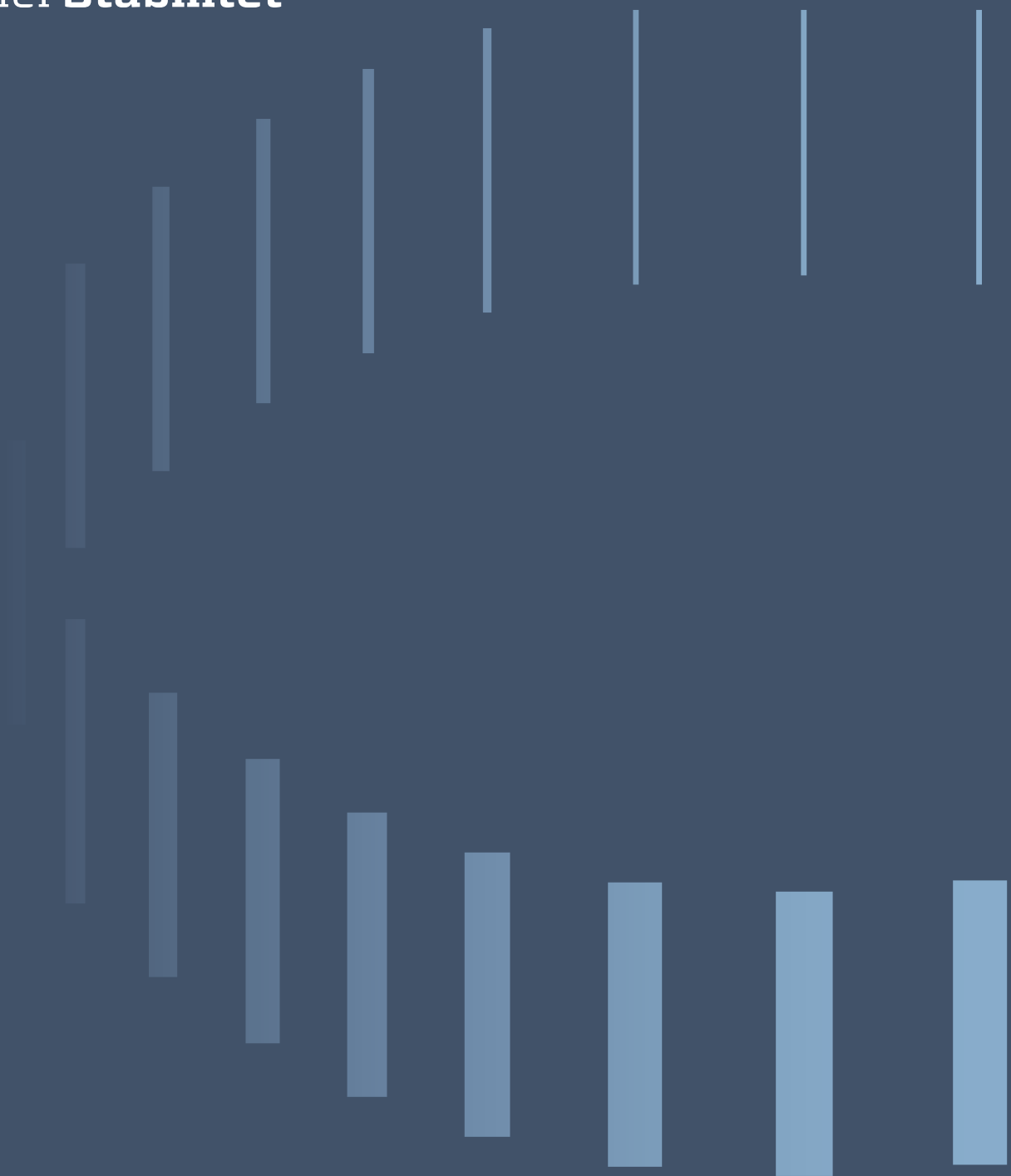


Finansiel Stabilitet



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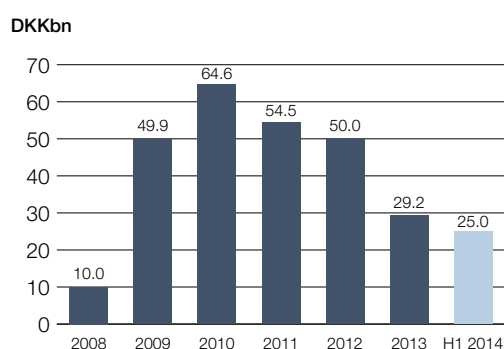
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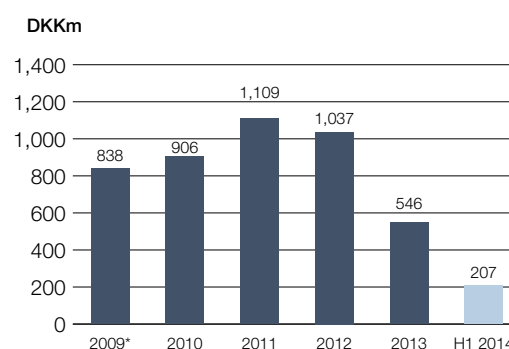
Highlights

- Finansiell Stabilitet reported a profit of DKK 383 million in H1 2014, against a loss of DKK 193 million in the same period of last year.
- The profit largely reflects a better-than-expected winding-up performance and lower salary costs and administrative expenses.
- The Group's total assets were reduced by DKK 4.2 billion in H1. Total assets stood at DKK 25 billion at 30 June 2014.
- Finansiell Stabilitet wound up loans and guarantees of DKK 2.8 billion (net) and financial assets and properties of DKK 0.2 billion in H1 2014.
- In H1 2014, Finansiell Stabilitet reduced the number of individual customers by approximately 500 and the number of principal customers by approximately 300.
- At 30 June 2014, Finansiell Stabilitet's total outstanding individual government guarantees provided to credit institutions amounted to DKK 3.1 billion. Early redemptions of guaranteed issues amounted to DKK 2 billion in aggregate in H1.
- As planned, FS Bank deposited its banking licence effective 30 June 2014.
- The financial results for 2014 remain subject to considerable uncertainty. The uncertainty is primarily related to the winding up of activities taken over under the Bank Package and the outcomes of lawsuits and disputes.

Balance sheet



Staff costs and admin. expenses



* 2009 covers the period from 13 October 2008 to 31 December 2009

Results of winding-up activities

Finansiel Stabilitet winds up exposures and activities taken over from distressed banks. This activity comprises customer exposures, financial assets, physical assets, different types of obligations and employees.

For a more detailed description of Finansiel Stabilitet's activities and strategy, see the Annual Report 2013.

Finansiel Stabilitet reduced the Group's total assets by an aggregate of DKK 4.2 billion in H1 2014. At 30 June 2014, total assets amounted to DKK 25 billion.

This reduction of total assets was mainly achieved by winding up loans and guarantees of DKK 2.8 billion. In addition, total assets were reduced through a DKK 27 million (net) divestment of financial assets, a DKK 199 million (net) divestment of properties and a reduction of cash funds by around DKK 1 billion. Cash funds were reduced in connection with early redemption of re-lending, among other things.

The number of customers was reduced in step with the winding up of loans and guarantees. Accordingly, Finansiel Stabilitet reduced the number of individual customers by approximately 500 and the number of principal customers by approximately 300 in H1 2014. At 30 June 2014, Finansiel Stabilitet thus had 2,577 individual customers and 1,637 principal customers with exposures of DKK 9.9 billion.

At 30 June 2014, Finansiel Stabilitet had total exposures and activities for winding up of DKK 13.4 billion, distributed on customer exposures of DKK 9.9 billion, properties of DKK 1.7 billion and financial assets of DKK 1.8 billion.

The number of employees in continuing employment was reduced by 52 FTEs in the first half of 2014. At 30 June 2014, Finansiel Stabilitet had 155 FTEs, 94 of whom were in continuing employment. The reduction was achieved through the conclusion of severance agreements and ordinary employee turnover.

In accordance with Finansiel Stabilitet's policy on openness about the gradual headcount reduction, all employees have since the second quarter of 2014 had the opportunity to be informed about any planned termination of their employment as a result of the winding-up process. The interim financial statements for the six months ended 30 June 2014 include a provision for severance pay etc. in an equivalent amount.

Winding up of loans and guarantees

Finansiel Stabilitet disposes of exposures and other activities taken over by way of "segmented winding up" and "individual winding up". Focus is on winding up these activities as quickly as possible, in a financially prudent manner and with due consideration for the Group's corporate values.

Winding up of activities in H1 2014

	Status, 31 Dec 2013*	Winding up H1 2014	Status, 30 June 2014
No. of principal customers	1,929	292	1,637
No. of individual customers	3,059	482	2,577
Net loans and guarantees (DKKm)	12,754	2,808	9,946
Properties (DKKm)	1,919	199	1,720
Financial assets (DKKm)	1,838	27	1,811
No. of employees in continuing employment (FTEs)	146	52	94

* Data at 31 December 2012 changed due to reclassification.

In the first half of 2014, segmented winding-up activities with balance sheet impact amounted to approximately DKK 0.9 billion, and individual winding-up activities amounted to approximately DKK 1.9 billion.

The segmented winding-up was completed through the divestment of a customer portfolio consisting of exposures with 75 property companies with loans and credit agreements in a total amount of approximately DKK 909 million to LMN Finance Ltd, which in July 2013 acquired a similar loan portfolio from Finansiel Stabilitet.

Winding up of properties

The property portfolio consists mainly of commercial and residential properties. The individual assets of the property portfolio are predominantly offered for sale through real estate agents.

In H1 2014, Finansiel Stabilitet sold 48 properties for a total of DKK 194 million.

During the same period, the winding up of exposures resulted in an inflow of seven properties representing a total value of DKK 11 million, bringing the net result of winding-up activities to DKK 183 million.

At 30 June 2014, Finansiel Stabilitet had 200 properties representing a total value of DKK 1.7 billion.

Properties for sale are listed at:
www.finansielstabilitet.dk

Winding up of financial assets

Financial assets comprise mortgage deeds, shares, guarantee certificates and cooperative share certificates, subordinated capital, bonds and other securities.

Financial assets are wound up by way of gradual divestment of individual assets and minor portfolios. In addition, there are also assets subject to ordinary run-off on a current basis.

In H1 2014, financial assets representing a net carrying amount of DKK 27 billion were wound up. At 30 June 2014, the total carrying amount of financial assets was DKK 1.8 billion.

For an overview of Finansiel Stabilitet's current holding and bid processes, go to: www.finansielstabilitet.dk

Other winding-up activities

As part of its other winding-up activities, Finansiel Stabilitet sold a portfolio consisting of approximately 11,000 exposures with a total residual debt of approximately DKK 2.5 billion to Lindorff Danmark A/S. The exposures were originally transferred to Finansiel Stabilitet under Bank Packages I, III and IV.

Moreover, FS Bank's banking licence was deposited with the Danish FSA at the end of June 2014. The company will proceed with the remaining winding up as a payment institution under the name of FS Finansselskabet A/S.

In spring, FS Finansselskabet A/S terminated a number of products and services that will not be offered to the company's customers in future. In that connection, efforts have been made to ensure that no customer is left without a banker as a result of the closure of the bank.

After the closure, the Finansiel Stabilitet Group no longer has a banking licence, which marks an important step in the winding up of the banking activities taken over by Finansiel Stabilitet under the bank packages from 2008 to 2012.

Lawsuits and disputes

Finansiel Stabilitet is processing a substantial portfolio of lawsuits, complaints, cases before the Appeals Board and claims from creditors, which have arisen in connection with the takeover of distressed banks.

Finansiel Stabilitet is party to lawsuits and disputes (including liability claims) representing a total amount of

approximately DKK 6.5 billion. An aggregate provision of DKK 0.9 billion has been made on the case portfolio.

The legal enquiry into Sparekassen Østjylland was completed in May 2014 with the conclusion that there are no grounds for holding either the management board or the board of directors liable for damages. Finansiell Stabilitet concurs with this assessment.

Individual government guarantees

By adopting appropriation of funds no. 5 in March 2012, the Finance Committee of the Danish parliament extended the original scheme for individual guarantees under the Credit Package to the effect that, on certain conditions, Danish banks could extend or issue debt based on individual government guarantees until 31 December 2013 to expire on or before 31 December 2016.

Guarantees for a total amount of DKK 5.9 billion were provided under the extended scheme. The guarantees were provided to Vestjysk Bank and Den Jyske Sparekasse in the amount of DKK 4.5 billion and DKK 1.4 billion, respectively. At 30 June 2014, the guarantees were reduced to a total amount of DKK 3.1 billion due to early redemption.

Of the DKK 194 billion originally provided in individual government guarantees, which have now expired, the Danish State has incurred losses under the Credit Package on four institutions with individual government guarantees of DKK 22 billion in aggregate. At 30 June 2014, this loss was provisionally calculated at DKK 3.5 billion. The loss may be adjusted if the final winding up of the individual institutions, which are currently subsidiaries of Finansiell Stabilitet, results in a revision of the purchase price adjustment.

Financial review

Performance

Finansiel Stabilitet reported a profit of DKK 383 million in H1 2014, against a loss of DKK 193 million in the same period of last year. The profit was substantially attributable to a better-than-expected winding-up performance and generally lower salary costs and administrative expenses.

Areas of activity of Finansiel Stabilitet

Finansiel Stabilitet's areas of activity are different from those of a conventional financial business in a number of important areas. Each area of activity is characterised in being anchored in a specific statute, and the financial statements reflect the different regulatory framework and mechanisms applicable.

Only activities taken over under the Bank Package and income from Finansiel Stabilitet's funding of FS Property Finance have an earnings impact for Finansiel Stabilitet. The other areas have no impact on the performance of Finansiel Stabilitet.

The Bank Package

The Bank Package segment posted a profit of DKK 383 million after tax in H1, equivalent to the overall profit reported by the Group. FS Finansselskabet contributed a profit of DKK 61 million to the net profit and income from the funding of FS Property Finance contributed a profit of DKK 20 million. The remaining part of the results was attributable to the parent company.

The most significant income statement items in H1 were net interest income of DKK 88 million, salary costs and

administrative expenses of DKK 104 million and reversed impairment charges of DKK 363 million.

The Exit and Consolidation Packages

Finansiel Stabilitet assumes no direct risk in connection with the winding up of companies under the Exit and Consolidation Packages, but efforts are made to wind up the companies as efficiently as possible with due consideration for the unsecured creditors that have not obtained full coverage of their claims, including the Guarantee Fund and the Danish State. The contribution from the Exit and Consolidation Packages to Finansiel Stabilitet's results was nil.

For further specification of income statement items for the segment, see note 2 to the financial statements.

Exit Package – FS Finans III and IV

In Amagerbanken (FS Finans III) and Fjordbank Mors (FS Finans IV), no unsecured creditors incurred any losses as a result of the transfer to Finansiel Stabilitet, as the transfer took place under the Exit Package. Under this model, unsecured creditors are not fully reimbursed, except for the cover for cash deposits within certain limits determined by the Guarantee Fund.

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

Income statement, Bank Package

(DKKm)	H1 2014	H1 2013
Net interest income	88	92
Guarantee commission, government guarantees	0	(8)
Other net fee income and market value adjustments	(15)	(322)
Other operating income/(expenses), net	9	(20)
Operating expenses	104	164
Impairment losses on loans, advances, guarantees etc.	(363)	(218)
Profit/(loss) from investments	52	11
Tax	10	0
Profit/(loss) for the period	383	(193)

anticipated at the time of fixing of the initial dividend, such loss will be covered by the Winding-up Department of the Guarantee Fund.

FS Finans III

FS Finans III reported a profit for H1 2014 of DKK 26 thousand after tax, equal to the statutory return requirement to Finansielt Stabilitet on contributed equity.

Calculated before purchase price adjustment, the profit amounted to DKK 221 million as a result of a better-than-expected winding-up performance, reversed provisions for lawsuits and generally lower operating expenses.

Against this background, the purchase price adjustment was adjusted by DKK 205 million in H1 2014 to DKK 1,243 million at 30 June.

FS Finans III had total assets of DKK 1.7 billion at 30 June 2014. By comparison, total assets stood at DKK

3.5 billion at 30 June 2012 and DKK 2.2 billion at 31 December 2013.

Loans and advances after impairment losses declined by DKK 668 million in H1 2014 to stand at DKK 1,057 million at 30 June. The decline covers a real cash reduction of loans and advances of DKK 632 million.

FS Finans IV

FS Finans posted a profit of DKK 148 million after tax in H1 2014. The performance was substantially attributable to a better-than-expected winding-up performance, positive market value adjustments of DKK 63 million and generally lower operating expenses.

FS Finans IV had total assets of DKK 0.7 billion at 30 June 2014. By comparison, total assets stood at DKK 1.8 billion at 30 June 2013 and DKK 1.0 billion at 31 December 2013.

Financial highlights FS Finans III and IV (Group)

(DKKm)	FS Finans III		FS Finans IV	
	H1 2014	H1 2013	H1 2014	H1 2013
Income statement				
Profit/(loss) before purchase price adjustment and tax	221	180	145	(63)
Movements in purchase price adjustment	205	158	0	0
Tax	16	5	(3)	5
Profit/(loss) for the period	0	17	148	(68)
Balance sheet				
Cash in hand and demand deposits with credit institutions and central banks	0	377	0	287
Loans and advances	1,057	2,235	248	925
Other assets	689	866	477	543
Total assets	1,746	3,478	725	1,755
Purchase price adjustment	1,243	1,023	0	0
Other provisions	195	0	101	151
Other liabilities	307	2,338	300	1,337
Equity	1	117	324	267
Total equity and liabilities	1,746	3,478	725	1,755

Loans and advances after impairment losses declined by DKK 231 million in H1 2014 to stand at DKK 248 million at 30 June. The decline covers a real cash reduction of loans and advances of DKK 318 million.

Consolidation Package – FS Finans I and II

Except for the Guarantee Fund 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 Finansiel Stabilitet, as the transfers took place under Model 2 of the Consolidation Package. Both the Guarantee Fund and Finansiel Stabilitet contributed a dowry to both banks, as sufficient assets were not available to fully reimburse all creditors, including the Danish State and the Guarantee Fund. The dowry was calculated at DKK 1.7 billion in Max Bank and DKK 1.2 billion in 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. according to the Guarantee Fund's and Finansiel 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. If the winding up produces a loss resulting in a lower dividend than the initially fixed dividend, such loss will be covered by the Winding-up Department of the Guarantee Fund.

FS Finans I

FS Finans I reported a profit for H1 2014 of DKK 27 thousand after tax, equal to the statutory return requirement to Finansiel Stabilitet on contributed equity.

Calculated before purchase price adjustment, the profit amounted to DKK 50 million as a result of an improvement

Financial highlights FS Finans I and II (Group)

(DKKm)	FS Finans I		FS Finans II	
	H1 2014	H1 2013	H1 2014	H1 2013
Income statement				
Profit/(loss) before purchase price adjustment and tax	50	122	19	(33)
Movements in purchase price adjustment/dowry adjustment*	50	97	15	(85)
Tax	0	6	1	13
Profit/(loss) for the period	0	19	3	39
Balance sheet				
Cash in hand and demand deposits with credit institutions and central banks	0	67	0	260
Loans and advances	33	257	176	577
Other assets	289	266	926	779
Total assets	322	590	1,102	1,616
Deposits and other payables	0	0	60	142
Purchase price adjustment	190	74	0	0
Other provisions	58	115	136	227
Other liabilities	73	32	868	478
Equity	1	369	38	769
Total equity and liabilities	322	590	1,102	1,616

* In FS Finans II the dowry adjustment in 1H 2014 was reduced by DKK 15 million.

of the exposures' financial standing of DKK 38 million and reduced operating expenses.

Against this background, the purchase price adjustment was adjusted by DKK 50 million in H1 2014 to DKK 843 million at 30 June. DKK 653 million of this amount was dowry previously distributed.

FS Finans I had total assets of DKK 0.3 billion at 30 June 2014. By comparison, total assets stood at DKK 0.6 billion at 30 June 2013 and DKK 0.3 billion at 31 December 2013.

Loans and advances after impairment losses declined by DKK 175 million in H1 2014 to stand at DKK 33 million at 30 June. The decline covers a real cash reduction of loans and advances of DKK 232 million.

FS Finans II

FS Finans II reported a profit for H1 2014 of DKK 3 million after tax, equal to the statutory return requirement to Finansielt Stabilitet on contributed equity.

Calculated before purchase price adjustment (dowry adjustment), the profit amounted to DKK 19 million as a result of a better-than-expected winding-up performance and reduced operating expenses. Accordingly, Finansielt Stabilitet's and the Guarantee Fund's dowry was reduced by DKK 15 million.

FS Finans II had total assets of DKK 1.1 billion at 30 June 2014. By comparison, total assets stood at DKK 1.6 billion at 30 June 2013 and DKK 1.3 billion at 31 December 2013.

Loans and advances after impairment losses declined by DKK 137 million in H1 2014 to stand at DKK 176 million at the end of the period. The decline covers a real cash reduction of loans and advances of DKK 261 million.

Development Package – FS Property Finance

In March 2012, Finansielt Stabilitet concluded an agreement with FIH Erhvervsbank A/S and FIH Holding A/S for the takeover of a substantial portfolio of property exposures with a view to winding up. The takeover was completed on 2 July 2012 by FIH Erhvervsbank A/S and FIH Kapital Bank A/S spinning off the business unit Property Finance to a new independent company – FS Property Finance A/S – with Finansielt Stabilitet as the sole shareholder.

Concurrently with the takeover, FIH Holding provided a loss guarantee to Finansielt Stabilitet covering any loss in the company during the period until the loss is calculated. The loss guarantee will become effective if the loss-absorbing loan of DKK 1.65 billion provided by FIH Erhvervsbank on takeover proves insufficient to cover a potential loss in FS Property Finance.

Selected balance sheet data, FS Property Finance

(DKKm)	30.06.2014	30.06.2013
Balance sheet		
Cash in hand and demand deposits with credit institutions and central banks	172	471
Loans and advances	5,300	6,399
Receivable from FIH	0	770
Other assets	767	1,459
Total assets	6,239	9,099
Other debt	4,239	7,099
Equity	2,000	2,000
Total equity and liabilities	6,239	9,099

FS Property Finance was consolidated with Finansiel Stabilitet with effect from 2 July 2012. The loss-absorbing loan of DKK 1.65 billion has been used due to substantial impairment losses and fair value adjustments of DKK 1.5 billion in 2012 and the concurrent recognition of a receivable from FIH Holding. The recognised receivable was reversed in 2013 due to a positive development in results.

The company's activities will terminate at the calculation date, which has initially been agreed for 31 December 2016, but the timing may be deferred for up to two years at the request of FIH Holding and for another 12 months subject to mutual agreement (that is, 31 December 2019 at the latest). The calculation date may also be moved forward upon mutual agreement until 31 December 2015.

In December 2013, the European Commission approved the transaction subject to modification of certain elements of the transaction structure, including FIH's additional payment of DKK 310 million to Finansiel Stabilitet. The amount 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.

FS Property Finance posted a profit of DKK 0 million in H1 2014. This was achieved through a reversal of fair value adjustment, offset by a revaluation of the loss-absorbing loan by DKK 620 million.

Finansiel Stabilitet's funding of FS Property Finance contributed total revenue of DKK 20 million to Finansiel Stabilitet's profit (recognised under the Bank Package).

During the period from the takeover to 30 June 2014, FS Property Finance has reduced loans and advances by DKK 6.1 billion. As a result, loans and advances totalled DKK 5.3 billion at 30 June 2014.

Significant risks

As discussed in the annual report for 2013, Finansiel Stabilitet's principal operational risks are significantly affected by the special tasks involved in taking over and winding up distressed banks. Most of Finansiel Stabilitet's risks remain related to the risk of losses on non-performing exposures and the risk of losses in connection with lawsuits and disputes. For further information on risks and risk management, see the annual report for 2013.

Events after the balance sheet date

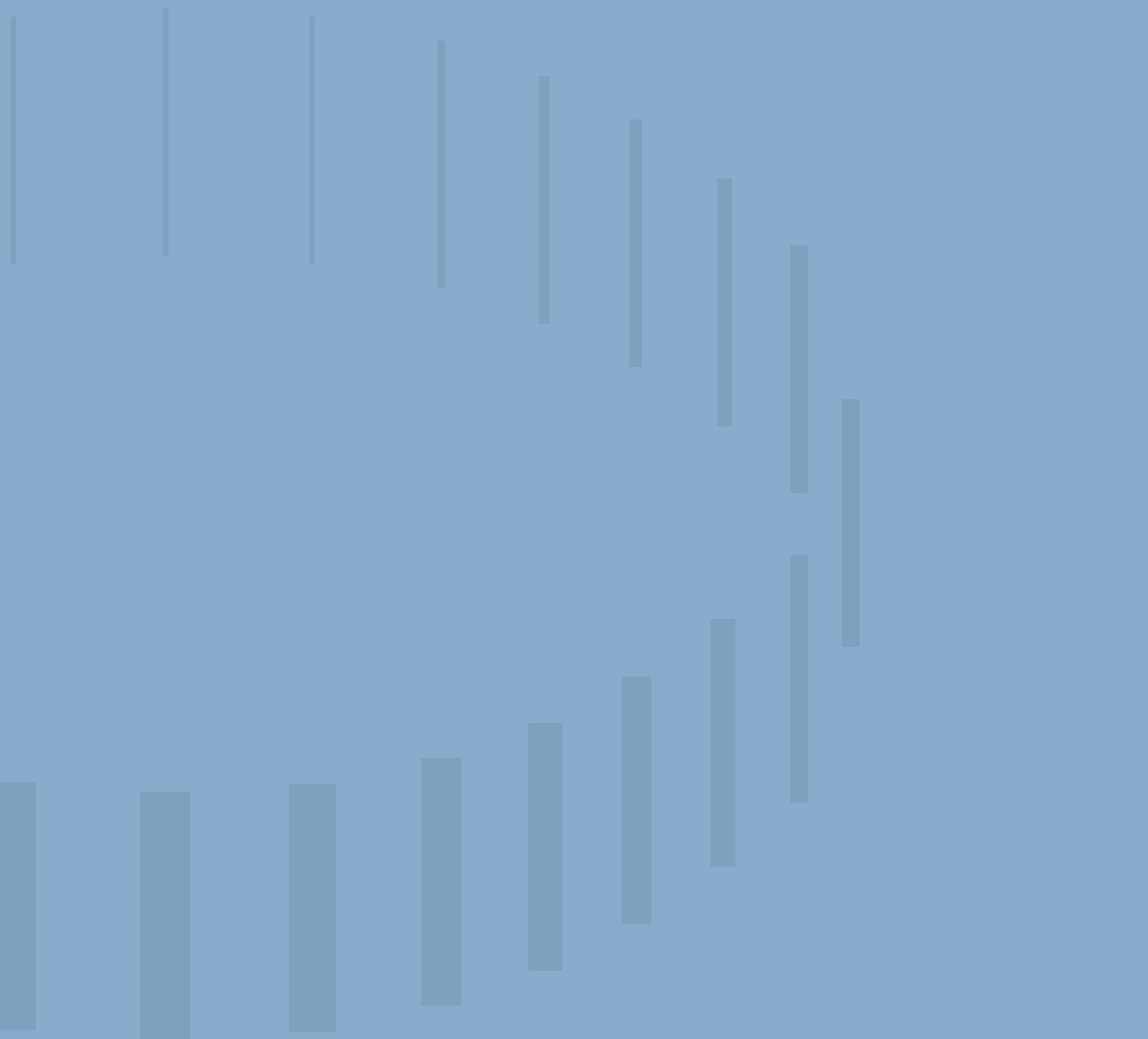
After the end of the reporting period, 21 agricultural exposures have been sold to Sparekassen Sjælland. With this sale and previously signed agreements with Landbrugets FinansieringsBank concerning referral of loans, Finansiel Stabilitet is close to having handled the entire agricultural portfolio.

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

Outlook for 2014

Despite a satisfactory performance in H1 2014, a number of risks and uncertainties remain in relation to factors such as changes in the value of lending exposures, the winding-up process and the outcomes of lawsuits and disputes under the Bank Package. As a result, the financial results for the remainder of 2014 are subject to considerable uncertainty.

Financial statements



Income statement and comprehensive income statement

(DKKm)	Note	Group		Parent	
		H1 2014	H1 2013	H1 2014	H1 2013
Interest and fees					
Interest income	3	311	667	112	198
Interest expense	4	43	243	29	139
Net interest income		268	424	83	59
Share dividends etc.		4	1	2	0
Fees and commissions received		59	215	52	221
Fees and commissions paid		41	291	39	287
Net interest and fee income		290	349	98	(7)
Market value adjustments	5	(628)	(322)	(27)	(208)
Other operating income		394	821	107	229
Staff costs and administrative expenses	6	207	353	173	233
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		0	2	0	0
Other operating expenses		435	572	96	318
Impairment losses on loans, advances and receivables, etc.	7	(1,000)	145	(297)	(188)
Profit/(loss) from investments in associates and subsidiaries		27	(4)	197	119
Loss guarantee from the Danish State re. individual government guarantees		(7)	37	(7)	37
Profit/(loss) for the period before tax		434	(191)	396	(193)
Tax		51	2	13	0
Profit/(loss) for the period		383	(193)	383	(193)
Comprehensive income statement					
Profit/(loss) for the period		383	(193)	383	(193)
Other comprehensive income after tax		0	0	0	0
Total comprehensive income		383	(193)	383	(193)

Balance sheet

(DKKm)	Note	Group			Parent		
		30.06. 2014	31.12. 2013	30.06. 2013	30.06. 2014	31.12. 2013	30.06. 2013
ASSETS							
Cash in hand and demand deposits							
with central banks		1,642	2,845	7,146	1,705	2,555	6,960
Due from credit institutions and central banks		1,292	1,170	1,522	142	178	251
Loans, advances and other receivables at fair value		61	55	878	61	53	807
Loans, advances and other receivables at amortised cost		8,475	11,144	14,049	6,201	9,036	10,569
Bonds at fair value		405	374	23	139	148	13
Shares, etc.		996	1,070	1,156	725	718	822
Investments in associates		349	339	323	336	327	301
Investments in subsidiaries		0	0	0	3,139	3,191	3,678
Intangible assets		0	0	0	0	0	0
Total land and buildings		1,411	1,439	2,524	37	37	93
Investment properties		1,411	1,439	2,522	37	37	93
Domicile properties		0	0	2	0	0	0
Other property, plant and equipment		4	5	9	0	0	3
Assets held temporarily		309	480	853	0	9	0
Receivable re. loss guarantee from the Danish State relating to Roskilde Bank		4,331	4,331	4,331	4,331	4,331	4,331
Receivable re. loss guarantee from the Danish State relating to individual government guarantees		3,542	3,549	3,547	3,542	3,549	3,547
Other assets		2,186	2,439	3,481	1,564	2,176	3,313
Prepayments		8	0	16	8	0	14
Total assets		25,011	29,240	39,858	21,930	26,308	34,702

Balance sheet

(DKKm)	Note	Group			Parent		
		30.06. 2014	31.12. 2013	30.06. 2013	30.06. 2014	31.12. 2013	30.06. 2013
EQUITY AND LIABILITIES							
Liabilities							
Due to credit institutions and central banks		980	318	884	289	370	659
Deposits and other payables		55	868	710	374	420	775
Loans through the state-funded re-lending scheme		9,050	13,572	20,666	9,050	13,572	20,666
Issued bonds at amortised cost		2	2	2,060	0	0	2
Liabilities relating to assets held temporarily		0	0	236	0	0	0
Due to mortgage credit institutions		204	288	285	0	0	0
Other liabilities		1,235	1,156	2,063	907	806	1,509
Deferred income		2	1	5	0	0	0
Total liabilities		11,528	16,205	26,909	10,620	15,168	23,611
Provisions							
Provision for losses on guarantees		491	494	615	190	223	293
Purchase price adjustment (Earn-out)		1,433	1,183	1,097	0	0	0
Other provisions	8	1,425	1,607	1,840	986	1,166	1,401
Total provisions		3,349	3,284	3,552	1,176	1,389	1,694
Total liabilities		14,877	19,489	30,461	11,796	16,557	25,305
Equity							
Share capital		1	1	1	1	1	1
Retained earnings		9,750	9,750	9,589	9,750	9,750	9,589
Profit/(loss) for the period		383	-	(193)	383	-	(193)
Total equity		10,134	9,751	9,397	10,134	9,751	9,397
Total equity and liabilities		25,011	29,240	39,858	21,930	26,308	34,702

Statement of changes in equity

Group (DKKm)	H1 2014			2013
	Share capital	Retained earnings	Total equity	
Equity as at 1 January	1	9,750	9,751	9,590
Changes in equity during the period				
Dividend paid	-	0	0	0
Comprehensive income for the period	-	383	383	161
Equity as at 30 June	1	10,133	10,134	9,751

Parent (DKKm)	H1 2014			2013
	Share capital	Retained earnings	Total equity	
Equity at 1 January	1	9,750	9,751	9,590
Changes in equity during the period				
Dividend paid	-	0	0	0
Comprehensive income for the period	-	383	383	161
Equity as at 30 June	1	10,133	10,134	9,751

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

Cash flow statement

(DKKm)	Group	
	H1 2014	H1 2013
Cash flows from operating activities		
Profit/(loss) for the period after tax	383	(193)
Adjustment for non-cash operating items	(808)	359
Loss guarantee from the Private Contingency Association/the Danish State	7	(37)
Cash flows from operating capital	3,685	(10,504)
Cash flows from operating activities	3,267	(10,375)
Cash flows from investing activities		
Net investment in subsidiaries	-	-
Purchase/sale of property, plant and equipment	29	(329)
Cash flows from investing activities	29	(329)
Cash flows from financing activities		
Loans through the state-funded re-lending scheme	(4,400)	6,284
Dividend	-	-
Cash flows from financing activities	(4,400)	6,284
Change in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	3,793	12,730
Change during the period	(1,104)	(4,420)
Cash and cash equivalents at the end of the period	2,689	8,310

Notes

1 Accounting policies

The interim report is presented in accordance with IAS 34, Interim Financial Reporting as adopted by the EU in respect of the Group and the Danish Financial Business Act in respect of the parent company and in accordance with additional Danish disclosure requirements for interim reports of financial enterprises. Apart from the below changes, the accounting policies are consistent with those of the consolidated and parent company financial statements for 2013, which give a comprehensive description of the accounting policies applied.

Accounting policy changes

Finansiel Stabilitet has implemented the IFRS standards and interpretations taking effect for 2014. None of these have affected recognition and measurement in the first half of 2014 or are expected to affect Finansiel Stabilitet.

Standards and interpretations not yet in force

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

Accounting estimates and judgments

The determination of the carrying amounts of certain assets and liabilities relies on judgments, estimates and assumptions about future events.

The estimates and assumptions applied are based on historical experience and other factors that Management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, the Group and the parent company are subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates. It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or of new information or subsequent events.

The accounting estimates and the related uncertainty concern the same issues as those prevailing at the preparation of the consolidated and parent company financial statements for 2013.

Notes

2 Segment information for the Group

Activities for the six months ended 30 June 2014 (DKKm)	Bank package	Credit package	Exit and Consolidation packages	Development package	Eliminations	Total
Net interest income	88	0	52	128	-	268
Guarantee commission on government guarantees	0	48	0	-	-	48
Other net interest and fee income and market value adjustments	(15)	(48)	96	(687)	-	(654)
Movements in purchase price adjustment	-	-	(270)	-	-	(270)
Other operating income/expenses, net	26	0	61	245	7	339
Operating expenses	121	0	96	7	-	224
Impairment losses on loans, advances, guarantees etc.	(363)	(7)	(316)	(321)	7	(1,000)
Profit/(loss) from investments in subsidiaries and associates	52	-	(25)	-	-	27
Loss guarantee from the Danish State re. individual government guarantees	-	(7)	0	-	-	(7)
Loss guarantee from the Guarantee Fund	-	-	(93)	-	-	(93)
Profit/(loss) for the period before tax	393	0	41	0		434
Tax	10	0	41	0		51
Profit/(loss) for the period	383	0	0	0		383
Total segment assets at 30 June 2014	11,002	3,542	4,228	6,239		25,011
Total segment assets at 31 December 2013	13,166	3,549	5,414	7,111		29,240

The Bank Package comprises interest income from the funding of the Development Package segment in the amount of DKK 20 million.

Notes

2 Segment information for the Group – continued

Activities for the six months ended 30 June 2013 (DKK m)	Bank package	Credit package	Exit and Consolidation packages	Development package	Eliminations	Total
Net interest income	92	(2)	98	236	-	424
Guarantee commission on government guarantees	(8)	212	(18)	-	-	186
Other net interest and fee income and market value adjustments	(322)	(212)	(40)	(9)	-	(583)
Movements in purchase price adjustment	-	-	(232)	-	-	(232)
Other operating income/expenses, net	(57)	4	521	(41)	-	427
Operating expenses	164	2	147	42	-	355
Impairment losses on loans, advances, guarantees etc.	(255)	37	219	144	-	145
Profit/(loss) from investments in subsidiaries and associates	11	0	(4)	-	(11)	(4)
Loss guarantee from the Danish State re. individual government guarantees	-	37	-	-	-	37
Loss guarantee from the Guarantee Fund	-	-	54	-	-	54
Profit/(loss) for the period before tax	(193)	0	13	0	(11)	(191)
Tax	0	0	13	0	(11)	2
Profit/(loss) for the period	(193)	0	0	0		(193)
Total segment assets	18,946	3,587	8,226	9,099		39,858

Notes

(DKKm)	Group		Parent	
	H1 2014	H1 2013	H1 2014	H1 2013
3 Interest income				
Due from credit institutions and central banks	17	19	2	6
Loans, advances and other receivables at amortised cost	234	515	93	130
Loans, advances and other receivables at fair value	3	53	3	51
Bonds	8	1	6	0
Total derivative financial instruments	47	75	0	(2)
Foreign exchange contracts	4	(3)	0	(2)
Interest rate contracts	43	78	0	0
Other interest income	2	4	8	13
Total	311	667	112	198
4 Interest expense				
Credit institutions and central banks	13	96	0	6
Deposits and other payables	0	6	0	1
Issued bonds	0	8	0	0
Loans through the state-funded re-lending scheme	29	130	29	130
Other interest expense	1	3	0	2
Total	43	243	29	139
5 Market value adjustments				
Adjustment for credit risk for loans and advances at fair value	(547)	(248)	(15)	(244)
Other adjustment for loans and advances at fair value	(1)	(3)	0	-
Bonds	34	(3)	(8)	2
Shares, etc.	62	61	4	21
Investment properties	(16)	(76)	(2)	16
Currency	(11)	(33)	(4)	(5)
Foreign exchange, interest, share, commodity and other contracts and derivative financial instruments	(67)	(19)	(1)	2
Other assets and liabilities	(82)	(1)	(1)	-
Total	(628)	(332)	(27)	(208)

Notes

(DKKm)	Group		Parent	
	H1 2014	H1 2013	H1 2014	H1 2013
6 Staff costs and administrative expenses				
Salaries and remuneration to Board of Directors and Management Board:				
Management Board	2	4	2	4
Board of Directors	1	1	1	1
Total	3	5	3	5
Staff costs				
Salaries	62	93	61	81
Provisions for salaries during release period	33	13	33	13
Pensions	6	9	6	8
Social security costs	(16)	12	(16)	10
Total	85	127	84	112
Other administrative expenses	119	221	86	116
Total	207	353	173	233

(DKKm)	Impairment losses at 1 Jan.	Change in impairment losses	Impairment losses at 30 June	Impact on income statement
7 Impairment losses on loans, advances and receivables, etc.				
Loans and advances at amortised cost	15,761	(293)	15,468	
Guarantees	494	(3)	491	
Impairment for H1 2014	16,255	(296)	15,959	(1,000)
Impairment for H1 2013	15,611	865	16,476	145

(DKKm)	Group		Parent	
	H1 2014	H1 2013	H1 2014	H1 2013
8 Other provisions				
Litigation	941	1,233	847	1,090
Other provisions	484	607	139	311
Total	1,425	1,840	986	1,401

Notes

(DKKm)

9 Contingent assets and liabilities

Tax

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

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 316 million with Finansiel Stabilitet. In the spring of 2014, FIH decided to appeal the European Commission's ruling. Against that background, the DKK 316 million has not impacted Finansiel Stabilitet's profit for 2014.

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.

At 30 June 2014, guarantees representing DKK 3.1 billion had been issued. The Danish State guarantees the Company's guarantee commitments under the scheme.

Roskilde Bank

Roskilde Bank was transferred from Danmarks Nationalbank to Finansiel Stabilitet on 10 August 2009. Roskilde Bank was not covered by the general government guarantee under the Act on Financial Stability. The Danish State has issued a separate guarantee to Finansiel Stabilitet to cover the winding up of the bank. In connection with this, the Company has a receivable of DKK 4,331 million.

Other contingent liabilities

The subsidiaries are parties to legal disputes in relation to ordinary operations. In recent years, a considerable number of complaints have been brought before the Danish Financial Institutions' Complaints Board by customers of banks acquired by Finansiel Stabilitet.

10 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.

Notes

Financial highlights and financial ratios for Finansiel Stabilitet A/S

(DKKm)	H1 2014	H1 2013
Financial highlights		
Other interest and fee income, net	98	(7)
Market value adjustments	(27)	(208)
Other operating income	107	229
Costs	173	233
Other operating expenses	96	318
Impairment losses on loans and advances	(297)	(188)
Profit/(loss) from investments in subsidiaries and associates	197	119
Loss guarantee from the Danish State re. individual government guarantees	(7)	37
Profit/(loss) for the period	383	(193)
Equity	10,134	9,397
Total assets	21,930	34,702
Financial ratios		
Return on equity before tax p.a.	8%	(4)%
Return on equity after tax p.a.	8%	(4)%
Income/cost ratio	(13.14)	0.47

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

The income/cost ratio for H1 2014 has been calculated at (13,14). The negative ratio is explained by the reversed impairment losses of DKK 297 million for the period being included as an expense in the ratio's denominator. If (contrary to the FSA's definition) amounts of reversed impairment losses were included in the numerator under income instead, the ratio would be 2.47 for the period.

Statement by Management

The Board of Directors and the Management Board have today considered and adopted the interim report of Finansielt Stabilitet A/S for the six months ended 30 June 2014.

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

The interim report has been neither audited nor reviewed.

In our opinion, the interim report gives a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 30 June 2014 and of the results of the Group's and the parent company's operations and the Group's cash flows for the six months ended 30 June 2014.

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

Copenhagen, 26 August 2014

Management Board

Henrik Bjerre-Nielsen
CEO

Board of Directors

Jakob Brogaard
Chairman

Bent Naur
Deputy Chairman

Anette Eberhard

Birgitte Nielsen

Erik Sevaldsen

Cecilia Lysemose

Michael Mikkelsen

Company details

Finansiel Stabilitet A/S
Kalvebod Brygge 43
DK-1560 Copenhagen V

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

CVR no.: +45 30 51 51 45

Established: 13 October 2008
Municipality of
registered office: Copenhagen

Board of Directors

Jakob Brogaard (Chairman)
Bent Naur (Deputy Chairman)
Anette Eberhard
Birgitte Nielsen
Erik Sevaldsen
Cecilia Lysemose (employee representative)
Michael Mikkelsen (employee representative)

Management Board

Henrik Bjerre-Nielsen

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
DK-2000 Frederiksberg

Finansiel Stabilitet A/S

Kalvebod Brygge 43
DK-1560 Copenhagen V

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