 1 and 5 years	94	218
Terms of 5 years or more	0	0
Total	207	320
Gross investments in finance leases		
Terms up to 1 year	113	102
Terms between 1 and 5 years	114	250
Terms of 5 years or more	0	0
Total	227	352
Write-down of finance leases	20	32

(DKKm)

Parent

40. Finansiell Stabilitet 2011-2015

	2015	2014	2013	2012	2011
Summary income statement					
Net interest and fee income	2,535	188	11	56	314
Market value adjustments	134	(26)	(109)	(133)	(419)
Other operating income	330	363	449	735	590
Staff costs and administrative expenses	208	232	437	525	528
Other liabilities, etc.	180	263	1,102	42	459
Impairment losses on loans, advances and receivables, etc.	(199)	(716)	(544)	(731)	3,368
Profit/(loss) from investments in associates and subsidiaries	1	280	766	(191)	(689)
Purchase price and dowry adjustment	362	-	-	-	-
Loss guarantee from the Danish State	0	(60)	39	(20)	3,549
Profit/(loss) for the year	3,173	966	161	611	(1,010)
Balance sheet at 31 December					
Assets					
Cash in hand and demand deposits with central banks and credit institutions	15,011	1,421	2,733	11,243	5,887
Loans, advances and other receivables at fair value	8	40	53	1,010	1,022
Loans, advances and other receivables at amortised cost	309	4,408	9,036	4,512	6,504
Bonds at fair value and shares	820	744	866	869	1,260
Investments in associates and subsidiaries	726	3,308	3,518	4,728	5,228
Guarantees provided by banks, mortgage credit institutions and investment companies	4,215	-	-	-	-
Loss guarantee from the Danish State	2,550	7,820	7,880	7,847	12,480
Purchase price and dowry adjustment	1,840	-	-	-	-
Other assets	385	1,164	2,222	3,121	2,179
Total assets	25,864	18,905	26,308	33,330	34,560
Equity and liabilities					
Due to credit institutions and central banks	0	0	370	1,561	1,971
Deposits and other payables	0	0	420	5,540	1,423
Loans through the state-funded re-lending scheme	801	5,628	13,572	13,991	14,567
Other debt	3,599	1,711	806	988	1,115
Total debt	4,400	7,339	15,168	22,080	19,076
Provisions	867	849	1,389	1,660	1,905
Equity	20,597	10,717	9,751	9,590	13,579
Total equity and liabilities	25,864	18,905	26,308	33,330	34,560
Off-balance sheet items					
Contingent liabilities	457	1,410	5,716	67,048	163,133
Other commitments	0	0	0	0	0
Financial ratios					
Return on equity before tax	16.7%	9.4%	1.0%	5.3%	(7.2)%
Return on equity after tax	16.7%	9.4%	1.7%	5.3%	(7.2)%

(DKKm)

Parent

40. Finansiell Stabilitet 2011-2015 – continued

Finansiell Stabilitet 2015

(DKKm)	Bank Package activities	Guarantee Fund	Resolution Fund	Eliminations	Total
Summary income statement					
Net interest and fee income	60	2,124	351		2,535
Market value adjustments	146	(12)	0		134
Other operating income	335	0	10	(15)	330
Staff costs and administrative expenses	207	6	10	(15)	208
Other operating expenses, depreciation and amortisation	88	91	0		179
Impairment losses on loans, advances and receivables, etc.	(199)	0	0		(199)
Purchase price and dowry adjustment	213	149	-		362
Profit/(loss) for the year	658	2,164	351		3,173
Balance sheet at 31 December					
Assets					
Cash in hand and demand deposits with central banks	5,916	8,620	151		14,687
Due from credit institutions and central banks	142	1	181		324
Loans and advances	317	0	0		317
Securities	629	240	0		869
Investments in subsidiaries	639	0	38		677
Investment properties	44	0	0		44
Guarantees provided by banks, mortgage credit institutions and investment companies	0	4,215	0		4,215
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank	2,550	0	0		2,550
Purchase price and dowry adjustment receivable	1,134	706	0		1,840
Other assets	813	119	0	(591)	341
Total assets	12,184	13,901	370	(591)	25,864
Equity and liabilities					
Loans through the state-funded re-lending scheme	801	0	0		801
Other liabilities	3,564	28	10	(3)	3,599
Total debt	4,365	28	10	(3)	4,400
Provision for losses on guarantees	128	0	0		128
Other provisions	690	628	9	(588)	739
Total provisions	818	628	9	(588)	867
Total liabilities	5,183	656	19	(591)	5,267
Equity as at 1 January 2015	6,343	11,081			17,424
Comprehensive income for the period	658	2,164	351		3,173
Equity as at 31 December 2015	7,001	13,245	351		20,597
Total equity and liabilities	12,184	13,901	370	(591)	25,864

Statement by the management

The Board of Directors and the Management Board have today considered and adopted the annual report of Finansielt Stabilitet for the financial year 1 January – 31 December 2015.

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

The consolidated and parent company financial statements give a true and fair view of the Group's and the

parent company's assets, liabilities and financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and of consolidated cash flows for the financial year 1 January – 31 December 2015.

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

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

Copenhagen, 18 March 2016

Management Board

Henrik Bjerre-Nielsen
CEO

Board of Directors:

Peter Engberg Jensen
Chairman

Bent Naur
Deputy Chairman

Anette Eberhard

Erik Sevaldsen

Nina Dietz Legind

Independent auditor's report

TO THE MINISTER FOR BUSINESS AND GROWTH Report on the consolidated financial statements and the Parent Company's financial statements

We have audited the consolidated financial statements and the Parent Company's financial statements of the independent public company Finansiel Stabilitet A/S for the financial year 2015. The consolidated financial statements and the Parent Company's financial statements comprise the income statement, statement of comprehensive income, balance sheet, statement of capital and notes for the Group as well as for the Parent Company and the consolidated cash flow statement for the Group. The consolidated financial statements are presented in accordance with the International Financial Reporting Standards as adopted by the EU, while the Parent Company financial statements are presented in accordance with the Danish Financial Business Act.

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

Management is responsible for preparing consolidated financial statements and Parent Company's financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU (the consolidated financial statements), and the Danish Financial Business Act (the Parent Company's financial statements) and for such internal control that management determines is necessary to enable the preparation of consolidated financial statements and Parent Company's financial statements that are 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.

Moreover, Management is responsible for ensuring that the transactions comprised by the consolidated financial statements and the Parent Company's financial statements are in accordance with laws and other regulations and with agreements concluded and normal practice.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent 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 generally accepted public accounting practice pursuant to the Danish Auditor General Act. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the Parent Company's financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the Parent Company's financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material

Copenhagen, 18 March 2016

Ernst & Young

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

Lars Rhod Søndergaard
 State Authorised
 Public Accountant

Thomas Bruun Kofoed
 State Authorised
 Public Accountant

misstatement of the consolidated financial statements and the Parent Company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation of the independent public company Finansiel Stabilitet's consolidated financial statements and Parent Company's financial statements that give a true and fair view in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the independent public company Finansiel Stabilitet's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements and the Parent Company's financial statements.

The audit moreover includes an assessment of whether necessary business procedures and internal controls have been established to ensure that the transactions comprised by the consolidated financial statements and the Parent Company's financial statements are in accordance with laws and other regulations and with agreements concluded and normal 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 consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders' equity and financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 2014 in accordance with the International Financial Reporting Standards as adopted by the EU in respect of the consolidated financial statements and in accordance with the Danish Financial Business Act in respect of the Parent Company's financial statements. Moreover, in our opinion, necessary business procedures and internal controls have been established to ensure that the transactions comprised by the consolidated financial statements and the Parent Company's financial statements are in accordance with laws and other regulations and with agreements concluded and normal practice.

Statement on the Management's commentary

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

THE NATIONAL AUDIT OFFICE

Lone Strøm
 Auditor General of Denmark

Morten Henriksen
 Head of Department

Board of Directors



Peter Engberg Jensen

- Chairman of the Board of Directors
- Joined the Board of Directors in 2015
- Born in 1953

Member of the boards of directors of:

- Investeringsforeningen PFA Invest (Chairman)
- Lønmodtagernes Dyrtdsfond
- Den Sociale Kapitalfond
- Pension Danmark Holding A/S
- Pensiondanmark Pensionsforsikrings-selskab
- Ordrup Gymnasium (Chairman)

Other duties:

- Member of the board of Business LF



Bent Naur

- Deputy Chairman of the Board of Directors
- Joined the Board of Directors in 2012
- Born in 1947

Member of the boards of directors of:

- Nykredit Holding A/S
- Nykredit Realkredit A/S



Anette Eberhard

- Joined the Board of Directors in 2008
- Born in 1961

Member of the boards of directors of:

- Alm. Brand A/S
- Alm. Brand Forsikring A/S
- Alm. Brand Bank A/S
- Forsikringsselskabet Alm. Brand Liv og Pension A/S
- Pensionskassen for Sundhedsfaglige
- Sundhedsfagliges Ejendoms-aktieselskab

CEO of:

- EKF Danmarks Eksportkredit



Erik Sevaldsen

- Joined the Board of Directors in 2014
- Born in 1948

Member of the boards of directors of:

- Fonden af 4. december 2001 (Deputy Chairman)
- Oluf Høst Museet
- Merchant Equity Large Cap Europe VI A/S (Chairman)

CEO of:

- Merchant Equity Large Cap Europe GP ApS
- Merchant Equity Large Cap Europe III GP ApS
- Merchant Equity Large Cap Europe IV ApS
- Merchant Equity Large Cap Europe V ApS
- Merchant Equity Infrastructure I GP ApS
- Merchant Equity Fund-of-funds komplementar ApS
- Merchant Equity Mid Cap Nordic komplementar ApS



Nina Dietz Legind

- Joined the Board of Directors in 2015
- Born in 1967

Member of the boards of directors of:

- Jurist- og Økonomforbundets Forlag A/S
- Jurist- og Økonomforbundets Forlagsfond
- Fionia Fond (Deputy Chairman)

Other duties:

- Member of European Banking Authority's Banking Stakeholder Group

Management Board



Henrik Bjerre-Nielsen

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

Chairman of the boards of directors of:

- FS Finans I A/S
- FS Finans II A/S
- FS Finans III A/S
- FS Finans IV A/S
- FS Property Finance A/S
- FS Ejendomsselskab A/S
- Broinstitut I A/S
- Andelskassen J.A.K.
Slagelse under kontrol

Company details

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E-mail: mail@finansielstabilitet.dk
(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)
Anette Eberhard
Erik Sevaldsen
Nina Dietz Legind

Management Board

Henrik Bjerre-Nielsen

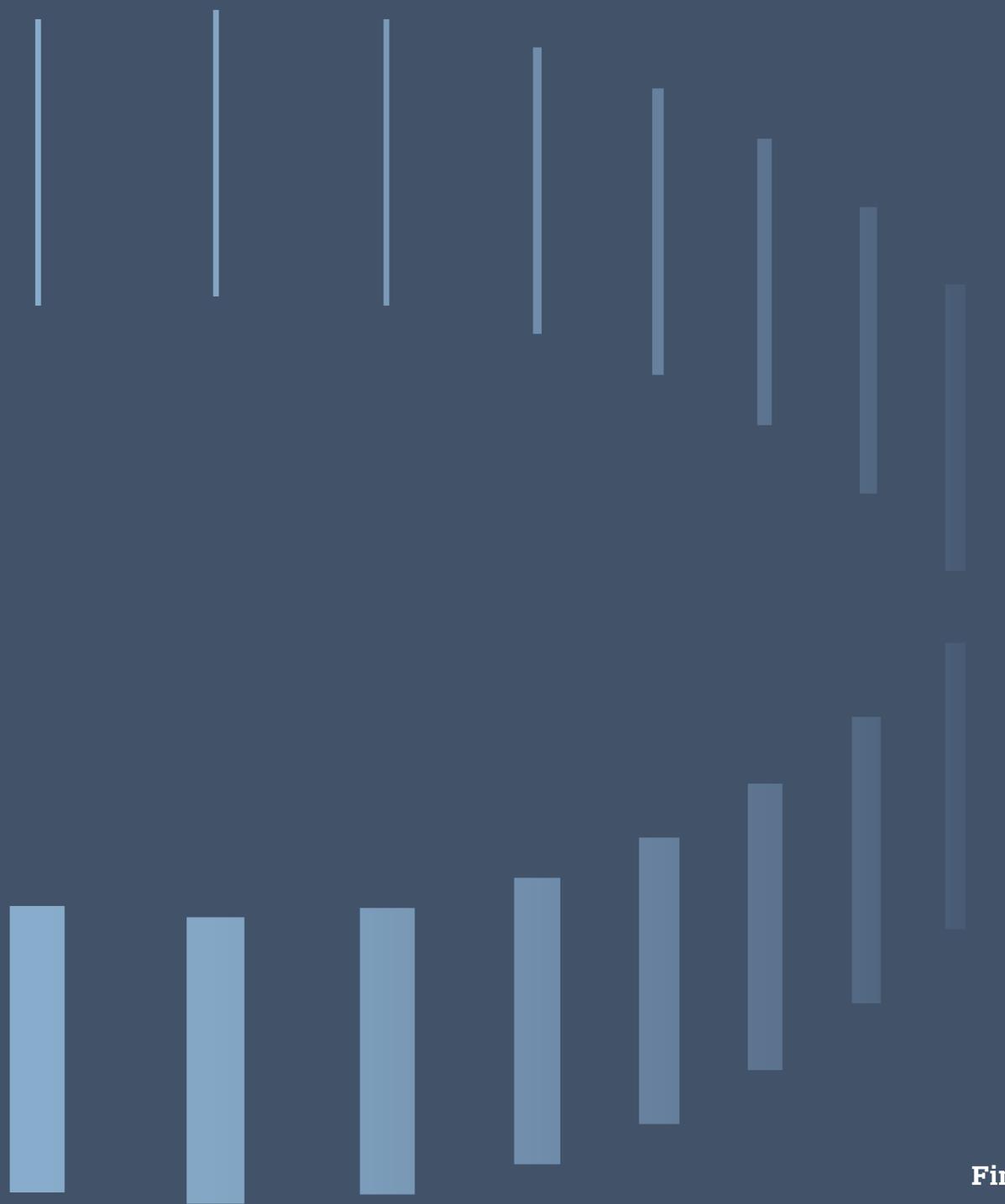
Auditors

The National Audit Office
Landgreven 4
DK-1301 Copenhagen K

Ernst & Young
Godkendt Revisionspartner-
selskab
Osvold Helmutths Vej 4
DK-2000 Frederiksberg

General meeting

Annual General Meeting to
be held on 26 April 2016



Finansiel Stabilitet

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