

Amagerbanken

Announcement no. 19 - 2010
25 July 2010

Company announcement

- **Amagerbanken convenes the second announced extraordinary general meeting to be held on 17 August 2010 to lay down model and main principles for the capital injection**
- **At the general meeting proposals are presented for a reduction of the share capital and of the nominal value of the shares from DKK 20 to DKK 3 per share simultaneously with a proposal to increase the share capital**

At the extraordinary general meeting held on 22 July 2010, Amagerbanken's board of directors accounted for the situation currently facing the bank and for the bank's preliminary plan with respect to fulfilling the terms and conditions of the agreement with the Financial Stability Company on an individual government guarantee, particularly the requirement concerning the injection of no less than DKK 750m in the form of new base capital in Amagerbanken. The general meeting authorised Amagerbanken's board of directors to effect capital increases for purposes of raising of the required capital. At the general meeting, it was explained that the share offering will also involve a reduction of Amagerbanken's nominal share capital to be resolved at yet another extraordinary general meeting. The reduction of the nominal share capital will imply that the bank's share capital will be reduced but without affecting the bank's equity.

The bank is now able to lay down a detailed model and time schedule for the share issue and convenes the second extraordinary general meeting to advance the process in an optimum manner. The model laid down requires that a resolution on the capital reduction as well as the capital increase must be passed at one and the same general meeting.

The model entails a proposal for a reduction of the bank's share capital from the present nominal amount of DKK 665,465,680 (corresponding to 33,273,284 shares) to a nominal amount of DKK 99,819,852 (still divided into 33,273,284 shares) while at the same time reducing the nominal value of the bank's shares from the current DKK 20 per share to DKK 3 per share and a proposal to simultaneously increase the bank's share capital by up to a nominal amount of DKK 898,378,668.

Reduction in share capital

A capital reduction resulting in the reduction of the nominal value of the shares in Amagerbanken from DKK 20 to DKK 3 will have no impact on the shareholders in terms of value as the bank's equity will remain unchanged, nor will any distributions be made to the shareholders or others.

The capital reduction will, however, entail that the minimum share price payable under the Danish Companies Act (*selskabsloven*) in connection with a capital injection will amount to DKK 3 per share instead of the previous DKK 20 per share.

The capital reduction will be effected by way of a transfer of the reduction amount to a separate fund in the bank's balance sheet under equity. The separate fund under the equity may only be used for the purpose of covering losses. The shareholders may pass a resolution on the use of the separate fund for any other purpose than for the covering of losses, however, not for as long as the bank has commitments towards the Danish State or the Financial Stability Company under loans granted in the form of hybrid core capital and under any individual government guarantee. The capital reduction has been approved by the Danish Ministry for Economic and Business Affairs and will thus be effected in accordance with the Danish Act on Government Capital Injections in Credit Institutions (*lov om statsligt kapitalindskud i kreditinstitutter*) and the Danish Act on Financial Stability (*lov om finansiel stabilitet*) and the restrictions contained therein on the possibility for banks to effect capital reductions.

Amagerbanken

Increase of the share capital

The basis required for the injection of new base capital is proposed to be established by the passing of a simultaneous resolution to increase the bank's share capital, from the nominal amount of DKK 99,819,852 by a minimum nominal amount of DKK 565,645,828 and a maximum nominal amount of DKK 898,378,668 through the issuance of new shares with pre-emption rights for the bank's existing shareholders at a price to be between DKK 3 and DKK 4 per share. The proceeds from the issuance of such new shares plus the proceeds from any issuance of capital certificates with or without conversion rights must total an amount enabling the bank, as a minimum, to fulfil the condition on the injection of base capital as agreed with the Financial Stability Company. If the capital required to fulfil the condition is not subscribed, the subscription amounts will be returned. The proposals for a capital reduction and a capital increase are interconnected, each proposal being subject to the adoption and completion of the other proposal.

The absolute amount of the capital increase and the subscription price will be determined immediately prior to the extraordinary general meeting and will be announced through NASDAQ OMX Copenhagen A/S.

The Royal Bank og Scotland (Danish branch) is acting as financial adviser to the bank in connection with the capital injection.

Time schedule

Subject to approval by the general meeting, the bank's time schedule for the capital injection is as follows:

- 17 August Extraordinary general meeting
- 17 August Publication of prospectus
- 18 August Launch of offering
- 24 August Beginning of subscription period
- 7 September End of subscription period

The subscription period covering the share capital increase thus will be from 24 August 2010 to 7 September 2010, both days inclusive. All new shares will be issued in denominations of DKK 3 per share.

The extraordinary general meeting

The extraordinary general meeting is to be held on 17 August 2010 at 10 am at Falconer Salen, Falkoner Alle 9, 2000 Frederiksberg.

The notice of the general meeting with the agenda and the complete proposals will be announced in a separate company announcement and will be made available together with other documents for the general meeting at the bank's website www.amagerbanken.dk, where the bank's shareholders can also find answers to questions regarding the capital reduction and capital increase.

Yours faithfully

A M A G E R B A N K E N

Jørgen Brændstrup
Managing Director and Chief Executive

For further information, please contact Mr Jørgen Brændstrup via Ms Anne Mikkelsen (coordinator) at tel. +45 32 66 64 03
