

## DESCRIPTION OF DEPOSIT AND LIABILITIES TO INVESTORS INSURANCE SYSTEM APPLICABLE IN REGARDS TO THE CUSTOMERS OF DANSKE BANK A/S LITHUANIA BRANCH

### 1. What is the Guarantee Fund for Depositors and Investors?

The Guarantee Fund for Depositors and Investors (the Fund) is a private independent institution established by act of Danish Kingdom parliament. The Fund protects against losses clients of Danish banks, mortgage banks or investment companies in the event that a bank, a mortgage bank or company suspends payments or become subject to compulsory winding-up. The Fund also protects Danske Bank A/S Lithuanian Branch (the Bank) clients assets.

### 2. How much is covered by the Guarantee Fund?

- **Cash**

The Fund covers clients' deposits with the Bank net of loans and other liabilities of the depositor vis-à-vis the bank for an amount of up to DKK 300,000<sup>1</sup>. Cash balances with a mortgage bank or investment company are also covered by the Fund for an amount of up to DKK 300,000 per investor, net of loans and other liabilities of the investor vis-à-vis the mortgage bank or investment company.

- **Securities**

The Fund covers losses suffered by the investor as a consequence of the Bank, mortgage bank or investment company being unable to return securities<sup>2</sup> owned by the investor which are held in safe-custody or are subject to management or administration by the Bank, mortgage bank or investment company. The loss is covered net of loans and other liabilities of the investor up to the equivalent of EUR 20,000 per investor.

### 3. How is compensation calculated?

- **Cash**

The cover provided by the Fund comprises registered cash deposits with the Bank and cash balances with mortgage banks and investment companies. As indicated above cover is limited to DKK 300,000 per depositor/investor after deduction of the debt owed by the depositor/investor to the Bank, mortgage bank or investment company.

The Fund does not cover deposits with the Bank which are not registered under the name of the depositor. Nor does the Fund cover subordinated capital instruments.

The Fund does not cover guarantee commitments, cheques, securities and other documents issued by the Bank, mortgage bank or investment company that has failed.

- **Securities**

As a general rule securities will not be affected by the suspension of payments or compulsory winding-up of the Bank, mortgage bank or investment company since normally an investor will be able to have his securities returned irrespective of the suspension of payments or compulsory winding-up.

In some cases, however, securities, which are held in safe-custody or are subject to management or administration by the Bank, mortgage bank or investment company that has suspended payments or filed for compulsory winding-up may not be returned to an investor. In such cases the Fund will cover losses due to the non-return of the securities up to the equivalent of EUR 20,000 per investor after deduction of the debt of the investor vis-à-vis the bank, mortgage bank or investment company. However, an investor cannot receive more from the Fund than the value of the securities which are not returned.

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<sup>1</sup> DKK 300,000 was approximately 138,000 LTL at 2008 May.

<sup>2</sup> As defined in Section 2 of the Danish Act on Securities Trading, etc. in particular equity securities, debt securities and negotiable mortgage deeds.

The Fund does not cover losses resulting from the failure of the issuer of securities to fulfil its obligations pertaining to the securities (the counterparty risk). Nor will it cover an investor's financial losses due to the depreciation of the investor's securities.

- **Cash and securities**

If several persons own cash or securities jointly, each person shall be regarded as an independent depositor or investor, provided that such persons are registered as the holders of the deposit or securities account. Each depositor or investor will be eligible for compensation of up to DKK 300,000 for cash and up to the equivalent of EUR 20,000 for securities.

A partnership, private limited company, public limited company or association, etc. is regarded as one depositor or investor. On assessing the cash deposits or securities covered the debt of the partnership/ company/association is deducted in the same way as for private individuals.

## 5. How to act in the event of a loss

As a depositor or investor you will receive a full statement of your accounts with the Bank, mortgage bank or investment company that has failed at the latest one month after the suspension of payments or compulsory winding-up. Among other things you will be instructed to contact another bank, mortgage bank or investment company, which will file your claim to the Fund. As soon as the Fund has checked and approved your claim, your compensation will be transferred to the bank, mortgage bank or company you have chosen.

Claims which are not covered by the Fund may be filed as claims on the winding-up estate of the bank, mortgage bank or investment company which has failed.