

**SECOND DECISION BY FINANSIEL STABILITET
ON THE RESOLUTION OF ANDELSKASSEN J.A.K. SLAGELSE UNDER KONTROL
5 OCTOBER 2015**

1. BACKGROUND

- 1.1 On 5 October 2015, Finansiell Stabilitet made the first decision ("**First Decision**") on resolution of Andelskassen J.A.K. Slagelse under kontrol, CVR no. 79399612, Løvegade 63, 4200 Slagelse, Denmark (the "**Institution**") under the Danish Act on Restructuring and Resolution of Certain Financial Businesses (the "**Act**")¹, in which connection Finansiell Stabilitet decided to exercise control over the Institution. Reference is made to the First Decision for a description of the background for carrying out the resolution of the Institution.

2. ADDITIONAL CONSIDERATIONS

In addition to the considerations listed in the First Decision, Finansiell Stabilitet has considered the following:

- a) the setting up of a bridge institution and the transfer of the ownership of the Institution to the bridge institution will enable Finansiell Stabilitet to carry on the operation of the Institution for the purpose of selling and resolving the Institution under the right conditions;
- b) the interim valuation² implies that it is necessary to cancel the contributed capital, to write down relevant capital instruments and to carry out a bail-in for loss absorption of all subordinated obligations and certain obligations that are not subordinated; and
- c) amendment of certain contracts may be necessary in order to ensure that losses are borne in the same way as if the Institution had been subject to bankruptcy proceedings.

3. DECISION

Based on the considerations above and in the First Decision, Finansiell Stabilitet decides as follows:

- a) that the contributed capital in the Institution shall be cancelled in accordance with section 44 of the Act (which implements article 47 of the BRRD), which implies that the contributed capital of the existing members is cancelled and that the members will stop being members of the Institution effective as of 5 October 2015;
- b) that all the relevant capital instruments of the Institution are written down to zero on 5 October 2015 in accordance with sections 17 and 18 of the Act (which implement articles 59 and 60 of the BRRD);
- c) that the Danish resolution financing arrangement (Afviklingsformuen) of Finansiell Stabilitet shall set up a bridge institution (the "**Bridge Institution**") pursuant to section 21 of the Act (which implements article 40 of the BRRD), which shall contribute new capital to the Institution on 5 October 2015 and thereby take over the ownership of the Institution;
- d) that bail-in for loss absorption is carried out pursuant to section 24 of the Act (which implements articles 43 and 46 of the BRRD) in respect of all other subordinated obligations of the Institution, so that such obligations are written down to zero;

¹ The Act implements Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms ("**BRRD**").

² In accordance with section 7 of the Act, Finansiell Stabilitet has prepared an interim valuation on 5 October 2015.

- e) that bail-in for loss absorption is carried out pursuant to section 24 of the Act (which implements articles 43 and 46 of the BRRD) in respect of all those obligations of the Institution which would constitute obligations under section 97 of the Danish Bankruptcy Act, except for obligations exempted from bail-in pursuant to section 25 of the Act (which implements parts of articles 44, 48 and 103 of the BRRD), so that such obligations are written down to zero;
- f) that bail-in for loss absorption is carried out pursuant to section 24 of the Act (which implements articles 43 and 46 of the BRRD) in respect of all those obligations of the Institution relating to deposits from natural persons and micro, small and medium-sized enterprises, which due to the maximum amounts set out in sections 9 and 10 of the Danish Act on a Guarantee Scheme for Depositors and Investors are not covered by the Danish Guarantee Scheme for Depositors and Investors (Garantiformuen), so that such obligations are written down to zero;
- g) that bail-in for loss absorption is carried out pursuant to section 24 of the Act (which implements articles 43 and 46 of the BRRD) in respect of the Institution's obligations to the Danish Guarantee Scheme for Depositors and Investors (Garantiformuen) to cover depositors pursuant to the Danish Act on a Guarantee Scheme for Depositors and Investors; and
- h) that Finansielt Stabilitet may amend the Institution's contracts in accordance with section 30 of the Act (which implements parts of articles 63 and 64 of the BRRD), so that obligations to the relevant opposing parties can be adjusted in the same way as if the Institution had been adjudicated bankrupt.

Bail-in pursuant to d), e), f) and g) above shall be effective as of 5 October 2015 and will be based on the interim valuation. No bail-in will be carried out in respect of obligations that cannot be bailed in pursuant to the Act. Finansielt Stabilitet will announce the percentage rate at which the obligations in g) above will be written down as soon as Finansielt Stabilitet can determine that rate. If bail-in is subject to registration in systems etc., the bail-in will be carried out in respect of the relevant obligations as soon as possible.

Further to this decision, the board of directors of the Institution will adopt a capital increase in the Institution, in which connection the Bridge Institution will become the only member of the Institution.

4. PUBLICATION

In accordance with Article 83(2) of the BRRD, this decision will be sent to the Institution, the Danish Financial Supervisory Authority, the Danish National Bank, the Danish Ministry of Business and Growth, the Danish macro-prudential authority (Det Systemiske Risikoråd), the ESRB, the Commission, the European Central Bank, ESMA, the European Supervisory Authority (European Investment and Occupational Pensions Authority) (EIOPA), EBA and system operators (if relevant).

This decision will be made public in accordance with section 50 of the Act and article 83(4) of the BRRD.

Decision on resolution tools and powers
Unauthorised translation

Furthermore, in accordance with section 16 of the Executive Order on Resolution Measures, Finansielt Stabilitet will give individual notice to owners and creditors whose claims have been written down due to the resolution of the Institution.

5 October 2015

Finansielt Stabilitet

Henrik Bjerre-Nielsen