

Company announcement

Amagerbanken's terms agreement with the Financial Stability Company

On 28 June 2010 Amagerbanken and the Financial Stability Company entered into an agreement of terms of granting of state guarantee, whereby the Financial Stability Company committed itself to guarantee the Bank's issue of bond loan of totally DKK 13.5 billion.

The basis of the agreement was the standard agreement, which the Financial Stability Company applies in connection with entering agreements of terms of granting of state guarantee. This agreement includes a number of standard terms, e.g. terms regarding the guarantee commission, recourse, interest and costs.

The Financial Stability Company, however, placed specific terms when entering the agreement.

Some of these terms have already been published by the Bank, e.g. the demand for capital increase of min. DKK 750 million, while others are not widely known. The Bank's Board of Directors considers it most correct to inform shareholders and other stakeholders of the contents of these specific terms to create transparency of the Bank's conditions in this matter.

The Bank committed itself to ensure that the Financial Stability Company had two members elected to the Bank's Board of Directors nominated by the Financial Stability Company (see announcement no. 57-2010 dated 15 November 2010). These two members must approve all essential decisions in the Bank.

The agreement does not include a complete list of what is an essential decision, but below-mentioned may be mentioned as examples;

- Funding of the Bank's business, including raising of loans
- Amendment of accounting principles and election of auditors
- Budgets, including larger investments and change of branch structure and staff composition
- Recommendation of dividend at the general meeting
- Merger or other reorganisation
- Allocation of new commitments above DKK 50 million and
- Increase of commitments above DKK 25 million with impairments or increased solvency requirement.

In addition to this the two board members have the possibility to postpone the determination of the importance of a decision to the Financial Stability Company, if both members consider a decision essential and the majority of other board members do not agree.

Furthermore, the Bank committed itself to make the changes in the Executive Board structure and composition which the Financial Stability Company requires, just as the Bank has committed itself to transfer the business to a buyer as directed by the Financial Stability Company, if the Bank does not meet the capital requirements of the Danish Financial Business Act.

In this connection the Bank may inform that the Financial Stability Company already in September instructed the Bank to strengthen the Executive Board and replace the managing director.

Amagerbanken

The consequence, if the Bank does not comply with the terms, is that the Financial Stability Company can sustain the default rights, which may cause the Bank to repay an amount equal to DKK 13.5 billion. The terms are valid for the 3 year period during which the agreement is effective.

Enclosed please find agreement of terms for granting of state guarantee "Aftale om vilkår for ydelse af statsgaranti") - only available in Danish language.

Yours faithfully,

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



Niels Heering
Chairman



Steen Hove
Managing Director and
Chief Executive

For further information please contact Mr. Niels Heering, Chairman at phone no. +45 4017 7531 or Mr. Steen Hove, Managing Director and Chief Executive at phone no. +45 2630 6995.

www.amagerbanken.com