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Waarom kan in Denemarken wel wat in de Eurozone niet kan.  
Obligatiesbezitters laten meebetalen aan de redding van een bank

By **Tracy Alloway**, (June 27, 2011)

Another Danish bank falls into a fjord of failure

***Finansiel Stabilitet har indgået overdragelsesaftale med Fjordbank Mors A/S***

*Som det fremgår af Selskabsmeddelelse nr. 12 af d.d. fra Fjordbank Mors A/S, har banken indgået aftale om, at bankens aktiver og en del af passiverne overføres til en ny bank under Finansiel Stabilitet A/S.*

*Overdragelsen gennemføres i henhold til Bankpakke III og med virkning fra og med den 24. juni 2011, således at kundernes og bankens dispositioner fra og med denne dato er foretaget i regi af den nye bank.*

Translation: Another Danish bank — Fjordbank Mors — has been taken over by Denmark's Finansiel Stabilitet as part of the so-called 'Bank Package III' bail-in rules passed last year. The bank wind-up rules mean investors in failed banks' senior debt, and even depositors, will be exposed to losses.

The first to fail under Denmark's new resolution rules was, of course, Amagerbanken, early this year.

In that sense the failure of Fjordbank is more of the same. According to independent research firm CreditSights, Finansiel Stabilitet has given Fjordbank's assets a preliminary valuation of DKK 7.8bn (€1bn) — which would cover about 74 per cent of senior liabilities. In other words, investors in the bank's senior debt and the 450 or so deposit holders of Denmark's €100,000 limit are looking at a haircut of about 26 per cent — somewhat lower than Amagerbanken's 41 per cent.

Don't be fooled by the repetition, however. There *had* been some talk of the Danish government backing off burdensharing for senior bank bondholders, or at least making it easier for healthy banks to buy troubled ones, after a spate of ratings downgrades and rising funding costs. But with the take-over of Fjordbank Mors it looks like Denmark is fully set on senior losses, at least for this small bank.

Here's CreditSights:

*This is a tiny bank by international standards – at end-2010 Fjordbank Mors had total assets of DKK 13.2 bln (€1.8 bln) and equity of DKK 0.8 bln (€0.1 bln) – but there are wider implications for the banking system in Denmark and Europe. Following the failure of Amagerbanken, Moody's downgraded the senior ratings of all Danish banks, including Danske Bank, and **this latest move underlines the determination of the Danish authorities to impose losses on senior creditors of failing banks. This is in contrast to the ongoing debate in Ireland, where the ECB has blocked haircuts for senior bondholders in Irish banks, but, of course, such action is much easier in respect of such a tiny, domestic institution.** Nonetheless, it will keep the bail in debate in the headlines and at the forefront of the rating agencies' thinking.*