



ANNUAL REPORT
VP SECURITIES A/S

2013

CVR nr. 21 59 93 36

CONTENTS

COMPANY INFORMATION	2
ENDORSEMENT BY THE MANAGEMENT	3
INDEPENDENT AUDITOR'S REPORT	4
MANAGEMENT REVIEW	5
ACCOUNTING POLICIES APPLIED	27
CONSOLIDATED INCOME STATEMENT, 2013	32
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013	33
CONSOLIDATED EQUITY STATEMENT, 2013	35
CONSOLIDATED CASH FLOW STATEMENT FOR 2013	36
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	37
PARENT COMPANY INCOME STATEMENT 2013	41
PARENT COMPANY BALANCE SHEET AS AT 31 DECEMBER 2013	42
PARENT COMPANY EQUITY STATEMENT, 2013	44
NOTES ON THE PARENT COMPANY	45
NOTES ON THE PARENT COMPANY	46

COMPANY INFORMATION

Company

VP SECURITIES A/S
Weidekampsgade 14
DK-2300 Copenhagen S

Telephone: +45 4358 8888

Fax: +45 4371 2003

Website: www.vp.dk

E-mail: vp@vp.dk

Central Business Reg. No.: 21 59 93 36

Domicile municipality: Copenhagen

Board of directors

Peter Lybecker (Chairman)

Torben Nielsen (Vice Chairman)

Bent Andersen

Thomas F. Borgen

Erik Gadeberg

Søren Holm

Jan B. Kjærvik

Peter Ott

Klaus Skjødt

Carsten Wiggers

Bjørn Stendorph Crepaz

Anne-Lise Hansen Emcken

Merete Fusing

Anders Raith Linemann

Gitte Ina Nielsen

Management

Niels Olsen

Accountants

External audit

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

DK-2300 Copenhagen S

System Audits

Bent Poulsen

ENDORSEMENT BY THE MANAGEMENT

The Board of Directors and the Management have this day discussed and approved the Financial Statements of VP SECURITIES A/S for the 1 January – 31 December 2013 financial year.

The Annual Report is prepared and presented in compliance with the provisions of the Danish Financial Statements Act.

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 company's assets, liabilities and financial position as at 31 December 2013 and of the result of the Group's and the company's activities as well as the Group's cash flow for the financial year 1 January – 31 December 2013.

In our opinion, the Management Review includes a true and fair account of the factors covered by the review.

The Annual Report is recommended to the general meeting of shareholders for adoption.

Copenhagen, 4 March 2014

Management

Niels Olsen

Board of directors

Peter Lybecker
Chairman

Torben Nielsen
Vice-Chairman

Bent Andersen

Thomas F. Borgen

Erik Gadeberg

Søren Holm

Jan B. Kjærøvik

Peter Ott

Klaus Skjødt

Carsten Wiggers

Bjørn Stendorph Crepaz

Anne-Lise Hansen Emcken

Merete Fussing

Anders Raith Linemann

Gitte Ina Nielsen

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF VP SECURITIES A/S

Endorsement of the consolidated financial statements and of the company financial statements

We have audited the consolidated financial statements and the financial statements of VP SECURITIES A/S for the 1 January – 31 December 2013 financial year, which comprise the accounting policies, Income Statement, Balance Sheet, equity statement and notes for both the Group and the company, as well as the cash flow statement for the Group. The consolidated financial statements and the financial statements were prepared in accordance with the Danish Financial Statements Act.

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

The Management is responsible for preparing consolidated financial statements and company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, it is the responsibility of Management to exercise the internal controls it deems necessary in the preparation of consolidated financial statements and company financial statements that are free from material misstatement, whether due to fraud or error.

The auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the company financial statements based on our audit. We have performed our audit in accordance with international auditing standards and the additional requirements of Danish audit legislation. This requires that we comply with ethical requirements and that we plan and execute the audit to obtain reasonable assurance that the consolidated financial statements and the company financial statements are free from material misstatement.

An audit includes performing audit procedures to obtain audit evidence of amounts and information in the consolidated

financial statements and the company financial statements. The audit procedures selected depend on the auditors' judgement, including assessment of risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation of the consolidated financial statements and company financial statements that give a true and fair view. The purpose here is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit furthermore includes an evaluation of the appropriateness of the management's choice of accounting policies, the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements and the company financial statements.

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

The audit has not given rise to any qualifications.

Conclusion

In our opinion, the consolidated financial statements and the company financial statements give a true and fair view of the Group's and the company's assets, liabilities and financial position as at 31 December 2013 and of the result of the Group's and the company's activities as well as the Group's cash flow for the financial year 1 January – 31 December 2013 in compliance with the Danish Financial Statements Act.

Statement on the Management Review

Pursuant to the Danish Financial Statements Act, we have read the Management Review. We have not taken other measures in addition to our audit of the consolidated financial statements and the company financial statements.

On this basis, it is our opinion that the information given in the Management Review is consistent with the consolidated financial statements and the company financial statements.

Copenhagen, 4 March 2014

Deloitte

Statsautoriseret Revisionspartnerselskab

Henrik Wellejus
State-authorized Public Accountant

Thomas Hjortkjær Petersen
State-authorized Public Accountant

MANAGEMENT REVIEW

AN EXCITING YEAR FOR VP

2013 was an exciting year for VP. The year brought many changes in terms of business, technology as well as management and organisational matters. At the same time the past year was characterised by a positive trend in financial markets, resulting in an increase of as much as 28 percent in VP's trading activities in 2013. As a result of the increase in activities, VP's turnover and profit developed positively, and in 2013 were at their highest levels since 2009.

Operationally, VP also underwent very satisfactory development. VP is a central plank of the financial infrastructure, and accordingly our IT security is paramount. Security involves both data security and the assurance of system availability. Uptime in 2013 was close to 100 percent.

Stronger focus on our core business

VP's core business comprises the activities associated with the role of a central securities depository (CSD). In the years ahead, we can look forward to increased competition and tougher requirements for the solutions we deliver to customers in the field of CSD. For this reason, we have resolved to focus even more on our core business. With this in mind, during 2013 we ceased collaboration with Link Up Markets and we have also resolved to wind down activities related to the sale of mortgage credit solutions abroad (Mortgage Solutions).

CSD activities operate mainly on the basis of developments in the number of issuers, issuances, securities transactions and custody accounts as well as the market value of securities in custody accounts. The trend in these areas is largely market-driven and beyond the control of VP; accordingly, it is vital for VP to optimise and develop the solutions and services offered to customers. A number of technological initiatives were implemented in 2013, and a number of new services launched.

In addition to our services that relate directly to CSD activities, we emphasise our capacity to offer a number of other services that link in naturally with our core activities, including investor services for listed companies and

investment associations. In recent years, there has been a definite trend for issuers in the widest sense to be closer to their stakeholders, and for investors to be more proactive. VP is at the cutting edge in this area and has already developed a number of services to support active ownership, increase transparency and support active dialogue.

New European settlement platform

On the technology front, the transition to a new development platform concluded successfully in 2013, and a great many resources were expended on the development of the new European settlement platform TARGET2-Securities (T2S). It is the largest development project since VP began in 1980, and VP is the only settlement centre in Scandinavia to have signed up to T2S. Joining T2S creates a joint securities trading platform under the auspices of the EU, as well as a platform for market integration and harmonisation. This will give Danish issuers a better distribution channel into European capital markets. At the same time, VP is enhancing its position in a market where transactions and solutions are becoming increasingly integrated and global. Development of the T2S platform is in full swing – the test begins in 2014, with implementation in 2015. VP is working closely with Danish market players to ensure the most appropriate transition to the new system.

Development of VP's organisation

The pace of market and technological development is fast within VP's business areas, and the legislative framework for our customers is changing. In order to be able to satisfy future requirements, VP will have to focus on efficiency and on constantly developing our organisation – with a view to being able to give customers the best possible service. As part of this, we undertook some minor organisational changes at the end of 2013, and we will continue to boost our organisation.

I look forward to continuing the positive dialogue with our customers in 2014 and to creating an even stronger foundation for VP's business activities.

Niels Olsen
CEO

VP IN BRIEF

VP SECURITIES (VP) is the central place in Denmark for trading in Danish securities.

VP's role as a CSD is defined in the Danish Securities Trading Consolidated Act, and VP's activities are thus subject to the provisions of this Act. VP is approved by the Danish FSA to operate a CSD business, and VP comes under the supervision of the Danish FSA; Nationalbanken (Denmark's central bank) also monitors VP's activities.

VP's most significant business areas are **CSD & SECURITIES SERVICES** and **INVESTOR SERVICES**, undertaken by parent company VP SECURITIES A/S and subsidiaries VP LUX S.à r.l. (VP LUX) and VP SERVICES A/S.

VP LUX was approved by the Luxembourg financial supervisory authority (CSSF) to operate a CSD business and was also approved, in accordance with the standards of the Eurosystem, for the issuance and administration of securities eligible for use as security.

INVESTOR SERVICES activities are primarily undertaken by VP SERVICES A/S.

It has been resolved that other activities undertaken by the subsidiaries VP MEX ApS, VP MORTGAGE SOLUTIONS ApS and VP MORTGAGE SOLUTIONS II ApS will be phased out during 2014.

VP's core business is **CSD SERVICES**, to support both the financial services sector and its customers in their need for the issuance of securities, for custody account management and for the settling of transactions.

VP also ensures that securities transactions are settled in a stable, reliable and prompt manner, and takes care of effective brokering of interest, instalments and dividend for investors.

These services are also offered for securities issued in euros via **VP LUX**.

In connection with VP's core activities, a number of services are offered within the **SECURITIES SERVICES** business area. These support customers' internal processes in the course of their administration of securities, and include Custody Services, Issuer Agent Services and Investment Funds Services.

VP INVESTOR SERVICES is the leading provider of investor services in Denmark and supports companies and investment associations in their need for service provision for effective investor management. VP INVESTOR SERVICES is renowned for the customer-focused support it provides, and offers a number of innovative services.

KEY FIGURES AND RATIOS

DKK '000	2013	2012	2011	2010	2009
Key figures					
Net turnover	366,115	346,905	347,633	365,144	385,607
Gross profit	252,432	222,573	229,037	254,226	264,478
Operating profit	90,101	76,418	80,521	90,840	106,238
Profit (loss) on financial items	1,333	3,858	29	(718)	1,243
Profit for the year	68,518	60,047	60,039	67,482	80,452
Total assets	267,218	259,711	256,953	253,271	276,515
Investments in tangible fixed assets	1,081	1,108	1,791	372	16,411
Equity including non-distributable securities reserve	210,411	204,717	204,115	204,346	219,172
Avg. invested capital including goodwill	86,840	91,191	100,633	108,689	106,287
Net interest-bearing debt	(192,734)	(187,615)	(177,736)	(162,533)	(157,003)
Ratios					
Gross margin (%)	69	64	66	70	69
Net margin (%)	19	17	17	18	21
Return on invested capital, including goodwill (%)	104	88	86	96	113
Net turnover/invested capital including goodwill	4.22	3.80	3.45	3.36	3.63
Return on equity (%)	33	29	29	32	34
Equity ratio (%)	79	79	79	81	79
Earnings per share	1,713	1,501	1,501	1,687	2,011
Dividend per share	1,500	1,500	1,500	1,500	2,000

2013 HIGHLIGHTS

VP's activities

During 2013, increasing activity in the financial markets led to an increased number of transactions with Danish shares and unit trust certificates as well as an increase in their market value.

- The total market value of securities registered with VP at the end of 2013 was DKK 6,910 billion, an increase of DKK 170 billion compared to the end of 2012, corresponding to a rise of 3 per cent.
- Turnover or the market value of securities traded in 2013 amounted to DKK 42,989 billion, a decrease of DKK 5,513 billion compared to 2012, corresponding to a drop of 11 per cent.
- The number of settlement transactions completed in VP in 2013 was 12.8 million, up 2.8 million compared to 2012, corresponding to a rise of 28 per cent.
- VP's systems enjoyed secure, stable operation.
- During the year, a number of innovative product initiatives were launched; these got a positive reception from VP's customers.

Financial development

VP's turnover and profit developed satisfactorily in 2013.

- Net turnover was DKK 366.1 million, which is DKK 19.2 million higher than in 2012, corresponding to an increase of 6 per cent. This increase is primarily attributable to higher earnings from clearing and settlement as a result of the increase in the number of transactions.
- Total costs including depreciation were DKK 276.0 million, which is DKK 5.5 million higher than in 2012, corresponding to an increase of 2 per cent.
- Operating profit was DKK 90.1 million, which is DKK 13.7 million higher than in 2012, corresponding to an increase of 18 per cent.
- Profit for the year was DKK 68.5 million, which is DKK 8.5 million higher than in 2012, corresponding to an increase of 14 per cent.
- Accordingly, in 2013, equity including non-distributable securities reserve was DKK 210.4 million, with non-distributable reserve accounting for DKK 61.2 million of this. The return on equity was thus 33 per cent compared to 29 per cent in 2012.
- The Board of Directors proposes to the AGM that for 2013 a dividend of DKK 1,500 per share be paid, corresponding to DKK 60.0 million.

CSD & SECURITIES SERVICES

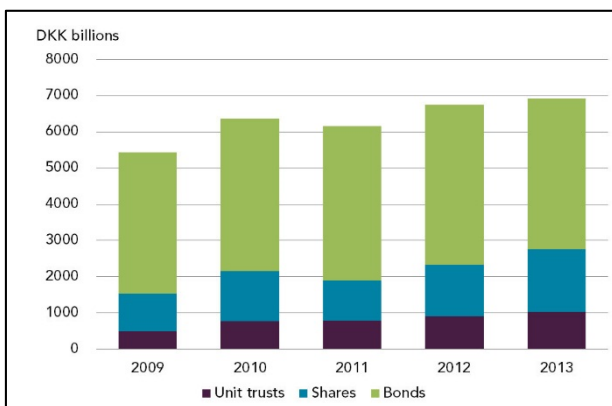
CSD SERVICES drive VP's core business within Central Securities Depository (CSD) business. Activities within this area primarily include the issuing, custodian services and settling of transactions for securities.

The SECURITIES SERVICES business area offers a number of services, connected to the core business, that customers need in conjunction with the administration of securities. This includes services where VP is able to operate as a custodian institution, e.g. in connection with the activities of foreign clearing participants in the Danish market, responsibility as an issuer and custody of foreign securities. It also includes a number of services designed for unit trusts.

Via its subsidiary VP LUX, VP is able to issue euro bonds in Luxembourg which can be used as security for loans with central banks in the Eurosystem. This includes the issuance of mortgageable euro bonds, including EMTN programmes, covered bonds and corporate bonds. VP LUX also supports the issuance of Investment Funds.

CSD SERVICES

Total amount issued, end of year



More securities transactions, but lower market value

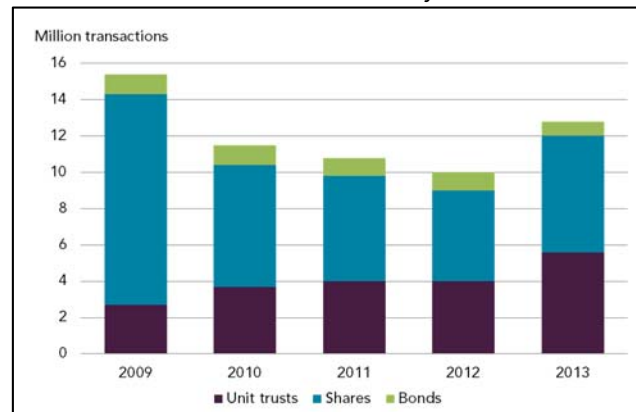
The turnover or market value of the securities traded in 2013 was DKK 42,989 billion.

In 2013, DKK 12.8 million securities transactions were settled – an increase of 28 per cent compared to 2012. The increase is an expression of growing confidence in the market among professional and private investors. Of

the increase of 2.8 million settled transactions, 1.0 million transactions were attributable to private investors.

The breakdown of the 12.8 million transactions was 6.4 million share transactions (an increase of 29 per cent

Number of securities transactions for the year



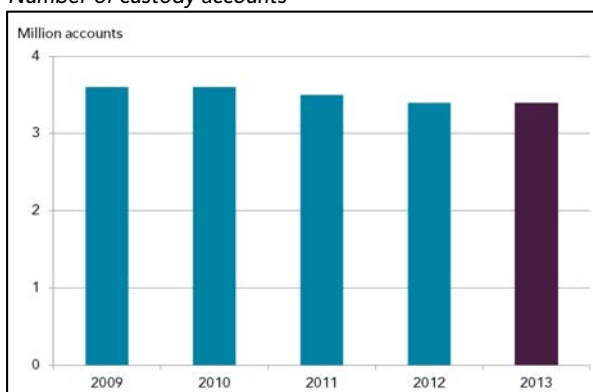
compared to 2012), 0.8 million bond transactions (a decrease of 21 per cent) and 5.6 million unit trust transactions (an increase of 39 per cent). The value of turnover decreased by 11 per cent to DKK 42,989 billion primarily as a result of a 16 per cent drop in bond turnover.

The combined market value of bonds issued amounted to DKK 4.157 trillion at the end of the year – an increase of 6 per cent compared to 2012. The combined market value of shares amounted to DKK 1.728 trillion – an increase of 22 per cent compared to 2012. The value of unit trusts at the end of the year was DKK 1.025 trillion, a rise of 13 per cent.

Fewer custodian institutions

At the end of 2013, VP had 116 custodian institutions as clients, a decrease of 10 compared to 2012. This development is a result of ongoing consolidation among Danish banks. In addition, 147 customers participated in VP's clearing & settlement, 64 of which were foreign market participants. The number of custody accounts was unchanged at 3.4 million, with 1.7 million private investors, 120,000 businesses and 69,000 investors from abroad. The reason for there being fewer investors than accounts is that investors often have more than one custody account.

Number of custody accounts

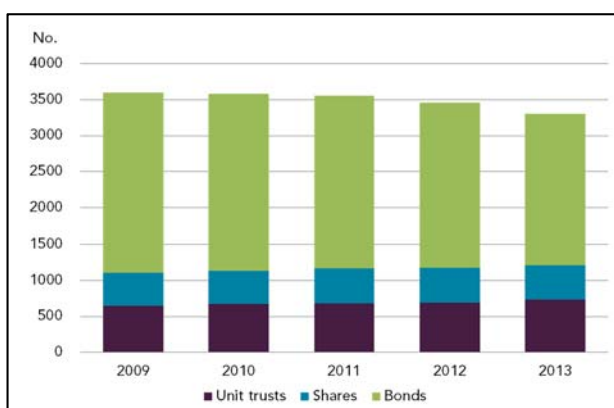


Fewer issuances

At the end of 2013, a total of 1,180 mortgage bond series, 268 covered bonds, 213 covered mortgage-credit bonds, 406 business loans, 8 asset backed securities and 19 government loans had been issued. Furthermore, 373 share series, 104 warrant series and 734 sub-funds were issued. Accordingly, by the end of 2013, a total of 2,094 bond series had been issued compared to 2,283 at the end of 2012. The drop is attributable to a drop in the number of mortgage-credit bonds issued.

In 2013, it was possible to issue sub-funds with certificates that can be traded in amounts including decimal points. By the end of this year, 20 such unit trust certificates had been issued.

Number of bond, share and sub-fund issuances

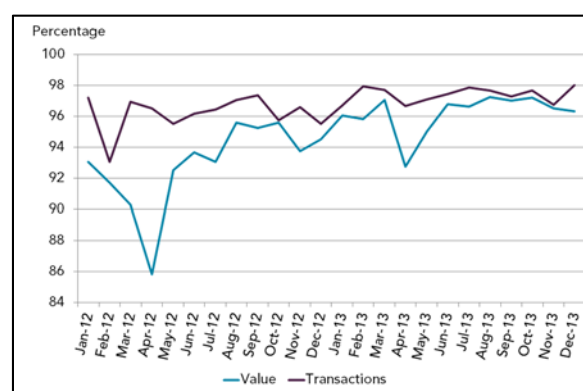


Improving the efficiency of settlements of securities

In 2011, working with market participants, VP introduced new regulations with a view to improving settlement efficiency in the market. Under these regulations, the individual market participant's settlement ratio is benchmarked and made visible to the other participants.

As a result of the new regulations, there has been a Significant Improvement in settlement efficiency in respect of the primary focus, shares.

Settlement efficiency



This improvement has continued in 2013, with share transaction settlement efficiency now at around 97 per cent. Settlement efficiency for bonds and unit trust certificates is approximately 99 per cent.

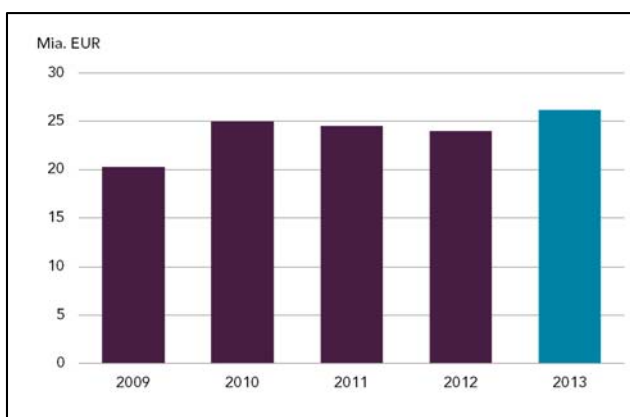
VP LUX

VP LUX has specialised in bond issuing. Bonds can be transferred to other CSDs in line with investors' wishes, as they see fit, with a view to mortgaging within the Eurosystem. VP LUX has established access to the majority of the European market for the benefit of investors. In 2013, the link between VP LUX and Clearstream was approved by the Eurosystem. This enables investors to mortgage bonds with the best loan-to-value ratio in the Eurosystem with no need for investors to move their VP LUX-issued bonds out of their usual account.

At the end of 2013, the market value of euro bonds issued via VP LUX was EUR 40 billion, an increase of EUR 1.2 billion compared to the end of 2012.

VP LUX's activities also include distribution as well as clearing and settlement of investment funds with a special focus on foreign funds designed to appeal to Nordic investors. This activity/service is still under construction, and at the end of 2013, 12 sub-funds of investment funds had been issued. The product range in 2014 will be expanded to include automatic order routing, clearing and settlement in currencies other than the euro, as well as settlement involving decimal points.

VP LUX – Euro bonds issued, end of year



New European settlement platform

VP has resolved, in close dialogue with the Danish market participants, to sign up to a new joint European settlement platform for securities transactions, TARGET2-Securities (T2S). The purpose of T2S is to establish a joint European securities settlement system where transnational securities transactions are handled just as efficiently as national transactions. Thus, the establishment of T2S is an important step in the direction of realising the Single Market for financial services in the EU.

The T2S system is being established by the European Central Bank (ECB) and goes live in June 2015, after which the majority of European CSDs will join in four waves in the run-up to February 2017. Right now, VP is the only Scandinavian CSD to have opted to sign up to the T2S platform, and the Danish krone is the only currency that will be available for settlement in T2S apart from the euro.

Danish accession to T2S will be in two phases. Both VP and VP LUX are transitioning to T2S in the third wave of

accession in September 2016 as far as settlement in euros is concerned, while settlement in Danish kroner via T2S will be possible starting in 2018. In the period from the transition to T2S in 2016 and through to 2018, a technical transitional solution will be used for VP for the purpose of screening out as many technical adjustments as possible between T2S and VP's system. The aim of this transitional solution is to give Danish market participants a longer adjustment period.

The critical system areas are subject to a number of more stringent conditions, helping to ensure a high level of operational stability and operational reliability. These conditions include extensive use of automated processes, contingency procedures, redundancy in the technological environment, access to extra capacity, monitoring of operations and follow-up as well as internal tests and sector testing of changes and new systems prior to commissioning.

Danish preparations for T2S will be undertaken in close collaboration with the market participants. VP has appointed a number of working parties to establish the functionality of the new system in collaboration with the customers. The central coordination of joining T2S will be managed by the National User Group, which will also be responsible for the market's adaptation in relation to the ECB. VP is also participating in a large number of task groups organised by the ECB in conjunction with the development and implementation of T2S. With a view to keeping both Danish and foreign market participants abreast of the necessary preparations for T2S and its implementing specifically in the Danish market, VP has prepared an implementation guide that will be continually updated as the work progresses.

Joining T2S is VP's biggest project since its establishment in the 1980s. Going forward, this will enable VP to offer a number of new services for the benefit of Danish market participants and issuers, but also for new issuers abroad. Via T2S, VP will be able to support securities settlement across the European markets and help to promote Danish issuances to international investors via links to the other CSDs that have joined T2S. Furthermore, there are plans to open up direct reporting of transactions to T2S via VP LUX in 2016 and VP in 2018.

IT security

The IT Services unit undertakes VP's IT development and IT operations. The primary IT production environment in VP is the central mainframe, where VP benefits from the inherent high level of operational reliability. The central physical units as well as VP's external network and printing tasks are outsourced to external suppliers. In 2013, critical system areas had an uptime of 99.95 per cent measured during opening hours.

Increased activity in SECURITIES SERVICES

Custody Service

Within the area of custody service, VP experienced increased interest during 2013 from customers in Denmark and abroad wishing to enter into a direct customer relationship with VP and thus to be able to utilise VP's services in this area. The reason for this is the continued major focus on risk and compliance. Clearing houses and major players alike are generally encouraged by the supervisory authorities to go direct to the local CSDs to benefit from a more streamlined process and thus minimisation of risks.

Issuer Agent Services

VP acts directly as a custodian institution, such as for issuer agent services. VP enjoyed a strong influx of customers in this area during 2013. Towards the end of

The decentralised environment was expanded significantly in 2013 concurrent with the establishment of new systems. This relieves pressure on the central mainframe on a continuous basis.

2013, it had more than 50 customers, including share issuers, bond issuers and investment companies.

Investment Fund Services

In June 2013, VP launched a new service to unit trusts under the name of vp.FundHub®. The solution supports the distribution of Danish unit trusts abroad. In other countries, it is common practice to buy unit trust certificates for a given amount, unlike in Denmark, where a whole number of certificates is purchased. Consequently, it has become necessary to trade in decimal points and to use settlement at net equity value (NAV) instead of a transacted price. At the same time, a separate settlement platform was introduced to handle the issuing and redemption of unit trust certificates in decimal points. Monetary settlement on this platform is possible via a central bank or a commercial bank, including in a different currency. The solution is also supported by an order management system that automates and improves the efficiency of taking and settling orders.

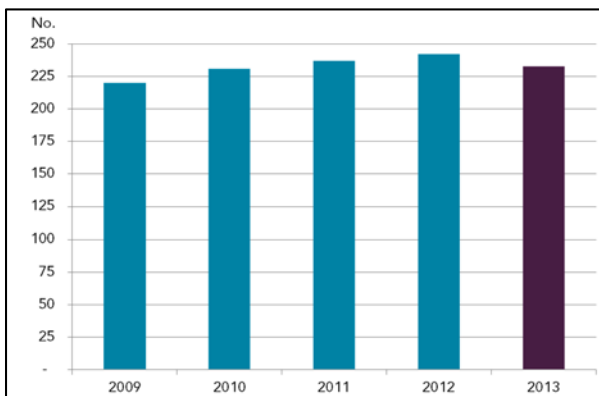
INVESTOR SERVICES

VP INVESTOR SERVICES is the leading supplier of investor services in Denmark and services more than 230 of Denmark's largest companies and unit trusts. The services include operating share registers, AGM and meeting services, solutions for investor management, investor analysis as well as compliance and governance services.

Customer development

2013 saw a continuation of the influx of new customers coming to VP INVESTOR SERVICES, yet, the number of customers decreased as a result of mergers or wind-ups. Accordingly, VP INVESTOR SERVICES now operates share registers for 233 commercial companies, banks and unit trusts. During 2013, VP INVESTOR SERVICES rendered meeting services to 256 general meetings and meetings of shareholders, etc., which is an increase of 30 per cent compared to 2012.

Number of customers

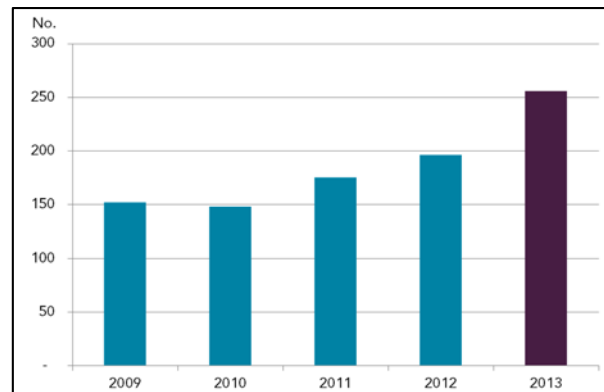


In 2013, VP INVESTOR SERVICES also provided solutions for holding fully electronic general meeting, and the e-voter electronic voting solution for AGMs, etc., was used more frequently than in 2012.

General meetings: Trends and tendencies

In 2013, based on experience and data from AGMs conducted, VP INVESTOR SERVICES published an analysis of trends and tendencies in the area of AGMs. The analysis shows, for instance, that investors' interest in using the electronic options for registering for AGMs increased further in 2013, and 67 per cent of registrations for AGMs were submitted electronically via the InvestorPortal.

Number of AGMs and shareholders' meetings



Furthermore, it is evident that the tendency for foreign owners to exercise active ownership continued in 2013. In 2013, proxy voting from foreign investors increased by 12 per cent to approximately 8,000 ballot sheets.

Launching new services

VP INVESTOR SERVICES launched several new services and products during 2013. One such example was the launch of a shareholder analysis (Shareholder ID) that lets customers view a list of shareholders including shareholders registered in custody accounts – but only to the extent that they can be identified via proxy voting and third-party registrations, etc. In addition, VP's solution for handling company insiders and their transactions, vp.INSIDER, was expanded to include workflow support to optimise customer workflows in the matter of handling insiders and their stakeholders. Finally, the InvestorPortal was further developed for use now also in connection with submitting instruction proxies from investors in unit trusts.

Bondholder Service

Until recently, there was no legislative basis for passing on information to bond issuers about the identity of their bondholders. In 2013, the law governing this area changed, and accordingly VP is now able to provide this information. In 2014, VP launched a new service for bond issuers, vp.BONDHOLDER. The new online service enables issuers to get information about ownership and any changes of ownership, and they are also able to communicate directly with the bondholders.

OTHER BUSINESS AREAS AND ACTIVITIES

Other business areas

VP MEX carries out activities relating to the system export of a Danish mortgage credit solution to Mexico, based on the solutions and know-how of Totalkredit and VP.

Together with Geomex, a company in the George Soros group, VP MEX has established a joint venture, Absalon, which has fifty-fifty ownership.

VP Mortgage Solutions and VP Mortgage Solutions II carry out activities relating to the system export of a Danish mortgage credit solution internationally in collaboration with Soros Fund Management, dubbed the Absalon Project. It is planned that these activities, including the two companies, will be phased out during 2014.

No significant costs are expected to arise from phasing these out; accordingly, this is not expected to affect the outlook for 2014.

Other activities

Link Up Markets

In 2008, VP and VP LUX joined forces with a number of other CSDs under the name of Link Up Markets. The aim was to increase efficiency and reduce costs via global cross-border securities settlement. This would be achieved by standardising links between CSDs, such as via a common system for the exchange of transactions.

In December 2013, the partners behind Link Up Markets agreed to sell the developed system to SWIFT in order to achieve economies of scale. Together with the other Link Up Markets partners, VP then switched to using SWIFT as the common communications platform among the partners going forward. Link Up Markets was subsequently wound up.

OPERATING AND FINANCIAL REVIEW

Income statement

Net turnover was DKK 366.1 million, which is DKK 19.2 million higher than in 2012, corresponding to an increase of 6 per cent. The increase is primarily attributable to the CSD SERVICES business unit, where the number of securities transactions rose by 28 per cent compared to 2012. There were also a number of minor increases in revenue from VP's other business units.

Other external costs amounted to DKK 113.7 million, which is DKK 10.6 million lower than in 2012, corresponding to a decrease of 9 per cent. The decrease is attributable to lower IT consultancy costs. Payroll costs were DKK 159.9 million, which is DKK 15.7 million higher than in 2012, corresponding to an increase of 11 per cent. The increase is primarily attributable to an increase in payroll tax, general salary increases in accordance with collective agreements, and holiday pay, retirement costs, etc., to employees who have left.

Costs of IT development in respect of T2S are charged to the income statement as and when incurred. These costs amounted to DKK 31 million in 2013 compared to DKK 22 million in 2012.

Depreciation and amortisation was DKK 2.4 million, which is DKK 0.5 million more than in 2012, corresponding to an increase of 28 per cent. Most of the depreciation is attributable to amortisation on improvements to VP's headquarters office, as well as depreciation on IT equipment.

Operating profit was DKK 90.1 million, corresponding to a net profit ratio of 25 per cent. The operating profit was thus DKK 13.7 higher than in 2012, when the net profit ratio was 22 per cent. The increase is solely attributable to the higher net turnover.

Financial items were DKK 1.3 million, compared to DKK 3.9 million in 2012. The drop is primarily attributable to capital losses on holdings of bonds as a result of rising interest rates.

Tax on ordinary profit was DKK 22.9 million, compared to DKK 20.2 million in 2012.

Profit for the year was DKK 68.5 million, which is DKK 8.5 million higher than in 2012, corresponding to an increase of 14 per cent.

Balance sheet

VP's balance sheet total as at 31 December 2013 was DKK 267.2 million compared to DKK 259.7 million as at 31 December 2012.

Fixed assets fell to DKK 11.2 million compared to DKK 12.6 million as at 31 December 2012. The decrease is attributable to the fact that depreciation for the year exceeded investments for the year.

Current assets rose to DKK 256.0 million compared to DKK 247.1 million as at 31 December 2012. The increase is primarily attributable to an increase in liquid funds.

Equity including statutory non-distributable reserve increased to DKK 210.4 million compared to DKK 204.7 million as at 31 December 2012. The increase is attributable to the fact that, at DKK 68.5 million, profit for the year 2013 exceeds the payment of dividend for 2012 of DKK 60.0 million less the net effect of the year's acquisitions of treasury shares for DKK 3.7 million and dividend on treasury shares of DKK 0.9 million.

The acquisition price of treasury shares and dividends from the same are recognised directly as equity under profit carried forward.

The statutory non-distributable reserve as at 31 December 2013 was DKK 61.2 million – unchanged compared to 31 December 2012. This is because, pursuant to Section 213(2) of the Financial Services Act, interest was 0 per cent throughout 2013.

Current liabilities rose to DKK 56.8 million compared to DKK 55.0 million as at 31 December 2012.

Cash flow

Operating profit was DKK 90.1 million, compared to DKK 76.4 million in 2012.

Cash flows from operation amounted to DKK 73.8 million, compared to DKK 67.5 million in 2012. The increase is primarily attributable to the higher operating profit.

Cash flow from investments amounted to DKK -1.0 million, compared to DKK 0.6 million in 2012, while cash flow from financing amounted to DKK -62.8 million, compared to DKK -59.6 million in 2012. The increase is attributable to this year's acquisition of 353 treasury shares (DKK 3.7 million).

Events since the balance sheet date

No circumstances have occurred since the balance sheet date to alter the assessment of the financial statements.

Expected development

In 2014, confidence in a positive trend in the financial markets is expected to continue, leading to increased activity among VP's customers. Thus, a slight increase in net turnover is expected overall.

Any such increase in net turnover cannot, however, be expected to compensate fully for an expected increase in costs, such as for the T2S project; for this reason, the 2014 operating profit is expected to be slightly lower than in 2013.

DEVELOPMENT ACTIVITIES

IT systems and IT development

VP undertakes the majority of its own system development, while operation of the central mainframe IT production environment is outsourced.

Over a period of years, the central systems have been modified from the IEF/Cool:GEN development environment introduced in the 1990s. This modification was completed to good effect in 2013, and the systems have now been fully migrated to a new, state-of-the-art, efficient development environment, EGL. The new environment supports development for different platforms together with development of systems for the various distribution channels far better and in a more up-to-date way.

T2S

In connection with the development of the T2S system, in 2013 the spotlight has primarily been on completing the analysis and design phase, as well as on starting to develop the IT-related extensive implementation of T2S on VP's systems. System development got fully under way in 2013 and will be completed in 2014.

The first T2S-derived system changes have already been incorporated into VP's systems and moved to production.

Most of the testing will be done during 2014, with joint European testing of the T2S system commencing in Q4. The link-up with the Danish financial services sector in terms of processing euro transactions will start from the end of 2015 with a view to going live on 12 November 2016, while it will be possible to settle transactions in Danish kroner on T2S from Q4 of 2018.

Overall IT costs for the development and implementation of the T2S project are estimated at more than DKK 150 million, including the DKK 31 million already spent in 2013.

IT development costs are charged to the income statement and thus not recognised as assets as a development project to be followed by subsequent depreciation in the future. Costs over the next four years – through to the conclusion of the project in 2018 – are estimated at more than DKK 90 million, with approximately DKK 34 million of this expected to be spent in 2014.

RISK AND RISK MANAGEMENT

VP has a number of policies and procedures in place with a view to maximising the effectiveness of risk management for identified risks, and VP's management focuses on obtaining satisfactory levels of information on the risks to the company at any time.

Risk assessment is a natural part of VP's decision-making processes, and effective risk management is considered an important part of ensuring satisfactory operation and development of the company. Thus, risk management contributes to protecting VP's business, customers, employees, assets and reputation.

Guarantee scheme

As laid down by the Danish Securities Trading Act, VP is liable for registration errors, etc., on an objective liability basis. Under the current guarantee scheme, enshrined in legislation and the articles of association, this liability is covered by a guaranteed capital resources from the custodian institutions in VP up to a total of DKK 1.1 billion.

Insurance Conditions

VP signed an agreement in relation to professional indemnity insurance and crime insurance with a combined scope of cover of EUR 25 million. The insurance agreement covers both registration errors and VP's other business areas, including clearing and settlement activities, other VP activities as well as activities in VP's subsidiaries. The insurance agreement covers mistakes by VP as well as by VP's external suppliers. This covers VP in respect of operational errors; cf. the Guarantee Scheme.

Risk management and compliance

Each year, VP implements an overarching risk assessment to serve as the basis for any adjustments of its security policy, etc. Risk management and controls are implemented both in VP's systems and in the associated manual processes.

The board and management receive ongoing briefings concerning compliance with the rules in the areas covered by VP's compliance programme. 2013 saw various activities relating to reporting to authorities as well as

overseeing adherence to VP's rules concerning employee handling of internal knowledge.

VP implemented a policy of money-laundering controls with associated processes in conjunction with starting up activities as CSD and payment provider.

Furthermore, VP has resolved to establish a central Risk & Compliance function reporting to VP's management. This function will be charged with ensuring proper risk management within the company; as part of this, it will produce an overview of the risks to the company and the risk scenarios.

In 2013, VP resolved to establish a whistle-blower scheme with a view to providing the opportunity for appropriate, confidential reporting of any suspicions of violations of applicable legislation and internal rules.

VP has prepared an IT emergency plan, and the IT emergency plan and technical set-up are tested annually. The test is conducted as a real emergency, where the affected equipment is suspended, and it is demonstrated in practice that the secondary environments take over production within the set timeframe of a maximum of one hour for the most critical systems. In 2013, the test included complete suspension of the largest of VP's three operating locations, and hence reconstruction of both central and decentralised systems and networks.

Special risks and uncertainty surrounding initial values and assessment

VP is not exposed to any particular operational risks or financial or foreign currency risks. VP's operational risks are continually being minimised, inter alia by means of a high level of IT security, and financial or foreign exchange risks are limited. VP's credit risks are extremely limited, and are primarily associated with receivables and the placement of financial assets.

There are no special uncertainties associated with recognition and measurement.

System Audits

VP's internal and external system audits conduct audits of the IT systems and business processes and report directly to VP's Board of Directors. Planning and implementation of the audit is arranged in accordance with generally accepted auditing standards, with a focus on the internal control environment and on the design, implementation and improvements in the effectiveness of internal controls. The work also includes an evaluation of VP's risk assessment and an opinion on controls – both in general and at detailed level.

LEGISLATION AND REGULATION

European regulation

In December 2013, the European Parliament, Council and Commission reached agreement in principle concerning a draft regulation on settlement activities and CSDs. The draft proposes common rules on the settlement of securities, including a T+2 settlement cycle and new rules on sanctions, as well as rules governing the authorisation of CSD operations, capital adequacy, risk management as well as access to "EU passports" for certain activities, and also rules on access to certain types of credit business. The proposal is expected to be formally adopted in the first half of 2014, coming into force in mid-2014. The implication of the proposal is that significant parts of VP's regulatory basis will in future be regulated via the EU and the European Securities and Markets Authority, ESMA.

Furthermore, the European Parliament, Council and Commission are discussing a proposal to reform the rules governing investment funds (UCITS5); this would introduce tougher regulation and controls of investment fund managers within the EU, including tougher requirements concerning the storage of customers' securities as well as the custodian's liability for its own errors and the errors of its sub-custodians. These rules have put the spotlight on solutions that can minimise the custodian's risk and costs by separating investors' holdings into individual deposits. This is expected to work in favour of VP's business model, which is in fact based on handling a large number of individual deposits.

VP participates in the work of European harmonisation both through its participation in the global standardisation work under the auspices of ISO and SWIFT as well as via the European Central Securities Depositories Association (ECSDA). In dialogue with customers, VP continuously analyses the consequences that the work of harmonisation will have for the Danish securities market.

Danish regulations and VP's rules

In 2013, VP introduced changes to its book-entry rules and separate clearing rules for VP's new clearing and settlement system for the distribution of unit trust certificates. The rules make it possible for Danish unit

trusts to settle foreign unit trust certificates through a distribution structure that equates to the one used in most other European countries, including through settlement using more decimals than through VP's usual settlement system.

VP also introduced new provisions in the clearing rules and book-entry rules for VP's securities settlement in relation to gross settlement in euros and Danish kroner. The provisions make it possible for VP's customers to instruct securities transactions for gross settlement by VP on a date of their choosing ("RTGS with future settlement").

On 19 December 2013, the Danish Parliament adopted a number of amendments, including amendments to the Danish Securities Trading Act, in relation to the use of trustees in connection with the issuing of bonds.

Supervision and monitoring

VP is subject to both supervision and monitoring. Whereas supervision focuses on VP as a company, monitoring focuses more on VP's systems and their role in the financial system. The Danish FSA supervises to ensure that VP as a company, including VP's IT systems, complies with applicable legal requirements on book-entry activities and on clearing and settlement activities, whereas Danmarks Nationalbank (Denmark's central bank), as part of its monitoring of systemically important payment systems, monitors aspects such as monetary settlement in VP's clearing and settlement system.

Appeals

Complaints about decisions relating to book-entry, alteration or deletion of rights in a CSD can be brought before the complaints board for CSDs. The complaints board is operated by individuals appointed by the Minister for Business and Growth. The complaints board comprises Professor Ulrik Rammeskov Bank-Pedersen, Doctor of Laws. VP acts as the secretariat for the Complaints Board for CSDs.

No complaints were received in 2013.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

VP endeavours to operate its business responsibly and seeks to comply with legislation as it pertains to the pursuit of our business.

VP has not adopted a cohesive overall policy for integrating social responsibility into the company's strategy and activities, but works with specific targets and guidelines in relevant areas.

VP continually adapts and reinforces its CSR work concomitant with the development of the company and changes in practice and regulation in this area.

VP emphasises the importance of acting with a high level of reliability and of delivering high-quality products in the markets and countries in which it operates. VP also wishes to be known as a reliable, attractive business partner to all stakeholders. Accordingly, the company focuses strongly on attaining that position.

In terms of CSR, VP's focus is primarily on employee aspects. The guidelines in this area ensure that the interests and rights of employees are protected by the collective agreement (between FA and the Danish

Financial Services Union) as well as through VP's HR policies and associated systematic procedures. For example, skill-sets alone are the decisive factor when it comes to recruitment and the career ladder at VP.

Natural environment

In the conduct of its business, VP seeks to consider and limit environmental impact, and contributes both directly and indirectly to a sustainable environment.

Due to the nature of VP's business, the company's environmental and climate impact is limited; for this reason, no separate policy exists for this area. The key environmental impacts in relation to VP's activities relate to the use of energy.

Emphasis is placed on choosing environmentally aware solutions when it comes to heating and cooling the company's buildings, and the consumption of electricity and water.

VP is not involved in any environmental cases.

ORGANISATION AND KNOWLEDGE RESOURCES

VP's employees are crucial to the continued development of VP and the company's ability to reach its strategic targets. Throughout the company, therefore, the focus is on developing and retaining existing employees with the right skill-sets as well as on attracting and developing new talent. VP's corporate culture is anchored in awareness of responsibility and a holistic approach, and employees are expected to show commitment, impetus and ambition.

In attracting and recruiting new employees, VP's emphasis is on profiling the company as an attractive workplace where individual employees have the opportunity to make their mark on exciting developments.

Employee climate survey

In April 2013, VP conducted an employee working environment survey in conjunction with Great Place to Work. There was a 92 per cent response rate, and at organisational level, overall employee satisfaction was 89 per cent, which is 2 percentage points ahead of 2011.

Skills development

VP takes a focused, structured approach in developing employee skill-sets and knowledge with a view to ensuring that individual employees are properly equipped to take an active part in the development of the company.

In the matter of maintaining and upgrading the knowledge resources of the organisation, both strategic

and individual skills development were implemented in 2013. VP's internal study programme, VP Academy, took care of the induction of new employees as well as upgrading the specialist skills of employees. Special study programmes were run in conjunction with the T2S project and in view of the transition to a new development platform.

Organisational changes

In 2013, VP's management underwent a generational change, and Niels Olsen took up the position of CEO on 1 October.

In November, VP took its first steps towards organisational change with a view to clarifying the allocation of tasks and responsibilities. In this connection, the business development and legal areas became the core business of CSD & SECURITIES SERVICES. The organisation was further expanded in Q1 of 2014 to include an actual Risk & Compliance function. As part of the organisational change, Morten Kierkegaard was appointed director of VP SERVICES A/S.

The reorganisation has resulted in a slight reduction in the number of employees.

The number of employees remained unchanged at 180 from the end of 2012 to the end of 2013. Average age is 48 and average seniority is 10 years.

GOVERNANCE

The management of VP emphasises the need for good governance, and for the company's systems of governance to be continually developed and kept up to date to reflect changes in statutory requirements, developments at VP and stakeholder expectations.

VP SECURITIES is owned by significant players in the Danish financial market. Shareholder agreements have been entered into with five groups of shareholders:

- Shareholder group I – banks
- Shareholder group II – mortgage credit institutions
- Shareholder group III – Danmarks Nationalbank
- Shareholder group IV – share issuers
- Shareholder group V – investors

The shareholder agreements regulate the basis and terms for the shareholders' holding of shares in VP, including any additional shares acquired through subscription, as securities assets or by transfer of shares.

General meetings:

The AGM is the company's ultimate decision-making authority. Representatives of the company's shareholders participate in the ordinary general meeting.

The subjects dealt with at the ordinary general meeting include adoption of the annual report, any changes to the articles of association as well as the election of board members and appointment of auditors.

The general meeting is summoned publicly, with the notice convening the AGM being sent to the company's shareholders at least three and no more than four weeks before the meeting takes place.

The Board of Directors

VP has a dual management structure comprising the Board of Directors and the Management. The two bodies are independent of each other, and have no personnel in common.

The Board takes care of the overall management of VP on behalf of the shareholders and rules on all matters of material importance, including the overall organisation of VP's activities. In addition, the Board exercises general

supervision of the company and checks that it is being properly managed in accordance with legal requirements and the articles of association.

The general guidelines for the Board's work are set out in terms of business which are adjusted on an ongoing business as and when required.

According to VP's articles of association, the Board of Directors must comprise 15 members, ten of whom are elected by the AGM. According to the shareholder agreements, the following applies:

- Shareholder group I (banks) is entitled to appoint four board members provided that this shareholder group holds more than 40 per cent of the shares in the company.
- Shareholder group II (mortgage credit institutions) is entitled to appoint three board members provided that this shareholder group holds more than 25 per cent of the shares in the company.
- Shareholder group III (Danmarks Nationalbank) is entitled to appoint one board member provided that this shareholder group holds more than 10 per cent of the shares in the company.
- Shareholder group IV (share issuers) is entitled to appoint one board member provided that this shareholder group holds more than 5 per cent of the shares in the company.
- Shareholder group V (investors) is entitled to appoint one board member provided that this shareholder group holds more than 5 per cent of the shares in the company.

The other five members are elected by the employees in accordance with the rules of Danish legislation with regard to employee representation on the Board. Board members elected by the AGM are elected for one year at a time with the option of standing for re-election. The employee representatives' term of office is established in

accordance with the rules of the Danish Companies Act, and is a four-year term. The Board elects a chairman and a vice-chairman. Details of the individual board members can be found in the section entitled "Board of directors, executive management and management employees".

There is no age limit in respect of board members elected by the AGM. Seven board meetings were held in 2013.

Management and Group Management

The Management is appointed by the Board of Directors, which sets the terms of employment of the management. The management, which comprises one individual, is responsible for the day-to-day running of VP, including the company's development of activities and operations, profit and internal affairs. The Board's delegation of responsibility to the management is established in the guidelines for the division of labour between the Board and the Management as well as in the rules of the Danish Companies Act.

VP's corporate management comprises the CEO and five executives with responsibility for the individual business and staff units.

Emoluments to the Board of Directors and the Management

Each Board member receives fixed annual remuneration. In the financial year 2013, remuneration to the Board of Directors amounted to DKK 1.5 million, with DKK 200,000 of this paid to the chairman, DKK 170,000 to the vice-chairman and DKK 85,000 to board members. In addition, the vice-chairman, in his capacity as chairman of VP LUX S.à.r.l., received a fee of DKK 50,000.

Remuneration of the management is determined by the Board of Directors. In 2013, remuneration to the management (one individual) comprised a basic salary including customary employee benefits. Total remuneration to the management in 2013 was DKK 6.8 million. This amount includes severance pay as well as payroll items totalling DKK 3.7 million to the previous CEO.

BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND MANAGEMENT EMPLOYEES

Elected by the General Meeting of

Shareholders

Peter Lybecker (born 1953)
Chairman of the Board
Bank Director, Nordea Bank
Danmark A/S
Elected to the Board of Directors in 2013

Chairman of the Board of:
Nets Holding A/S
Bluegarden Holding A/S
Bankernes Kontantservice A/S
Fionia Asset Company A/S
Vice-chairman of the Board of:
Nordea Kredit
Realkreditaktieselskab A/S
Danmarks Skibskredit A/S
Board member of:
Nordea Finans Danmark A/S
Nordea Finance Sweden Plc.
Nordea Finance Finland Ltd.

Torben Nielsen (born 1947)
Vice-chairman of the Board
Former Director of Danmarks
Nationalbank (the Danish central
bank)
Elected to the Board of Directors in 2000

Chairman of the Board of:
Eik Bank p/f
Museum sydøstdanmark
Investeringsforen. SparInvest
Investeringsforen. SparInvest
Luxembourg
Capital Market Partners
Dansk Landbrugs Realkredit
VP LUX S.ár.l.
Vice-chairman of the Board of:
Tryg Forsikring
Board member of:
Sampension
Sydbank
Bombebørsen

Bent Andersen (born 1948)
CEO of DLR
Elected to the Board of Directors in 2006

Board member of:
E-nettet
The Association of Danish Mortgage
Banks

Thomas F. Borgen (born 1964)
CEO of Danske Bank
Elected to the Board of Directors in 2013
Board member of:
Kong Olav V's Fond

Søren Holm (born 1956)
Group CEO of Nykredit Realkredit
Director of Nykredit Holding
Elected to the Board of Directors in 2013

Chairman of the Board of:
Totalkredit A/S
Vice-chairman of the Board of:
Nykredit Bank A/S
Board member of:
Nykredit Mægler A/S
Nykredit Administration V A/S
JN Data A/S
Ejendomsselskabet Kalvebod A/S
The Association of Danish Mortgage
Banks
E-nettet (Alternate)

Jan B. Kjærviik (born 1957)
Head of Group Finance,
A.P. Møller Mærsk A/S
Elected to the Board of Directors in 2010

Chairman of the Board of:
Maersk Treasury Center (Asia)
PTE.LTD
Private Equity Invest A/S
Vice-chairman of the Board of:
Høgh Autoliners AS
Board member of:
Britannia P&I Club
Maersk A/S

Klaus Skjødt (born 1965)
CEO
Sparekassen Kronjylland
Elected to the Board of Directors in 2012

Chairman of the Board of:
SparInvest Holdings SE
Krone Kapital I A/S
Krone Kapital III A/S
Vice-chairman of the Board of:
EgnsINVEST Holding A/S
EgnsINVEST Management A/S
EgnsINVEST Ejendomme A/S

Board member of:
Skandinavisk Data Center A/S (SDC)
Association of Local Banks, Savings
Banks and Cooperative Banks in
Denmark,
Krone Kapital A/S

Erik Gadeberg (born 1965)
Director of Jyske Bank
Elected to the Board of Directors in 2013

Peter Ott (born 1961)
Director of PFA Portefølje Adm. A/S
Director of PFA Professionel
Forening
Director of Inv.foreningen PFA
Invest
Elected to the Board of Directors in 2012

Carsten Wiggers (born 1955)
CEO of LR Realkredit
Elected to the Board of Directors in 2010

Chairman of the Board of:
Investeringsforvaltningsselskabet
SEBInvest A/S
Investeringsforen. SEBinvest
Investeringsforen. Alternativ Invest
Investeringsforen. Wealth Invest
Prof. Foren. SEBinvest
Prof. Foren. SEinvest II
Prof. Foren. SEB Institutionel
Prof. Foren. Wealth Invest
Specialforeningen KAB/Lejerbo
Board member of:

The Danish Mortgage Banks'
Federation (Realkreditforeningen)

Elected by the Employees

Bjørn Stendorph Crepez (born 1979)
Product Manager
Appointed in 2012
Term expires 2016

Anne-Lise Hansen Emcken (born 1954)
Head of Technical Development
Appointed in 2012
Term expires 2016

Merete Fussing (born 1960)
Key Account Manager
Appointed in 2012
Term expires 2016

Anders Raith Linemann (born 1983)
Client Manager
Appointed in 2012
Term expires 2016

Gitte Ina Nielsen (born 1955)
Systems Developer
Appointed in 2012
Term expires 2016

Management

Niels Olsen (born 1962)
CEO
Appointed in 2013

Chairman of the Board of:
VP SERVICES A/S
Board member of:
VP LUX S.à r.l.
ECSDA
The Architects' Pension Fund (AP)
Arkitekternes Ejendomsselskab A/S
The Pension Fund for Agricultural
Academics and Veterinary Surgeons
(PJD)

Management employees

Birger Schmidt (born 1960)
Chief Commercial Officer
Appointed in 1999
Head of CSD & SECURITIES
SERVICES
Board member of:
VP LUX S.à r.l.
VP SERVICES A/S

Morten Kierkegaard (born 1970)
Director of VP SERVICES A/S
Appointed in 2004
Head of VP INVESTOR SERVICES

Carsten Nørgaard (born 1967)
CIO
Appointed in 2002
Chairman of the Board of:
Dansk IT

Thomas Pihl (born 1964)
CFO
Appointed in 2003
Board member of:
VP SERVICES A/S

Hanne Andersen (born 1963)
HR Director
Appointed in 2008

ACCOUNTING POLICIES APPLIED

The Annual Report is presented in compliance with the provisions of the Danish Financial Statements Act for accounting class C (large).

The consolidated financial statements and company financial statements are presented in accordance with the same accounting policies as in 2012.

General information on recognition and measurement

Assets are recognised in the balance sheet where, as a result of a prior event, there is a likelihood that the Group stands to benefit from future financial advantages and where the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet where, because of a previous event, the company has a legal or actual liability and it is unlikely that future financial advantages will be removed from the company and where the value of the liability can be measured reliably.

At the initial recognition, assets and liabilities are measured at cost. Measurement after the initial recognition is as described under each accounting item below.

At recognition and measurement, due regard is given to foreseeable risks and losses occurring before the financial statements are presented and serving to confirm or refute conditions existing at the balance sheet date.

Income is recognised in the income statement as and when earned, while costs are recognised in the amounts pertinent to the financial year.

Consolidated Financial Statements

The Consolidated Financial Statements cover VP SECURITIES A/S (the parent company) and the subsidiaries controlled by the parent company.

Consolidation policies

The Consolidated Financial Statements are prepared on the basis of the accounts for VP SECURITIES A/S and its subsidiaries.

The Consolidated Financial Statements are drawn up by amalgamating accounting entries of a common nature. As a result of consolidation, intra-group income and expenses, internal balances and dividends, and gains or losses on intra-group transactions are eliminated. The financial statements used for consolidation are drawn up in accordance with the Group's accounting principles.

The accounting items of the subsidiaries are recognised in the consolidated financial statements line by line for full consolidation.

Investment in subsidiary companies and intermediate balances as well as intragroup transactions are set off against the parent company's proportional share of the subsidiaries' market value of net assets included at the time of acquisition.

Translation of foreign currencies

At initial recognition, foreign exchange transactions are translated at the exchange rate prevailing on the transaction date. Receivables, debt commitments and other foreign exchange monetary items not settled by the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Currency differences arising between the exchange rate at the transaction date and the rate prevailing on the date of payment or on the balance sheet date, respectively, are recognised in the income statement as financial items.

For recognition, the income statements of foreign subsidiaries that are independent units are translated using average exchange rates for the months in question, if exchange rates are significantly different from the rates prevailing on the day of the transaction.

Balance sheet items are translated at the exchange rate on the balance sheet date. Goodwill is considered to

belong to the independent foreign unit and is translated at the exchange rate prevailing on the balance sheet date. Exchange rate differences arising from the conversion of the equity of foreign subsidiaries at the beginning of the year to the exchange rates prevailing on the balance sheet date and from the conversion of income statements from average exchange rates to the exchange rates prevailing at the balance sheet date are recognised directly in equity.

Exchange rate adjustments of intra-group balances for independent foreign subsidiaries, which are regarded as part of the overall investment in the subsidiary in question, are recognised directly in equity.

INCOME STATEMENT

Net turnover

Net turnover corresponding to the invoiced sales in the year under review are recognised in the income statement, once services have been rendered to the buyer. Net turn-over is recognised exclusive of VAT, excise duty and any discounts connected with sales.

Other external costs

Other external costs are activity-dependent costs, the costs of IT operations, costs of consulting services, audit, financial supervisory authority, building facility management, office supplies, training, etc.

Payroll costs

Payroll costs comprise wages and salaries plus social costs, pensions, etc., for the Group's staff.

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs of tangible and intangible fixed assets consist on the one hand of depreciation and write-downs for the financial year calculated on the basis of the established residual values and useful life of the individual assets and completed write-down tests and, on the other, of gains and losses from sales of tangible and intangible fixed assets.

Other financial income

Other financial income comprises interest receivables, net capital gains in respect of securities, debt commitments and foreign exchange transactions, as well as refunds under the tax prepayment scheme, etc.

Other financial costs

Other financial expenditure comprises interest payable, net capital losses in respect of securities, debt commitments and foreign exchange transactions, as well as additions under the tax prepayment scheme, etc.

Tax

Tax for the year (comprising actual tax for the year and change in deferred tax for the year) is recognised in the statement of income to the extent that it is directly attributable to profit for the year, or recognised directly in equity to the extent that it is attributable to items pertaining directly to equity.

The parent company is jointly taxed with all the Danish subsidiaries. The current Danish corporate tax is divided between the jointly taxed companies on a pro rata basis in relation to their taxable incomes (full division with refund concerning tax losses).

BALANCE SHEET

Intellectual property rights, etc.

Other intangible fixed assets consist of completed development projects and software.

Development projects are recognised as intangible fixed assets provided that such projects relate to clearly defined, identifiable products and processes, where the degree of technical exploitation, adequate resources and potential future market or development opportunity within the business can be demonstrated and where the intention is to produce, market or use the product or process in question. Other development costs are recognised as costs on the income statement at the time they are incurred.

The cost price of development projects covers costs, including salaries and depreciation directly or indirectly attributable to development projects.

Completed development projects are depreciated using the straight-line method over the anticipated period of use. The depreciation period is five years.

Development projects, including current projects, are written down to their recovery value where this is below the balance-sheet value.

Software is measured at cost with a deduction for accumulated depreciation, amortisation and write-downs. Software is depreciated over three years.

Software is written down to the recovery value where this is below the book value.

Tangible fixed assets

Leasehold improvements, technical equipment and machinery, other equipment, operating plant and fixtures are measured at cost less accumulated depreciation and write-downs. There is no depreciation in respect of land. Cost price includes acquisition price, costs directly associated with the acquisition as well as costs involved in preparing the asset until it is ready for use.

The basis for depreciation is cost price less expected residual value when the asset ceases to be used. Depreciation is calculated on a straight-line basis over the expected useful life of the asset concerned:

Production plant and machinery	3–10 years
Other equipment, process materials and fixtures and fittings	3–10 years
Leasehold improvements	10 years

Assets having a unit cost price of less than DKK 25,000 are recognised as costs in the income statement at the time of acquisition.

Tangible fixed assets are written down to their recovery value where this is below the balance-sheet value.

Gains and losses from disposals of tangible fixed assets are calculated as the difference between the sales prices less cost of sales on the one hand, and the accounting value at the time of the sale on the other. Gains or losses are recognised in the income statement along with depreciation, amortisation and write-downs or under other operational income, should the sales price exceed the original cost price.

Investment in associated companies

Investment in subsidiaries is recognised and measured using the intrinsic value method (the equity method), which means that the investment is measured as the proportional share of the companies' intrinsic accounting

value with additions or deductions for unimpaired positive or negative goodwill and additions or deductions of unrealised intra-group gains and losses.

The income statement recognises the parent company's share of the subsidiaries' profit following elimination of unrealised intragroup gains and losses with additions or deductions for the impairment of positive or negative goodwill.

Net appreciation of investment in subsidiaries is transferred to the net appreciation reserve in relation to the appropriation of profit using the intrinsic value method under equity.

Receivables

Receivables are recognised at amortised cost price, which usually corresponds to nominal value, less write-downs to compensate for anticipated losses.

Deferred tax

Deferred tax is calculated from all provisional differences between the values of assets and liabilities in the internal accounts and tax accounts respectively, whereby the value for tax purposes of the assets is obtained based on the planned use of the individual asset.

Deferred tax assets, including the tax value of deductible losses that can be carried forward, are recognised in the balance sheet at the anticipated realisable value of the asset, either by being offset against deferred tax liability or as net tax assets.

Corporation tax receivables and liability

The present tax liability or tax refund is recognised in the balance sheet as tax calculated on the taxable profit for the year, adjusted for tax paid on account.

Accruals

Prepayments and accruals recognised under assets include defrayed costs relating to the subsequent financial year. Prepayments and accruals are measured at cost.

Securities and equity investment

Securities recognised under current assets include listed shares and bonds measured at their officially listed values

on the balance sheet date, as well as investment measured using the intrinsic value method (the equity method) or lower estimated market value. Both realised and unrealised capital gains and losses are recognised in the income statement under financial items.

Liquid funds

Liquid funds include cash holdings and bank deposits.

Treasury shares

Acquisition and selling prices of treasury shares and dividends from the same are recognised directly in profit carried forward under equity. Thus, gains or losses from sales are not included in the income statement. Capital reduction from cancellation of treasury shares reduces share capital by an amount corresponding to the nominal value of the treasury shares.

Dividend

Dividends are recognised as a debt commitment at the time of their adoption by the AGM. The proposed dividend for the financial year under review is shown as a separate item under equity.

Debt commitments

Debt commitments are measured at amortised cost price, which usually corresponds to nominal value.

Lease liabilities

Lease liabilities relating to operational leases are recognised in the income statement according to the straight-line method during the term of the lease.

CASH FLOW STATEMENT

The cash flow statement for the Group is presented using the indirect method and shows the cash flow in respect of operations, investments and financing combined with the Group's cash and cash equivalents at the beginning and end of the year. No separate cash flow statement is drawn up for the parent company, as this is included in the cash flow statement for the Group. Cash flow in respect of operations is calculated as the operating profit adjusted for non-cash operating items and the change in working capital, less corporate tax paid.

Cash flow in respect of investments includes payments in connection with the acquisition, disposal and development of intangible and tangible fixed assets.

Cash flow concerning financing activities includes changes in the size or composition of the parent company's share capital and associated costs as well as the raising of loans, repayment of debts attracting interest, purchase of treasury shares and payment of dividends.

Cash and cash equivalents comprise liquid funds and short-term securities with an insignificant price exposure.

DEFINITION OF KEY FIGURES AND RATIOS

Key figures and ratios are defined and calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Ratios 2010".

Ratios	Calculation formula	Ratio expresses
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Net turnover}}$	Operational gearing of the company.
Net margin (%)	$\frac{\text{Profit for the year} \times 100}{\text{Net turnover}}$	Operational profitability of the company
Return on invested capital, including goodwill (%)	$\frac{\text{EBITA} \times 100}{\text{Average invested capital including Goodwill}}$	The return the company generates on investors' funds
Net turnover/Invested capital including goodwill	$\frac{\text{Net turnover}}{\text{Average invested capital including Goodwill}}$	Capital turnover of the company's invested capital
Return on equity (%)	$\frac{\text{Profit for the year excluding minorities} \times 100}{\text{Average equity excluding minorities}}$	The company's return on the capital invested by the owners in the company.
Equity ratio (per cent)	$\frac{\text{Equity excluding minorities} \times 100}{\text{Total assets}}$	Financial capacity of the company.
Profit per share	$\frac{\text{Profit for the year}}{\text{Number of shares}}$	
Dividend per share	$\frac{\text{Dividend paid}}{\text{Number of shares}}$	

EBITA (Earnings Before Interest, Tax and Amortisation) is defined as the operating result plus the year's depreciation on goodwill.

Net interest-bearing debt is defined as interest-bearing liabilities, including due corporate tax, minus interest-bearing assets, including securities, liquid assets and corporation tax receivable.

CONSOLIDATED INCOME STATEMENT, 2013

DKK '000	note	2013	2012
Net turnover	1	366,115	346,905
Other external costs		<u>(113,683)</u>	<u>(124,332)</u>
Payroll costs	2	(159,946)	(144,294)
Depreciation, amortisation and write-downs	3	<u>(2,385)</u>	<u>(1,861)</u>
Operating result		90,101	76,418
Other financial income	5	3,332	6,486
Other financial costs	6	<u>(1,999)</u>	<u>(2,628)</u>
Result from ordinary activities before tax		91,434	80,276
Tax on ordinary profit	7	<u>(22,916)</u>	<u>(20,229)</u>
Profit for the year		<u>68,518</u>	<u>60,047</u>
Proposed appropriation of profit			
Dividend for the financial year recognised under equity		60,000	60,000
Profit carried forward		<u>8,518</u>	<u>47</u>
		<u>68,518</u>	<u>60,047</u>

Consolidated balance sheet as at 31 December 2013

DKK'000	Note	2013	2012
Acquired licences	8	22	29
Intangible fixed assets		<u>22</u>	<u>29</u>
Production plant and machinery	9	922	909
Other equipment, process materials, fixtures and fittings	9	6,329	7,006
Leasehold improvements	9	<u>3,915</u>	<u>4,644</u>
Tangible fixed assets		<u>11,166</u>	<u>12,559</u>
Fixed assets		<u>11,188</u>	<u>12,588</u>
Receivables from sales and services		43,131	36,374
Deferred tax	11	1,489	2,043
Other receivables		7,311	7,270
Corporation tax receivables		2,304	6,004
Accruals	12	<u>11,365</u>	<u>13,821</u>
Receivables		<u>65,600</u>	<u>65,512</u>
Other securities and holdings		<u>68,916</u>	<u>68,417</u>
Liquid funds		<u>121,514</u>	<u>113,194</u>
Current assets		<u>256,030</u>	<u>247,123</u>
Assets		<u>267,218</u>	<u>259,711</u>

Consolidated balance sheet as at 31 December 2013

DKK '000	note	2013	2012
Share capital		40,000	40,000
Sundry statutory reserves		61,176	61,176
Transferred profit or loss		49,235	43,541
Proposed dividend for the financial year		<u>60,000</u>	<u>60,000</u>
Equity and non-distributable reserve		<u>210,411</u>	<u>204,717</u>
Suppliers of goods and services		9,462	14,561
Other debt commitments		<u>47,345</u>	<u>40,433</u>
Short-term debt commitments		<u>56,807</u>	<u>54,994</u>
Debt commitments		<u>56,807</u>	<u>54,994</u>
Liabilities		<u>267,218</u>	<u>259,711</u>
Recognised and unrecognised rental and lease commitments	14		
Contingent liabilities	15		

CONSOLIDATED EQUITY STATEMENT, 2013

DKK '000	Company capital	Sundry statutory reserves	Carried profit or loss	Proposed dividend for the financial year
Equity at the beginning of the year	40,000	61,176	43,541	60,000
Purchase of treasury shares	0	0	(3,707)	0
Ordinary dividend paid	0	0	0	(60,000)
Proposed dividend	0	0	0	60,000
Currency translation adjustments	0	0	(62)	0
Dividend, treasury shares	0	0	945	0
Profit for the year	0	0	8,518	0
Equity at the end of the year	40,000	61,176	49,235	60,000

Total DKK

Equity at the beginning of the year	204,717
Purchase of treasury shares	(3,707)
Ordinary dividend paid	(60,000)
Proposed dividend	60,000
Currency translation adjustments	(62)
Dividend on treasury shares	945
Profit for the year	8,518
Equity at the end of the year	210,411

Statutory allocation to non-distributable reserve

The conversion of the private foundation Værdipapircentralen into a public company included the establishment of a non-distributable securities reserve corresponding to the value of the assets contributed by the private foundation after deduction of the contributed liabilities. Pursuant to the Danish Securities Trading Consolidated Act, VP SECURITIES A/S must allocate 10 per cent of the profit for the year which has not been used to cover any losses from previous years to the securities reserve. This allocation may not, however, exceed the yield on the securities reserve, which corresponds to the interest rate calculated in accordance with Section 213(2) of the Danish Financial Business Act, less a pro rata share of corporation tax for the year. The latter limitation is to be used for the financial year 2013. As the interest, pursuant to Section 213(2) of the Danish Financial Services Act was 0 per cent in both the first and second half of 2013, there is thus no adjustment in respect of 2013.

Consolidated cash flow statement for 2013

DKK '000	note	2013	2012
Operating result		90,101	76,418
Depreciation, amortisation and write-downs		2,385	1,861
Change in working capital	13	<u>(2,529)</u>	<u>3,920</u>
Cash flow from ordinary activities		<u>89,957</u>	<u>82,199</u>
Financial income received		2,499	4,025
Corporation tax paid		<u>(18,663)</u>	<u>(18,718)</u>
Cash flow from operations		<u>73,793</u>	<u>67,506</u>
Purchase, etc., of tangible fixed assets		(1,081)	(1,306)
Sale of tangible fixed assets		<u>95</u>	<u>1,935</u>
Cash flow from investments		<u>(986)</u>	<u>629</u>
Dividend paid		(60,000)	(60,000)
Purchase of treasury shares		(3,707)	0
Dividend on treasury shares		<u>945</u>	<u>416</u>
Cash flow from financing		<u>(62,762)</u>	<u>(59,584)</u>
Change in cash and cash equivalents		<u>10,045</u>	<u>8,551</u>
Cash and cash equivalents as at 1 January		181,611	173,128
Foreign exchange adjustment of cash and cash equivalents		<u>(1,226)</u>	<u>(68)</u>
Cash and cash equivalents as at 31 December		<u>190,430</u>	<u>181,611</u>
Cash and cash equivalents comprises:			
Liquid funds		121,514	113,194
Stocks and shares		<u>68,916</u>	<u>68,417</u>
Cash and cash equivalents as at 31 December		<u>190,430</u>	<u>181,611</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DKK '000	2013	2012
1. Net turnover		
CSD SERVICES	299,417	287,300
SECURITIES SERVICES	28,806	25,230
INVESTOR SERVICES	32,949	30,081
Other receivables	<u>4,943</u>	<u>4,294</u>
	<u>366,115</u>	<u>346,905</u>
Of the total net turnover for the Group, sales to foreign customers account for DKK 68,762,000. (2012: DKK 58,672,000).		
2 Payroll costs		
Wages and salaries	133,454	121,676
Pensions	13,448	12,993
Other social security costs	<u>13,044</u>	<u>9,625</u>
	<u>159,946</u>	<u>144,294</u>
Of which: total emoluments paid to the Executive Management and the Board of Directors	<u>8,226</u>	<u>4,404</u>
Average no. of FTEs	<u>182</u>	<u>177</u>
3. Depreciation, amortisation and write-downs		
Amortisation on intangible fixed assets	7	457
Depreciation on tangible fixed assets	2,363	2,394
Capital loss or gain from sales of intangible and tangible fixed assets	<u>15</u>	<u>(990)</u>
	<u>2,385</u>	<u>1,861</u>
4. Fees for auditors elected by the Annual General Meeting		
Statutory audit	879	886
Other assurance engagements	4	4
Tax, VAT and duty advice	139	297
Other services	<u>369</u>	<u>192</u>
	<u>1,391</u>	<u>1,379</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DKK '000	2013	2012
5. Other financial income		
Sundry interest receivable	2,819	1,206
Sundry financial income	<u>513</u>	<u>5,280</u>
	<u>3,332</u>	<u>6,486</u>
6. Other financial costs		
Fair value adjustments	1,464	2,043
Sundry financial costs	<u>535</u>	<u>585</u>
	<u>1,999</u>	<u>2,628</u>
7. Tax on ordinary profit		
Current tax	22,683	17,362
Change in deferred tax	250	2,865
Adjustment relating to previous years	<u>(17)</u>	<u>2</u>
	<u>22,916</u>	<u>20,229</u>

DKK '000	Completed development project	Acquired licences	Goodwill
8. Intangible fixed assets			
Cost, beginning of year	<u>26,317</u>	<u>4,100</u>	<u>69,450</u>
Cost, end of year	<u>26,317</u>	<u>4,100</u>	<u>69,450</u>
Depreciation, amortisation and write-downs, beginning of year	(26,317)	(4,071)	(69,450)
Depreciation for the year	<u>0</u>	<u>(7)</u>	<u>0</u>
Depreciation, amortisation and write-downs, end of year	<u>(26,317)</u>	<u>(4,078)</u>	<u>(69,450)</u>
Carrying amount, end of year	<u>0</u>	<u>22</u>	<u>0</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DKK '000	Production Plant and machinery	Other equipment, process materials, fixtures and fittings	Leasehold improvements
9. Tangible fixed assets			
Cost, beginning of year	6,763	11,254	7,290
Additions	328	753	0
Disposals	<u>0</u>	<u>(190)</u>	<u>0</u>
Cost, end of year	<u>7,091</u>	<u>11,817</u>	<u>7,290</u>
Depreciation, amortisation and write-downs, beginning of year	(5,854)	(4,248)	(2,646)
Depreciation for the year	(315)	(1,319)	(729)
Returns on disposal	<u>0</u>	<u>79</u>	<u>0</u>
Depreciation, amortisation and write-downs, end of year	<u>(6,169)</u>	<u>(5,488)</u>	<u>(3,375)</u>
Carrying amount, end of year	<u>922</u>	<u>6,329</u>	<u>3,915</u>

10. Subsidiaries

	Registered office	Legal form	Treasury shares %	Equity capital DKK '000	Profit DKK '000
VP SERVICES A/S	Copenhagen	A/S	100	101,528	6,796
VP MEX ApS	Copenhagen	ApS	100	8,108	25
VP MORTGAGE SOLUTIONS ApS	Copenhagen	ApS	100	51	(20)
VP MORTGAGE SOLUTIONS II ApS	Copenhagen	ApS	100	(843)	(930)
VP LUX S.à r.l.	Luxembourg	S.à r.l.	100	12,381	(28)
				2013	2012
				<u>DKK '000</u>	<u>DKK '000</u>

11. Deferred tax

Tangible fixed assets	(361)	192
Securities and holdings	522	523
Tax deficit carried forward	<u>1,328</u>	<u>1,328</u>
	<u>1,489</u>	<u>2,043</u>

12. Accruals

The Group's accruals primarily comprise accrued prepaid costs relating to multi-year contracts with suppliers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DKK '000	2013	2012
13. Change in working capital		
Change in receivables	(4,342)	1,764
Change in trade creditors, etc.	<u>1,813</u>	<u>2,156</u>
	<u>(2,529)</u>	<u>3,920</u>

14. Unrecognised rental and lease commitments

The company has entered into operational leases relating to cars and photocopiers through to 2016. The remaining lease commitments amount to DKK 585,000.

The company has entered into a mutually interminable lease through to 2017. The annual commitment is DKK 14,856,000.

The subsidiary VP LUX has signed an interminable lease through to 31 October 2014. This commits it to DKK 902,000.

15. Contingent liabilities

Liability to pay compensation

As a book-entry company, VP SECURITIES A/S is strictly liable pursuant to the Danish Securities Trading Act for losses that arise because of errors on its part in connection with book-entry, alteration or deletion of rights in respect of accounts with VP SECURITIES A/S or payments from them. Total compensation for losses arising from the same error cannot exceed DKK 500 million. VP SECURITIES A/S is subject to a similar liability to pay compensation in its capacity as a custodian institution.

Guarantee coverage

Moreover, VP SECURITIES A/S is liable in its capacity as a custodian institution for errors on the part of others according to an agreement entered into between Danish account-holding institutions affiliated to VP SECURITIES A/S. Liability for compensation according to this agreement cannot exceed DKK 316,000 per error at the current level of activity.

Joint taxation

The parent company has joint and several liability with the jointly taxed group enterprises in respect of the total tax liability. The tax liability for jointly taxed group enterprises amounts to DKK 22,303,000.

Value-added tax liability

The parent company has joint and several liability with the jointly registered group enterprises in respect of the total value-added tax liability. Value-added tax liability in jointly registered group enterprises amounts to DKK 602,000.

Severance commitments

For a CEO, in the event of termination at the instigation of the company within the first 24 months of the period of employment, there is an agreement in place relating to severance pay corresponding to 6 months' salary over and above the ordinary period of notice of 12 months. If the CEO dies, the company is obliged to pay 6 months' remuneration to the CEO's heirs.

PARENT COMPANY INCOME STATEMENT 2013

DKK '000	note	2013	2012
Net turnover	1	325,411	309,781
Other external costs		<u>(93,041)</u>	<u>(107,176)</u>
Gross profit		232,370	202,605
Payroll costs	2	(146,975)	(132,212)
Depreciation and write-downs	3	<u>(2,133)</u>	<u>(1,169)</u>
Operating result		83,262	69,224
Income from holdings in affiliated undertakings		5,843	7,898
Other financial income	5	505	662
Other financial costs	6	<u>(252)</u>	<u>(303)</u>
Result from ordinary activities before tax		89,358	77,481
Tax on ordinary profit	7	<u>(20,840)</u>	<u>(17,434)</u>
Profit for the year		<u>68,518</u>	<u>60,047</u>
Proposed appropriation of profit			
Dividend for the financial year recognised under equity		60,000	60,000
Profit carried forward		<u>8,518</u>	<u>47</u>
		<u>68,518</u>	<u>60,047</u>

PARENT COMPANY BALANCE SHEET AS AT 31 DECEMBER 2013

DKK '000	note	2013	2012
Completed development projects	8	<u>0</u>	<u>0</u>
Intangible fixed assets		<u>0</u>	<u>0</u>
Production plant and machinery	9	922	4,467
Other equipment, process materials, fixtures and fittings	9	5,902	909
Leasehold improvements	9	<u>3,760</u>	<u>6,355</u>
Tangible fixed assets		<u>10,584</u>	<u>11,731</u>
Investment in associated companies	10	<u>123,396</u>	<u>116,772</u>
Investments		<u>123,396</u>	<u>116,772</u>
Fixed assets		<u>133,980</u>	<u>128,503</u>
Receivables from sales and services		31,609	27,777
Receivables in affiliated undertakings		1,221	2,708
Deferred tax	11	0	539
Other receivables		6,312	6,317
Corporation tax receivables	12	4,719	6,004
Accruals	13	<u>10,606</u>	<u>12,795</u>
Receivables		<u>54,467</u>	<u>56,140</u>
Other securities and investments		<u>0</u>	<u>100</u>
Liquid funds		<u>75,867</u>	<u>72,402</u>
Current assets		<u>130,334</u>	<u>128,642</u>
Assets		<u>264,314</u>	<u>257,145</u>

PARENT COMPANY BALANCE SHEET AS AT 31 DECEMBER 2013

DKK '000	note	2013	2012
Share capital	14	40,000	40,000
Sundry statutory reserves		61,176	61,176
Transferred profit or loss		49,235	43,541
Proposed dividend for the financial year		<u>60,000</u>	<u>60,000</u>
Equity		<u>210,411</u>	<u>204,717</u>
Deferred tax	11	<u>37</u>	<u>0</u>
Provisions		<u>37</u>	<u>0</u>
Suppliers of goods and services		9,083	14,294
Corporation tax	12	304	0
Debts to associated companies		231	471
Other debt commitments		<u>44,248</u>	<u>37,663</u>
Short-term debt commitments		<u>53,866</u>	<u>52,428</u>
Debt commitments		<u>53,903</u>	<u>52,428</u>
Liabilities		<u>264,314</u>	<u>257,145</u>
Related parties with control	15		
Ownership	16		

PARENT COMPANY EQUITY STATEMENT, 2013

DKK '000	Comp- pany capital	Sundry statutory reserves	Profit or loss	Dividend for the financial year
Equity at the beginning of the year	40,000	61,176	43,541	60,000
Purchase of treasury shares	0	0	(3,707)	0
Ordinary dividend paid	0	0	0	(60,000)
Proposed dividend	0	0	0	60,000
Currency translation adjustments	0	0	(62)	0
Dividend, treasury shares	0	0	945	0
Profit for the year	0	0	8,518	0
Equity at the end of the year	40,000	61,176	49,235	60,000

	Total DKK
Equity at the beginning of the year	204,717
Purchase of treasury shares	(3,707)
Ordinary dividend paid	(60,000)
Proposed dividend	60,000
Currency translation adjustments	(62)
Dividend on treasury shares	945
Profit for the year	8,518
Equity at the end of the year	210,411

Statutory allocation to non-distributable reserve

The conversion of the private foundation Værdipapircentralen into a public company included the establishment of a non-distributable securities reserve corresponding to the value of the assets contributed by the private foundation after deduction of the contributed liabilities. Pursuant to the Danish Securities Trading Consolidated Act, VP SECURITIES A/S must allocate 10 per cent of the profit for the year which has not been used to cover any losses from previous years to the securities reserve. This allocation may not, however, exceed the yield on the securities reserve, which corresponds to the interest rate calculated in accordance with Section 213(2) of the Danish Financial Business Act, less a pro rata share of corporation tax for the year. The latter limitation is to be used for the financial year 2013. As the interest, pursuant to Section 213(2) of the Danish Financial Services Act was 0 per cent in both the first and second half of 2013, there is thus no adjustment in respect of 2013.

NOTES ON THE PARENT COMPANY

DKK '000	2013	2012
1. Net turnover		
CSD SERVICES	295,852	283,741
SECURITIES SERVICES	28,790	25,213
INVESTOR SERVICES	<u>769</u>	<u>827</u>
	<u>325,411</u>	<u>309,781</u>
2 Payroll costs		
Wages and salaries	122,516	111,361
Pensions	12,418	12,002
Other social security costs	<u>12,041</u>	<u>8,849</u>
	<u>146,975</u>	<u>132,212</u>
Of which: total emoluments paid to the Executive Management and the Board of Directors	<u>8,176</u>	<u>4,354</u>
Average no. of FTEs	<u>165</u>	<u>160</u>
3. Depreciation, amortisation and write-downs		
Depreciation on tangible fixed assets	2,117	2,159
Capital loss or gain from sales of intangible and tangible fixed assets	<u>16</u>	<u>(990)</u>
	<u>2,133</u>	<u>1,169</u>
4. Fees for auditors elected by the Annual General Meeting		
Statutory audit	789	789
Other assurance engagements	4	4
Tax, VAT and duty advice	98	238
Other services	<u>364</u>	<u>192</u>
	<u>1,255</u>	<u>1,223</u>
5. Other financial income		
Sundry interest receivable	303	358
Sundry financial income	<u>202</u>	<u>304</u>
	<u>505</u>	<u>662</u>

NOTES ON THE PARENT COMPANY

DKK '000	2013	2012
6. Other financial costs		
Fair value adjustments	73	125
Sundry financial costs	<u>179</u>	<u>178</u>
	<u>252</u>	<u>303</u>
7. Tax on ordinary profit		
Current tax	20,282	16,876
Change in deferred tax	575	560
Adjustment relating to previous years	<u>(17)</u>	<u>2</u>
	<u>20,840</u>	<u>17,434</u>

DKK '000	Completed development projects
8. Intangible fixed assets	
Cost, beginning of year	<u>2,283</u>
Cost, end of year	<u>2,283</u>
Depreciation, amortisation and write-downs, beginning of year	<u>(2,283)</u>
Depreciation, amortisation and write-downs, end of year	<u>(2,283)</u>
Carrying amount, end of year	<u>0</u>

NOTES ON THE PARENT COMPANY

DKK '000	Production plant and machinery	Other equipment, process materials, fixtures and fittings	Leasehold improvements
9. Tangible fixed assets			
Cost, beginning of year	6,763	10,248	7,075
Additions	328	753	0
Disposals	0	(190)	0
Cost, end of year	<u>7,091</u>	<u>10,811</u>	<u>7,075</u>
Depreciation, amortisation and write-downs, beginning of year	(5,854)	(3,893)	(2,608)
Depreciation for the year	315	(1,095)	707
Returns on disposal	0	79	0
Depreciation, amortisation and write-downs, end of year	<u>(6,169)</u>	<u>(4,909)</u>	<u>(3,315)</u>
Carrying amount, end of year	<u>922</u>	<u>5,902</u>	<u>3,760</u>

DKK '000	Investment in associated companies
10. Investments	
Cost, beginning of year	<u>120,776</u>
Cost, end of year	<u>120,776</u>
Revaluations, beginning of year	(4,004)
Foreign currency translation adjustments	(62)
Share of profit for the year before tax	5,843
Sundry adjustments	<u>843</u>
Revaluations, end of year	<u>2,620</u>
Carrying amount, end of year	<u>123,396</u>

NOTES ON THE PARENT COMPANY

DKK '000	2013	2012
11. Deferred tax		
Tangible fixed assets	(382)	193
Securities and holdings	<u>345</u>	<u>346</u>
	<u>(37)</u>	<u>539</u>

12. Corporate tax

Of the stated corporation tax receivable totalling DKK 4,719,000, joint taxation accounts for DKK 2,416,000. The stated corporation tax liability totalling DKK 304,000 comprises solely joint taxation contributions.

13. Prepayments and Accruals

The parent company's accruals primarily comprise accrued prepaid costs relating to multi-year contracts with suppliers.

DKK '000	Number	Face value	Nominal value
14. Contributed capital			
Share capital	<u>40,000</u>	<u>1</u>	<u>40,000</u>
	<u>40,000</u>	<u>1</u>	<u>40,000</u>

The shares are not divided into classes, and there have been no changes in the share capital in the last five financial years.

15. Related parties with control

Related parties with control: none.

16. Ownership

VP owns 630 shares, corresponding to 1.6 per cent of the share capital.

The company has registered the following shareholders with more than 5 per cent of the share capital voting rights or nominal value:

Danmarks Nationalbank, Copenhagen
Danske Bank A/S, Copenhagen
Nykredit A/S, Copenhagen
Nordea A/S, Copenhagen

