
To the subordinated creditors, etc. in
Selskabet af 1. september A/S in bankruptcy –
CVR no. 50020010 (the former Roskilde Bank A/S)

6 January 2023

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Holst,

CIRCULAR LETTER NO. 38

SKS 21-354/2009 – Selskabet af 1. september 2008 in bankruptcy – CVR no. 50020010 (the former Roskilde Bank A/S), Algade 14, DK-4000 Roskilde

Biannual Report in pursuance of section 125(3) of the Danish Bankruptcy Act

1. Introduction

In the second half year of 2022, I have prepared and circulated the following circular letter:

Circular Letter No. 37 of 8 July 2022, including Biannual Report.

2. General administration of the estate

In the second half year of 2022, I have been engaged in the following activities:

2.1 Examination of the claims filed against the bankrupt estate.

I do not expect to receive any new claims filed against the estate, as such claims will be considered time-barred.

2.2 Legal action brought by Finansiell Stabilitet against the former management of the bank (however not against the estate as such)

An account of the case has been given in previous circular letters.

As previously stated, Finansiel Stabilitet did not succeed in the action for damages brought against the former management (and auditor). Finansiel Stabilitet then appealed against the judgment dated 7 November 2017 of the Eastern Division of the Danish High Court to the Danish Supreme Court. In connection with the proceedings before the Supreme Court, Finansiel Stabilitet chose to be more specific about and limit the claim, and during the appeal proceedings additional material was produced to clarify the bank's practice with regard to so-called share credits (in Danish: "aktiekreditter").

The Supreme Court delivered its judgment in the case on 1 December 2022.

According to the judgment, former banking executive Niels Valentin Hansen was held liable for damages for granting a number of reckless loan exposures. Hence, he must therefore pay almost DKK 232 million in damages plus interest to Finansiel Stabilitet.

The Supreme Court states that granting credit without any kind of specific and immediate prior credit rating must be characterised as reckless.

The Supreme Court entered judgment in favour of four then members of the board of directors, against whom action had also been brought by Finansiel Stabilitet before the Supreme Court. The Supreme Court has ruled that the Supreme Court is not satisfied that the members of the board of directors were aware that the share credits had been granted without a credit rating.

The Supreme Court's decision thus imposes liability on the day-to-day management (banking executive Niels Valentin Hansen), while the members of the board of directors against whom action had been brought before the Supreme Court were dismissed. The judgment is based on the general rules of Danish law on liability.

I do not expect that the result of the appeal will have (financial) consequences for the unsecured (i.e. subordinated) creditors, who are thereby still not expected to receive either whole or partial coverage.

As previously stated, the legal proceedings have been initiated by Finansiel Stabilitet, and I have not been involved in specific actions concerning the Supreme Court case during the period referred to in the present circular letter.

2.3 Other activities

- Handling of inquiries made by creditors and the bailiff court regarding claims transferred to the new bank (and third parties)
- Handling of monthly invoices from VP Securities.

3. Fee requests etc.

No fee requests have been submitted to the court during the period.

4. Winding up of the estate

Following the final judgment by the Supreme Court of the case concerning management liability, I will purport to close the administration of the estate in the coming months.

In this connection, a draft estate inventory etc. will be submitted to Finansiell Stabilitet for any comments before sending the estate inventory to the Bankruptcy Court for the purpose of finally closing the administration of Selskabet af 1. September 2008 A/S in bankruptcy, the former Roskilde Bank A/S.

Aarhus, 6 January 2023

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No signature required

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