



NASDAQ OMX

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Max Bank A/S has entered into an agreement with the Financial Stability Company regarding winding-up under Bank Aid Package IV, Model II - all of the Bank's assets and liabilities, except for its share capital and other subordinate capital inclusive of interest thereon, are being transferred to a company under Finansielt Stabilitet A/S

- The Bank has entered into an agreement with Finansielt Stabilitet A/S (the Financial Stability Company) regarding winding-up under Bank Aid Package IV, Model II, under which all of the Bank's assets and liabilities, except for its share capital and other subordinate capital inclusive of interest thereon, are being transferred to a newly established company under Finansielt Stabilitet A/S by the name of Max Bank af 2011 A/S.
- The continuing bank will be open to customers Monday morning.
- Finansielt Stabilitet A/S has made liquidity available to the continuing bank.
- Max Bank A/S is filing a petition for winding-up proceedings.
- The employees will continue with the continuing bank.
- Information about a shareholders' information meeting.

Winding-up under Bank Aid Package IV, Model II

As stated in Stock Exchange Announcement no 14/2011 of 8 October 2011, the Danish Financial Supervisory Authority (FSA) has demanded further write-downs for impairment and laid down an increased solvency requirement for Max Bank A/S. The FSA fixed the new solvency requirement at 18% after write-downs for impairment, and this has caused the Bank to inform the FSA that the Bank – if it was not able to procure the capital required or find another solution to its situation prior to the deadline of Sunday, 9 October 2011, 6 pm set by the FSA – would submit itself to winding-up under the Danish Financial Business Act. The deadline set by the FSA was later extended to Monday, 10 October 2011, 6.59 am, see Stock Exchange Announcement no 15/2011 of 9 October 2011.

It has not been possible for the Bank to procure the capital necessary to comply with the increased solvency requirement, for which reason the Bank has today entered into an agreement with Finansielt Stabilitet A/S regarding winding-up under Bank Aid Package IV, Model II, under which all of the Bank's assets and liabilities, except for its share capital and other subordinate capital inclusive of interest thereon, are being transferred to a newly established company under Finansielt Stabilitet A/S by the name of Max Bank af 2011 A/S.

The agreement with Finansiell Stabilitet A/S is further described below.

Increased write-downs for impairment and solvency requirement

During the past weeks, the FSA has examined the Bank's exposures. This resulted in stricter requirements for write-downs for impairment on the Bank's loan portfolio and increased requirement of the Bank's individual solvency need.

As the Bank did not succeed in procuring the necessary capital within the set deadline, it is regretfully bound to relinquish its independence.

The primary difference between the Bank's former assessment of its own risks and the FSA's assessment is based specifically on the FSA's lower valuation of real estate collateral.

The increased requirement for write-downs for impairment and solvency need mainly relate to lending exposures in the real estate sector which the Bank incurred 5-7 years ago and from which, despite major efforts, the Bank has not succeeded in disengaging itself as a result of the financial crisis and the credit squeeze in general.

The Board of Directors sincerely regrets this situation – not least for the Bank's 200 employees, its shareholders and others who have provided subordinate loan capital and for the local community to which the Bank has been attached and which the Bank has supported in various ways.

The regret does most certainly also concern the Bank's some 35,000 customers who, under tough market conditions, have been loyally supportive to Max Bank and the Bank's alternative way to carry out banking activities with close customer relations, high availability and café-designed branches where informality and a nice experience have been the focal point.

Having acknowledged that it has not been possible to raise additional capital for a long period to strengthen the Bank's solvency, the Board of Directors has worked on alternative solutions.

Accordingly, the Bank launched its Plan 2013 in the beginning of 2011, which involved a number of considerable operational measures, among them, a heavy reduction of staff, closing-down of branches, considerable reductions of all other costs, increased interest on loans and advances and intensive efforts to trim the balance sheet. The Bank has acted upon Plan 2013 and it has proved the positive development estimated by the Bank.

Concurrently, the Bank has explored the possibilities of both merger and sale of all or part of the Bank without any success. Unfortunately, the Bank has now realised that its loan book has worsened due to the tough financial times and that it cannot meet the increased capital requirements imposed by the FSA.

Please note that the Board of Directors believes that the FSA's solvency requirement is too high, but under the present circumstances, the Board acknowledges that winding-up under Bank Aid Package IV, Model II, is the best solution. Under this solution no general creditors or depositors will suffer losses – nor any of the depositors with deposits in excess of DKK 750,000.

Despite the unfortunate situation, the Board will take delight in the continuation of all the Bank's private customer exposures and parts of the corporate customer exposures in new auspices.

The agreement with Finansielt Stabilitet A/S

Specifically, the agreement with Finansielt Stabilitet A/S means that the continuing bank under Finansielt Stabilitet A/S, Max Bank af 2011 A/S, takes over all the Bank's assets, including loans and advances and branches as well as all liabilities, including deposits, guarantees and other creditors except for the Bank's share capital and other subordinate capital, including interest thereon. Furthermore, Max Bank af 2011 A/S will adopt all agreements for pecuniary interest, just as all the Bank's employees, including the Executive Board, are taken over with unchanged terms of employment.

The continuing bank will be open to customers Monday morning, 10 October 2011, and may serve customers with their ordinary banking business, and account numbers and cards will function as usual.

Finansielt Stabilitet A/S has made liquidity available to the continuing bank.

Filing of a petition for winding-up proceedings and retirement of the Executive Board and the Board of Directors

Today, the Bank decided, as a result of the above matters, to file a petition for winding-up proceedings with the bankruptcy court. The Bank's present Executive Board and Board of Directors retire as the appointed trustee will be responsible for the Bank's management functions in future.

Extension of deadline

As a result of the agreement made with Finansielt Stabilitet A/S, the deadline fixed by the FSA to meet the solvency requirement has been postponed to Monday, 7 November 2011, at 12.00 noon with a view to facilitating a smooth and problem-free transfer of the Bank's assets etc, see Stock Exchange Announcement no 15/2011 of 9 October 2011. Irrespective of the Bank's insolvency, the Bank's license to carry on banking activities will stay in force in this period.

Suspension of trade in the Bank's securities at NASDAQ OMX Copenhagen

As is evident in Stock Exchange Announcement no 14/2011 of 8 October 2011, the Bank has requested NASDAQ OMX Copenhagen to suspend the trade in all shares and bonds issued by the Bank and admitted for trading and official listing at NASDAQ OMX Copenhagen. It concerns the following securities traded in the following ISIN codes:

Shares;

Name MAX

ISIN DK0010305903

Bonds:

ISIN DKK0030255278

ISIN DKK0030248067

ISIN DKK0030239314

ISIN DK0030237292

ISIN DK0030237029

ISIN DK0030244074

Shareholders' information meeting

According to section 247(2) of the Danish Financial Business Act, the Board of Directors invites the shareholders to an information meeting concerning the operation. The meeting will be attempted convened for Thursday 13 October 2011. Please find further information about time and place at the new Bank's web site: www.maxbank.dk.

Additional information

For additional information, please contact CEO Henrik Lund at +45 21 72 17 86.

Yours faithfully
Max Bank A/S

Steen Sørensen
Chairman of the

Henrik Lund
Chief Executive Officer