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INTERIM REPORT

H1 2008

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APPENDICES

H1 2008 IN HEADLINES

- Max Bank ”opens the books” and is the first bank to account in detail for the composition of its lending portfolio.

- Strong capital resources with a capital adequacy ratio of 15.8% compared to a calculated capital adequacy requirement of 8.5%.

- Substantial cash resources with a surplus cover of 136.3% in relation to the requirements of the law.

- A 30% increase in primary banking activities.

- Staff costs and administrative expenses remained stable and are on a par with 2007.

- Impairment losses of DKK 19.0m and negative price adjustments of DKK 13.3m trigger break-even performance.

- Profit before value adjustments and tax for 2008 is now expected in the range of DKK 25-30m in relation to previous expectations of approx DKK 40m.

- Max Bank remains well-equipped for the selected positioning on the market and to withstand the current situation.

5-year financial highlights

	2008 DKK 1,000	2007 DKK 1,000	2006 DKK 1,000	2005 DKK 1,000	2004 DKK 1,000
KEY FIGURES					
Income statement for H1					
Net interest and fee income	118,366	111,963	118,502	86,256	74,243
Other operating income	9,401	438	199	4,033	373
Staff costs and administrative expenses, etc.	94,872	94,702	80,132	62,867	54,597
Impairment losses on loans and advances, ect.	18,951	-5,656	-1,150	3,859	8,928
Profit/loss from investments in associates and group enterprises	0	-1,600	0	0	1,211
Profit excluding value adjustment and tax	13,944	23,355	39,719	23,563	11,091
Value adjustments	-13,295	10,058	-2,899	15,696	5,454
Profit before tax	649	33,413	36,820	39,259	16,545
Profit after tax	3,735	26,577	28,970	28,435	11,506
Balance sheet at 30 June					
Loans	4,751,141	4,336,518	3,142,945	2,040,053	,532,372
Guarantees	2,104,987	3,041,488	2,281,321	1,698,400	1,254,758
Deposits	2,953,782	3,237,288	2,373,551	1,861,528	1,475,599
Equity at year-end	483,809	496,604	411,059	309,992	279,509
Balance sheet total	6,489,665	6,287,774	4,543,084	3,017,251	2,333,244
Custody account volume	3,603,996	5,551,173	3,136,352	1,887,758	1,230,660
Business volume	13,413,906	16,166,467	10,934,169	7,487,739	5,493,389
Ratios for H1					
Return on equity before tax (p.a.)	0.3%	13.8%	19.7%	26.1%	11.7%
Return on equity after tax (p.a.)	1.5%	10.9%	15.5%	18.9%	8.2%
Capital adequacy ratio	15.8	15.1	17.3	13.7	12.1
Closing price of the share	240	516	545	339	237
Equity value of share	245	243	202	182	159
Number of employees (average)	204	212	190	146	133

The rules of preparation of financial statements were changed considerably in 2005. The financial highlights for 2004-2008 have been prepared in accordance with the new rules. Comparative figures for 2004 have not been restated for financial assets and liabilities.
Interest on loans and advances written down for impairment in 2008 has been recorded at DKK 2,299k (2007: DKK 1,068k) under impairment losses on loans and advances. The comparative figures for 2004-2005 have not been restated.

Max Bank retains strong position despite break-even performance in H1 2008

Summary

Max Bank has in H1 2008 maintained a high level of activity. The operating profit on banking activities has improved by more than 30%. This has been achieved despite the Bank, in light of the current situation in the financial markets, has chosen to maintain substantial capital and cash resources with a high capital adequacy ratio of 15.8% and a high liquidity surplus of 136.3% in relation to the requirements of the law. These chosen high financial resources obviously burden the earning capacity.

Unfortunately, the slide in prices in the share and bond markets also impacted on the price adjustments in the Bank's investment portfolios that have been negative by DKK 13.3m compared to last year's positive price adjustments of DKK 11.7m. In Q2, the Bank has also had to perform write-downs of DKK 15.0m on a single standard-house enterprise, resulting in aggregate impairment losses in H1 of DKK 19.0m.

These negative impacts imply that Max Bank in H1 achieved a profit before tax of DKK 0.6m.

In connection with the publication of the annual report for 2007, Max Bank announced expectations to the annual result before value adjustments and tax for all of 2008 in the vicinity of DKK 40m. As a result of the development in H1, profit for 2008 is now expected to amount to DKK 25-30m.

The Supervisory Board believes that Max Bank remains well-prepared for the selected positioning on the market and to withstand the current situation, in which the entire banking sector is subject to pressure.

In order to accommodate the market demand for greater transparency, Max Bank has decided to supplement the interim financial report with a report, in which the Bank "opens the books" as to the exposure in relation to the building and construction industry and the property market, and thoroughly account for the composition of the lending portfolio. As was the case in the annual report for 2007 and the interim financial report for Q1 2008, Max Bank will also publish the internal statement of the Bank's capital adequacy requirement at 30 June 2008 in accordance with the new Basel II rules. The capital adequacy requirement has been calculated at 8.5%. The actual capital adequacy ratio therefore constitutes a considerable surplus cover, which translated into DKK amounts to DKK 459m, which is an expression of considerable resistance.

Management's review

Max Bank has in Q1 2008 maintained a high level of activity. Total business volume, calculated as the sum of loans and advances, deposits, guarantees and custody account volume, amounted to DKK 13.4b at the end of H1, corresponding to a decrease of 17.0% on last year. The two principal reasons for the decline in business volume are that the total custody account volume has gone down by 35.1% to DKK 3.6b. Furthermore, guarantees against loss towards Totalkredit of approx DKK 1b have lapsed as a result of a new model of cooperation with Totalkredit.

Max Bank's lending activities remain sound. Growth in loans and advances is, however, declining. Compared to 30 June 2007, loans and advances have, accordingly, gone up by 9.6% to DKK 4.8b, which is slightly lower than at the beginning of the year.

At the end of H1, deposits amounted to DKK 3.0b, which is a 8.8% drop on the same period last year. This is solely because we have not been particularly active on the market for fixed-term deposit accounts as we have been able to borrow at a lower cost from our cooperation partners on the capital market.

Due to the lapse of the Totalkredit guarantees of approx DKK 1b, guarantees have dropped from DKK 3.0 to 2.1b, which conversely has contributed to the capital adequacy ratio, as the lapse of the said guarantees, seen in isolation, has increased the capital adequacy ratio by approx 0.8 percentage points.

Net interest income has risen by 17.7%

Combined with the increased level of interest, the high level of activity in the Bank has triggered an increase in Max Bank's net interest income of 17.7% to DKK 77.1m. The capital and cash resources with a capital adequacy ratio of 15.8% and a liquidity surplus of 136.3% in relation to the requirements of the law obviously burden the earning capacity. This should, however, be seen as a decision that has been made to support the high level of activity.

Decline in securities trading

Fee and commission income amounted to DKK 41.2m in H1, compared to DKK 46.4m last year. The decline is attributable to decreasing earnings in the investments field.

This amounts to total net interest and fee income of DKK 118.4m in H1, corresponding to an increase of 5.7%.

Aside from the income from interest and fees, Max Bank has achieved a profit of DKK 9.3m stemming from the sale of the Bank's current head office in Næstved.

Cost development remained stable

In H1, staff costs and administrative expenses amounted to DKK 88.0m, which is marginally lower than the same period last year. The development is the result of an effort to kink the cost curve, which was initiated during the summer of 2007. The number of staff has gone down from 212 to 204.

Write-downs of DKK 19.0m

Max Bank has in H1 performed write-downs of DKK 19.0m, corresponding to 0.2% of the aggregate loans, advances and guarantees. Of this amount, DKK 15.0m relates to impairment losses in Q2 on a single standard-house enterprise.

The current write-down situation must be characterised as a return to a more normal write-down picture, and there are currently no indications of a particularly increased loss risk.

Strategy for reduction of the Bank's major commitments has been implemented

The Max Bank Supervisory Board has implemented a deliberate strategy throughout the last 2 years, where efforts have been made to reduce the Bank's share of major commitments, which make up more than 10% of the Bank's capital base. This has implied that the share of major commitments has dropped from 234.6% at year-end 2005 to constituting only 146.8% of the Bank's capital base today. The Supervisory Board is satisfied with this development and considers the Bank's risk on single commitments considerably reduced. At 30 June 2008, there are accordingly only 8 commitments that account for more than 10% of the Bank's capital base.

Distribution of loans, advances and guarantees

Max Bank's loans, advances and guarantees are distributed on corporate and private customers as follows:

7.1%	Agriculture, hunting and forestry
5.0%	Manufacturing, raw material extraction, utilities
8.8%	Building and construction
5.7%	Commerce, restaurant and hotel
1.4%	Transport, post and telephone
2.6%	Credit, finance and insurance
1.2%	Fishery
29.7%	Property management and trade, business services
11.5%	Other industries
27.0%	Private
100.0%	Total

To accommodate the need for a deeper insight into Max Bank's loans, advances and guarantees to the industries ”Building and construction” and ”Property management and trade, business services”, we have made an additional break-down of these industries, within which Max Bank throughout many years has obtained a special expertise. In order to facilitate understanding of the risk profile, we have enclosed an appendix that outlines the composition of the commitments in the sub-groups.

The general spread on industries is intentional, and the Supervisory and Executive Boards believe that Max Bank has sustained a sound lending and guarantee portfolio, which combined with the high capital adequacy ratio of 15.8% and the high liquidity surplus of 136.3% means that Max Bank is both sound and well-prepared for future operations.

The Bank's management of commitments within the building industry and the property business

At the end of June 2008, Max Bank was committed in the building industry and property business by 8.8% and 29.7%, respectively, of the total commitments. The commitments in the building industry remain unchanged at DKK 0.6b, whereas the commitments in the property business throughout H1 2008 have been reduced from DKK 2.2b to 2.0b.

Funding of rental properties is performed by Max Bank based on an assessment of operation and liquidity for each property. Importance is, accordingly, attached to the properties at minimum being able to generate sufficient liquidity to make the investment self-sustaining in terms of liquidity. Part of the funding has been allocated to properties abroad. Max Bank is generally not involved in funding of property in the Copenhagen area.

Max Bank applies the same approach to funding of mortgage deeds in rental properties, as also mortgage deeds are assessed on the basis of the same principles. Max Bank has not funded enterprises offering mortgage deed financing or trade in mortgage deeds.

Max Bank's credit policy requires that building projects funded by us are conducted as closed circuits, where initiation as a basis is conditioned by 75% of the housing units having been sold beforehand.

The building industry is subject to extensive pressure due to increasing interest rates and stagnation in new sales of housing units. The industry development has also impacted on a few of Max Bank's customers, which has triggered the increased demand for write-downs in Q2 2008. The risk on all customers is subject to ongoing assessment, and possible impairment is recognised currently.

Gloomy financial market triggers negative price adjustments

In H1 2008, Max bank has had to record total negative price adjustments on the Bank's securities portfolio of DKK 13.3m, compared to a profit of DKK 11.7m in the same period last year.

The bond portfolio has sustained a capital loss of DKK 21.0m, whereas the share portfolio has achieved a capital gain of DKK 7.0m. This does, however, include a profit of DKK 15.1m from the sale of the Bank's shares in Totalkredit. Strictly net, the Bank's somewhat modest share portfolio has sustained a loss. In aggregate, Max Bank has negative price adjustments on approx 1% of the invested capital.

Max Bank has reduced the risk on the bond portfolio as the present bond portfolio subsequent to a conversion has an average maturity of less than 1 year. And the share portfolio (save sector shares) constitutes only DKK 31.0m.

The aggregate profit before tax for H1 2008 can subsequently be calculated at DKK 0.6m against DKK 33.4m last year. The modest result implies adjustment of deferred tax, entailing that the calculated tax will be negative, for which reason the profit after tax amounts to DKK 3.7m.

After transfer of the profit for the period and legislative adjustments, Max Bank's equity amounts to DKK 483.8m at 30 June 2008 compared to DKK 496.6m at the same time last year. The change is chiefly attributable to the portfolio of own shares that, according to legislative requirements, has to be deducted from equity.

High capital adequacy ratio and strong capital resources

When adding total subordinated debt of DKK 525m, Max Bank's capital base amounts to DKK 996m at the end of H1. This corresponds to a capital adequacy ratio of 15.8% against 15.1% at the same time last year.

At 30 June 2008, the Bank has calculated its capital adequacy requirement to 8.5% in accordance with the new Basel II rules. The actual capital adequacy ratio therefore constitutes a considerable surplus cover, which translated into DKK amounts to DKK 459m.

Accordingly, Max Bank's capital resources are most satisfactory.

The current surplus cover, which is 85.6%, is material, and also poses a cost to the Bank. It is, however, a cost that the Supevisory Board has chosen to ensure Max Bank extensive latitude and opportunity to maintain the high level of activity.

High liquidity surplus

Max Bank's liquidity surplus exceeding the legal requirements amounts to 136.3% at 30 June 2008, corresponding to approx DKK 1.0b compared to 85.2% at year-end 2007.

The Supervisory Board has laid down a minimum surplus of 50%, and Max Bank thus has a particularly robust cash position. However, it should be noted that maintaining a level of cash resources as strong as this strains the earning capacity. Again, this is a deliberate strategy of the Supervisory Board in order to ensure the Bank the largest possible scope to act.

Outlook for 2008

In connection with the publication of the performance for 2007, Max Bank announced expectations to the annual result before value adjustments and tax for all of 2008 in the vicinity of DKK 40m. Due to the development in H1, expectations to performance have been reduced to DKK 25-30m.

The positive development in actual banking operations is expected to continue in H2.

The most considerable uncertainty as regards the performance accordingly relates to impairment losses in H2. The expectations to the performance have taken into account the current turbulence in the property and building industry.

In conclusion, the Supervisory Board believes that Max Bank remains very well-prepared for retaining the selected positioning on the market and to withstand the current situation, in which the entire banking sector is subject to pressure.

In respect of Max Bank's Vision 2010 and our general strategy, it should also be noted that the Bank's Management contemplates a number of adjustments with a view to maintaining the Bank's possibility for future growth in the changed banking market.

The Max Bank share

At the end of H1 2008, Max Bank had 15,946 shareholders, and the Bank accordingly still enjoys considerable backing.

Unfortunately, the Bank's shareholders experienced a decline in the share price during the last year. Since the turn of the year, the share price has dropped by approx 67%, and the Bank's shares are currently traded at a price corresponding to 0.71 of equity value.

There is probably no comfort in acknowledging that most Danish banks endure the same difficulties. Current share prices generally reflect considerable uncertainty as to how the banks will cope in the coming years. And until the market obtains certainty as to whether the banks' own expectations, which are substantially more positive than those of the analysts, match up, prospects are, unfortunately, that shares will continue to be traded at very large risk premiums.

Related party transactions
Dan Andersen, Næstved, COMING/1: Publicity, advertisements and marketing of DKK 3.1m incl. VAT. A material portion of the amount concerns inter-company invoicing of advertisements. The services have been paid for in accordance with market terms.

Accounting policies
The accounting policies are consistent with those applied in the annual report for 2007.

The interim report has not been audited.

Financial calendar 2008
28 October. Quarterly report for Q1-Q3 2008.

Statement by Management on the interim financial report
We have today considered and approved the interim financial report of Max Bank A/S for 1 January - 30 June 2008.

The interim financial report has been presented in accordance with the Danish Financial Business Act, including the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc as well as additional Danish disclosure requirements for interim reports for listed financial companies.

We consider the accounting policies appropriate for the interim financial report to provide a true and fair view of the Bank's financial position and results for H1 2008.

We believe that the management's review includes a fair presentation of the development in the Bank's activities and financial position as well as a description of the most material risks and elements of uncertainty that may affect the business.

Næstved, 22 July 2008

Executive Board
Hans Verner Larsen,
Managing Director

Supervisory Board
Hans Fossing Nielsen, chairman
Dan Andersen, vice chairman
Niels Henrik Andersen
Henrik Forssling
Sven Jacobsen
Steen Sørensen
Mogens Pedersen
Kurt Aarestrup
Mie Rahbek Hjorth

This document is an unauthorised translation of the Danish original. In the event of any inconsistencies the Danish version shall apply.

The Danish Financial Supervisory Authority's key ratio system

	2008	2007	2006	2005	2004
Ratios for H1					
Capital adequacy ratio	15.8%	15.1%	17.3%	13.7%	12.1%
Core capital ratio	8.9%	8.7%	9.5%	7.9%	9.6%
Return on equity for the period before tax	0.1%	6.8%	9.8%	12.9%	5.9%
Return on equity for the period after tax	0.8%	5.4%	7.7%	9.4%	4.1%
Operating income over operating expenses	DKK 1.01	DKK 1.38	DKK 1.47	DKK 1.59	DKK 1.26
Interest-rate risk	0.9%	1.9%	4.1%	3.6%	2.8%
Currency position	0.4%	1.6%	4.9%	5.2%	2.5%
Currency risk	0.0%	0.0%	0.0%	0.0%	0.0%
Loans plus impairment losses thereon in ratio to deposits	163.4%	136.2%	136.0%	114.5%	111.0%
Excess liquidity in relation to statutory requirements of liquidity	136.3%	81.2%	114.5%	85.0%	100.9%
The sum of large exposures	146.8%	274.1%	126.2%	154.9%	156.7%
Accumulated impairment ratio	1.1%	1.0%	1.6%	2.5%	3.7%
Semiannual impairment ratio	0.2%	-0.1%	0.0%	0.1%	0.3%
Growth in loans for the period	-4.2%	18.1%	33.7%	8.4%	12.6%
Loans in ratio to equity	9.8	8.7	7.6	6.6	5.5
Semiannual earnings per share (denomination DKK 100)	DKK 9.0	DKK 64.2	DKK 76.3	DKK 77.9	DKK 31.5
Equity value over net asset value (denomination DKK 100)	DKK 1,218	DKK 1,216	DKK 1,012	DKK 909	DKK 795
Price/equity value per share (denomination DKK 100)	0.99	2.12	2.69	1.87	1.49

The rules of preparation of financial statements were changed considerably in 2005. The financial highlights for 2004-2008 have been prepared in accordance with the new rules whereas the comparative figures for 2004 have not been restated.

Comparative figures for 2004 have not been restated for financial assets and liabilities.

Interest on loans and advances written down for impairment in 2008 has been recorded at DKK 2,299 k (2007: DKK 1,068k) under impairment losses on loans and advances. The comparative figures for 2004-2005 have not been restated.

Income statement for H1

Note		2008 DKK 1,000	2007 DKK 1,000
	INCOME STATEMENT		
1	Interest income	209,694	148,481
2	Interest expenses	132,548	82,926
	Net interest income	**77,146**	**65,555**
	Dividends from shares, ect.	1,566	1,481
3	Fees and commission income	44,882	50,878
	Ceded fees and commission expenses	5,228	5,951
	Net interest and fee income	**118,366**	**111,963**
4	Value adjustments	-13,295	11,658
	Other operating income	9,401	438
5	Staff costs and administrative expenses	88,047	88,869
	Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment	6,825	5,833
6	Impairment losses relating to loans, receivables and other receivables, etc.	18,951	-5,656
	Profit/loss from investments in group enterprises	0	-1,600
	Profit before tax	**649**	**33,413**
7	Income tax	-3,086	6,836
	Profit	**3,735**	**26,577**

Balance sheet at 30 June

Note		2008 DKK 1,000	2007 DKK 1,000	Year-end 2007 DKK 1,000
	ASSETS			
	Cash holdings and demand deposits with central banks	307,791	265,059	540,723
8	Receivables from credit institutions and central banks	256,985	318,346	350,348
9	Loans, advances and other receivables at amortised cost	4,751,141	4,336,518	4,957,773
10	Bonds at fair value	883,367	1,067,106	769,673
	Shares, etc.	184,888	186,829	181,841
	Investments in group enterprises	10,826	0	10,826
	Total land and buildings	4,060	14,575	17,087
	Owner-occupied properties	4,060	14,575	17,087
	Other property, plant and equipment	31,298	37,116	37,401
	Current tax assets	14,881	1,209	1,692
	Deferred tax assets	4,879	8,510	6,746
	Other assets	39,549	39,014	64,868
	Total assets	**6,489,665**	**6,287,774**	**6,938,978**
	EQUITY AND LIABILITIES			
	Payables to credit institutions and central banks	2,448,300	1,996,636	2,610,068
	Deposits and other payables	2,953,782	3,237,288	3,228,357
	Current tax payable	0	2,146	0
	Other liabilities	67,606	65,922	73,787
	Deferred income	98	151	131
	Total payables	**5,469,786**	**5,302,143**	**5,912,343**
	Provisions for pensions and similar obligations	10,420	11,250	10,420
	Provisions for loss on guarantees	650	2,777	1,717
	Total provisions	**11,070**	**14,027**	**12,137**
11	Subordinate debt	525,000	475,000	525,000
	Total subordinate debt	**525,000**	**475,000**	**525,000**
	Equity			
	Share capital	41,400	41,400	41,400
	Share premium account	91,997	91,997	91,997
	Revaluation reserves	0	0	2,357
	Other reserves	2,305	2,305	2,305
	Statutory reserves	2,305	2,305	2,305
	Retained earnings	348,108	361,079	351,439
12	**Total equity**	483,809	496,604	**489,498**
	Total equity and liabilities	**6,489,665**	**6,287,774**	**6,938,978**

Other notes

13 Contingent liabilities
14 Capital adequacy requirements

Specifications to the income statement

Note		2008 DKK 1,000	2007 DKK 1,000
1	**INTEREST INCOME**		
	Receivables from credit institutions and central banks	13,384	10,855
	Loans, advances and other receivables	170,671	123,086
	Bonds	18,875	13,692
	Total derivative financial instruments	6,764	738
	Of these Foreign exchange contracts	6,800	330
	Interest rate contracts	386	496
	Share contracts	-422	-88
	Other interest income	0	110
	Total interest income	**209,694**	**148,481**
2	**INTEREST EXPENSES**		
	Credit institutions and central banks	58,002	30,432
	Deposits and other payables	58,941	41,804
	Subordinate debt	15,605	10,690
	Other interest expenses	0	0
	Total interest expenses	**132,548**	**82,926**
3	**FEES AND COMMISSION INCOME**		
	Securities trading and custody accounts	12,443	18,739
	Payment services	4,275	4,210
	Loan fees	3,422	3,545
	Guarantee commission	15,934	16,280
	Other fees and commissions	8,808	8,104
	Total fees and commission income	**44,882**	**50,878**
4	**VALUE ADJUSTMENTS**		
	Other loans, advances and receivables at fair value	16	8
	Bonds	-21,002	-11,124
	Shares, etc.	6,968	15,259
	Foreign exchange	2,509	3,217
	Foreign exchange, interest rate, share, commodity and other contracts as well as derivative financial instruments	-1,786	4,298
	Total value adjustments	**-13,295**	**11,658**
5	**STAFF COSTS AND ADMINISTRATIVE EXPENSES**		
	Remuneration of Supervisory and Executive Boards		
	Executive Board	1,190	1,952
	Supervisory Board	697	577
	Total	**1,887**	**2,529**
	Staff costs		
	Wages and salaries	42,499	39,965
	Pensions	4,614	4,462
	Social security expenses	4,569	4,590
	Total	**51,682**	49,017
	Other administrative expenses	34,478	37,323
	Total staff costs and administrative expenses	**88,047**	**88,869**

The Bank has established an incentive programme for the Bank's staff, which at most can generate shares of DKK 10,000 per employee per year.

Specifications to the income statement

Note		2008 DKK 1,000	2007 DKK 1,000
6	**IMPAIRMENT LOSSES RELATING TO LOANS, ADVANCES AND OTHER RECEIVABLES, ETC**		
	Individual impairment losses		
	Impairment losses for the year	26,912	6,538
	Reversal of write-downs for impairment made in prior financial years*)	9,071	11,962
	Finally lost but no previous write-down for impairment made	1,507	132
	Recovered from claims previously written off	156	412
	Total individual impairment losses	**19,193**	**-5,704**
	Group-based impairment losses		
	Impairment losses for the year	-242	48
	Reversal of write-downs for impairment made in prior financial years	0	0
	Total group-based impairment losses	**-242**	**48**
	Total impairment losses relating to loans	**18,951**	**-5,656**
	*) Including interest of DKK 2,299k on impaired loans for 2008 (2007: DKK 1,068k)		
7	**INCOME TAX**		
	Estimated tax calculated on profit for the period	-4,953	8,134
	Deferred tax	1,867	-1,298
	Total income tax	**-3,086**	**6,836**

Specifications to the income statement

Note		2008 DKK 1,000	2007 DKK 1,000	Year-end 2007 DKK 1,000
8	**RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS**			
	Receivables at call from central banks	100,000	100,000	100,000
	Receivables from credit institutions	156,985	218,346	250,348
	Total receivables from credit institutions and central banks	**256,985**	**318,346**	**350,348**
9	**LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST**			
	Individual impairment losses			
	Impairment losses at 1 January	62,705	68,883	68,883
	Reversal of interest on impaired loans relating to prior financial years	3,292	6,146	6,146
	Impairment losses at 1 January	65,997	75,029	75,029
	Impairment losses for the year	26,641	6,534	21,711
	Reversal of write-downs for impairment made in prior financial years	5,434	10,571	22,531
	Interest on impaired loans	2,299	1,068	3,292
	Recorded losses previously written off	14,151	1,499	8,212
	Balance of impairment losses end of period	70,755	68,425	62,705
	Group-based impairment losses			
	Impairment losses at 1 January	2,296	3,104	3,104
	Impairment losses for the year	0	48	0
	Reversal of write-downs for impairment made in prior financial years	242	0	808
	Balance of group-based impairment losses end of period	2,054	3,152	2,296
	Total balance of impairment losses end of period	**72,809**	**71,577**	**65,001**
10	**BONDS**			
	Bonds at fair value	883,367	1,067,106	769,673
	Total bonds at fair value	**883,367**	**1,067,106**	**769,673**

Specifications to the balance sheet

Note		2008 DKK 1,000	2007 DKK 1,000	Year-end 2007 DKK 1,000
11	**SUBORDINATE DEBT**			
	Subordinate loan capital	425,000	375,000	425,000
	Hybrid core capital	100,000	100,000	100,000
	Total subordinate debt	**525,000**	**475,000**	**525,000**

Subordinated debt comprises seven loans of DKK 50m, 75m, 50m, 100m, 100m, 100m and 50m respectively.

The first loan is a bullet loan in DKK which matures on 24 March 2012. The loan can be prepaid on 24 March 2012 and bear 4.89% interest from 24 March 2004 to 24 March 2009. If the loan is not paid on 24 March 2009 it will be subject to a variable interest rate of 6 month Cibor +3.00% until expiry.
Interest for H1 2008 amounted to DKK 1,216k.

The second loan is a bullet loan in DKK which matures on 1 November 2012. The loan can be prepaid on 1 November 2009, and the loan bears variable interest of 6 month Cibor +1.45%. If the loan is not paid on 1 November 2009, it will be subject to a variable rate of 6 month Cibor +2.95% until expiry. Interest for H1 2008 amounted to DKK 2,415k.

The third loan is a bullet loan in DKK which matures on 30 June 2013. The loan can be prepaid on 30 June 2010 and bear 3.92% interest from 30 June 2005 to 30 June 2010. If the loan is not paid on 30 June 2010 it will be subject to a variable interest rate of 3 month Cibor +2.75% until expiry. Interest for H1 2008 amounted to DKK 975k.

The fourth loan consists of capital certificates in the form of hybrid capital in DKK. The capital certificates are of infinite maturity and can be prepaid on 1 May 2016. From 28 March 2006 to 1 May 2016 the capital certificates bear variable interest of 3 month Cibor + 1.85%. From 1 May 2016 the capital certificates are subject to variable interest of 3 month Cibor +2.85%. Interest for H1 2008 amounted to DKK 3,368k.

The fifth loan is a bullet loan in DKK which matures in September 2014. The loan can be prepaid in September 2011, and the loan bears variable interest of 6 month Cibor +1.20%. If the loan is not paid in September 2011, it will be subject to a variable rate of 6 month Cibor +2.70% until expiry. Interest for H1 2008 amounted to DKK 3,073k.

The sixth loan consists of capital certificates in the form of hybrid capital in DKK. The capital certificates are of infinite maturity and can be prepaid on 1 May 2016. From 28 March 2006 to 1 May 2016 the capital certificates bear variable interest of 3 month Cibor + 1.85%. From 1 May 2016 the capital certificates are subject to variable interest of 3 month Cibor +2.85%. Interest for H1 2008 amounted to DKK 3,010k.

The seventh loan is a bullet loan in DKK which matures in September 2014. The loan can be prepaid in September 2011, and the loan bears variable interest of 6 month Cibor +1.20%. If the loan is not paid in September 2011, it will be subject to a variable rate of 6 month Cibor +2.70% until expiry. Interest for H1 2008 amounted to DKK 1,548k.

All seven loans to a nominal value of DKK 525 million are included in the statement of the capital base to the full amount.

Specifications to the balance sheet

Note		2008 DKK 1,000	2007 DKK 1,000	Year-end 2007 DKK 1,000
12	**STATEMENT OF CHANGES IN EQUITY**			
	Equity at beginning of year	**489,498**	**480,541**	**480,541**
	Dividends	-6,210	-6,210	-6,210
	Income or expenses for the period recognised directly in equity	280	71	2,428
	Purchase and sale of own shares	-3,493	-4,375	-31,992
	Profit for the period	3,735	26,577	44,733
	Equity end of period	**483,809**	**496,604**	**489,498**

The share capital amounts to DKK 41.4m and consists of 2,070,000 shares with a nominal value of DKK 20 each. The Bank's treasury share portfolio consists of 83,728 shares (2007: 27,338 shares), corresponding to 4.04% of the share capital. The shares were acquired as part of ordinary trading.

Note		2008 DKK 1,000	2007 DKK 1,000	Year-end 2007 DKK 1,000
13	**CONTINGENT LIABILITIES**			
	Guarantees, etc.			
	Financial loan guarantees	1,196,532	1,484,476	1,535,494
	Loss guarantees for mortgage loans *)	451,281	1,060,925	1,141,081
	Registration and refinancing guarantees	115,161	131,746	139,240
	Other guarantees	342,014	364,341	319,120
	Total guarantees, etc.	**2,104,987**	**3,041,488**	**3,134,935**
	Other contingent liabilities			
	Other commitments	1,751	2,164	2,138
	Total other contingent liabilities	**1,751**	**2,164**	**2,138**

*) The Bank has adopted the new model of cooperation for provision of Totalkredit loans (referred to as the set-off model). As a result of this change, our guarantee and contingent liabilities towards Totalkredit are reduced. The model is expected to be fully implemented during H2.

Note		2008 DKK 1,000	2007 DKK 1,000	Year-end 2007 DKK 1,000
14	**CAPITAL ADEQUACY REQUIREMENTS** *)			
	Core capital after statutory deductions	559,054	542,961	557,865
	Capital base net of deductions	995,555	936,517	1,001,542
	Weighted items outside the trading portfolio	5,891,462	5,737,707	6,392,918
	Weighted items with a market risk, etc.	405,542	482,984	529,399
	Total weighted items	**6,297,004**	**6,220,691**	**6,922,317**
	Core capital net of statutory deductions as a percentage of weighted items	8.9%	8.7%	8.1%
	Capital adequacy ratio under section 124(1) or section 125(1) of the Danish Financial Business Act.	**15.8%**	**15.1%**	**14.5%**

*) Calculated applying the rules of the Danish Financial Supervisory Authority's Executive Order on Capital Adequacy.

Accounting policies

The interim report is presented in accordance with the Danish Financial Business Act. Further, the interim report has been prepared in accordance with additional Danish disclosure requirements for listed financial companies. We consider the accounting policies appropriate for the interim report to provide a true and fair view of the Bank's financial position and results.

The interim report has been presented applying the accounting policies consistently with last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Bank, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Bank, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at fair value. However, intangible assets and property, plant and equipment are measured at cost at the time of the initial recognition. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the interim report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. However, increases in value of owner-occupied property are recognised directly in equity.

Purchase and sale of financial instruments are recognised on the trading date.

Accounting estimates

Stating the carrying amount of certain assets and liabilities is related to an estimate of how future events affect the value of such assets and liabilities. The most significant estimates relate to impairment losses on loans and advances, provisions for guarantees, determination of the fair value of unlisted financial instruments as well as provisions.

The estimates are based on assumptions, which are considered reasonable by Management, but which are uncertain. Furthermore, the Bank is subject to risk and uncertainty that may result in deviations of the actual results from the estimates. Measurement of the fair value of unlisted financial instruments is therefore subject to significant estimates.

For write-down on loans and receivables, significant estimates are related to the quantification of the risk that not all future payments are received.

Changes in accounting estimates

The Bank has so far based its group-based assessment of loans, advances and receivables on an informed estimate. The Bank has used a proper model in the preparation of the annual report for 2007. The switch from an informed estimate to a proper model has been accounted for as a change of accounting estimate.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the closing exchange rate at the balance sheet date. Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date or the balance sheet date are recognised in the income statement as exchange adjustments.

Non-monetary assets and liabilities acquired in foreign currencies which are not revalued at fair value are not subjected to market value adjustment.

Hedge accounting

The Bank does not apply the rules on hedge accounting.

INCOME STATEMENT

Interest, fees and commissions

Interest income and interest expenses are recognised in the income statement in the period to which they relate. Commission and fees, which are integrated parts of the effective interest rate on loans, are recognised as a part of amortised cost and thereby as an integrated part of the financial instrument (loans) under interest income.

Commission and fees which are part of a current payment are accrued over the term of the loan. Other fees are recognised in the income statement at the date of transaction.

Interest on written-down loans is recognised under write-downs on loans and receivables, etc.

Staff costs and administrative expenses

Staff costs comprise salaries and wages, social security costs, pension contributions, etc. for the Bank's staff. Costs for payments and benefits for employees, including anniversary bonuses and severance payments, are recognised concurrently with the employees' performance of such work as entitle them to receive the payments and benefits concerned.

Costs for incentive programmes are recognised in the income statement in the financial year to which the cost is related.

Pension plans

The Bank has entered into defined contribution plans with its employees. In the defined contribution plans, fixed contributions are paid to an independent pension fund. The Bank has no obligation to pay any further contributions.

The Bank also has defined benefit plans previously entered into for Management, and two of these plans still exist.

Under the defined benefit plans, the Bank is obliged to pay a defined benefit when a member of Management retires. Obligations of this kind are calculated using an actuarial discounting of pension commitments to present value. The net present value is calculated on the basis of assumptions of future developments in interest rates, inflation and mortality. The Bank's current Management is not covered by these plans.

Taxation

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year and classified directly as equity by the portion attributable to entries directly in equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Bank is taxed jointly with Nauca A/S and AdministratorGruppen AS.

THE BALANCE SHEET

Cash and demand deposits with central banks

Cash and demand deposits with central banks comprise cash holdings as well as demand deposits with central banks.

The item is measured at amortised cost.

Receivables from credit institutions and central banks

Receivables from credit institutions and central banks comprise receivables from other credit institutions as well as time deposits with central banks.

The item is measured at amortised cost.

Loans and advances

This item consists of loans and advances which have been paid directly to the borrower.

Listed loans and advances and those forming part of a trading portfolio are measured at fair value. Other loans and advances are measured at amortised cost which usually corresponds to the nominal value minus front-end fees, etc and minus any write-downs for impairment for occurred but not yet realised losses.

Write-down for bad and doubtful debts is made when there is objective evidence of impairment. Write-down for impairment is made by the difference between the carrying amount before write-down and the present value of the expected future payments on the loan or advance.

Write-down for impairment is made both on individual and group basis.

The group-based assessment is performed on groups of loans, advances and receivables with similar characteristics as regards credit risk. The Bank has 11 groups containing one group of public authorities, one group of private customers and nine groups of corporate customers as the corporate customers are broken down by sector groups.

The group-based assessment is made by applying a segmentation model developed by the association Lokale Pengeinstitutter, which is responsible for current maintenance and development. The segmentation model determines the correlation of the individual groups between realised losses and a number of significant explanatory macroeconomic variables through a linear regression analysis. The explanatory macroeconomic variables include unemployment, real property prices, interest rate, number of bankruptcies/compulsory sales, etc.

The macroeconomic segmentation model has been set up on the basis of loss data for the entire banking sector. Max Bank has assessed the model estimates and adjusted them.

This assessment has led to an adjustment of the model estimates to own conditions after which the adjusted estimates form the background for the calculation of the group-based write-down. An estimate is produced for each group of loans and receivables that expresses the impairment in percent related to a given group of loans and receivables at the balance sheet date. When comparing with the individual loan's original risk of loss at the time of establishment and the loan's risk of risk in the beginning of the current financial period, the individual loan's contribution to the group-based write-down is obtained. The write-down is calculated as the difference between the carrying amount and the discounted value of the expected future payments.

Bonds

Bonds and mortgage deeds traded on active markets are measured at fair value. The fair value is calculated on the basis of the closing price on the relevant market at the balance sheet date.

Shares

Shares traded on active markets are measured at fair value. The fair value is calculated on the basis of the closing price at the balance sheet date. Unlisted and non-liquid shares, for which calculation of a reliable fair value is not deemed possible, are measure at cost.

Investments in group enterprises and associates

An associate is an enterprise over which the Group may exercise significant, but not controlling influence. A group company is an enterprise over which the Group may exercise controlling influence.

Investments in group enterprise

Shares in the subsidiary Nauca A/S and AdministratorGruppen AS have been measured under the equity method with addition of goodwill.

Property, plant and equipment

On initial recognition, property, plant and equipment are measured at cost. Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

Owner-occupied property is property which the Bank itself uses for administration, branches or other service operations. Subsequent to initial recognition, owner-occupied property is measured at revalued amount. Revaluation is made so often that no significant differences occur in relation to the fair value. External experts are not involved in the measurement of owner-occupied property.

Increases in the properties' restated value is recognised directly in equity as a revaluation reserve. Any decrease in value is recognised in the income statement unless it is considered a reversal of previous revaluations.

Depreciation is calculated based on the revalued amount. Owner-occupied property is depreciated over a period of 50 years.

Other property, plant and equipment comprise machinery, equipment, safety deposit facilities, computer equipment and leasehold improvements and are measured at cost minus accumulated depreciation and impairment losses. Straight-line depreciation is made on the basis of the following assessment of other assets' expected useful lives which are estimated to be from 3 to 7 years.

Other property, plant and equipment are tested for impairment when there is evidence of impairment, and they are written down to the recoverable amount which is the higher of net realisable value and value in use.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other financial liabilities

Other financial liabilities are measured at amortised cost which usually corresponds to nominal value.

Provisions

Liabilities, guarantees and other liabilities, which are uncertain in terms of amount or time of settlement, are recognised as provisions when it is probable that the liability will lead to a consumption on the enterprise's financial resources, and the liability can be measured reliably. The liability is stated at present value of those costs necessary to meet the obligation. Provisions for staff commitments are made using a statistical actuarial basis. Liabilities due more than 12 months after the period during which they arise are discounted.

However, guarantees are not measured at an amount lower than the commission received for the guarantee accrued over the guarantee period.

Dividends

Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

Own shares

Acquisition and selling prices as well as dividends on own shares are recognised directly in retained earnings under equity.

Derivative financial instruments

Derivative financial instruments are measured at fair value. Derivative financial instruments are recognised under other assets or other liabilities.

Financial highlights

Financial highlights have been prepared in accordance with the requirements of the Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies to this effect.

The ratios applicable from 1 January 2004 are stated in the Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies but are defined in the financial reporting guidelines for credit institutions and investment companies, etc. (Appendix 6).

Distribution of loans, advances and guarantees within the industry groups "Building and construction" and "Property management and trade, business services"

At 30 June 2008, Max Bank's loans, advances and guarantees are distributed on corporate and private customers as follows:

7.1%	Agriculture, hunting and forestry
5.0%	Manufacturing, raw material extraction, utilities
8.8%	Building and construction
5.7%	Trade commerce, restaurants and hotels
1.4%	Transport, mail and telephone
2.6%	Credit, finance and insurance
1.2%	Fishery
29.7%	Property management and trade, business services
11.5%	Other industries
27.0%	Private
100.0%	Total

In order to uphold our general view on the greatest possible transparency, Max Bank has decided to supplement the interim financial report with an elaborate report, in which the Bank "opens the books" as to the exposure in relation to the industries "Building and construction" and "Property management and trade, business services".

In order to facilitate understanding of the risk profile, we outline the composition of the commitments in the various sub-groups below.

Building and construction

3.0%	Preparatory building site works, building and engineering contractors
1.6%	Carpenter and joiner businesses
2.0%	Related to investment credits only
2.2%	Other building and construction
8.8 %	Total Building and construction

Property management and trade, business services

6.2%	Co-operative dwellings, private lease of housing units
10.8%	Lease of commercial properties
4.9%	Property-related limited partnership projects
2.3%	Project development
1.2%	Share related to investment credits
4.3%	Other
29.7%	Total Property management and trade, business services

General points on the sub-group Property management, etc

Max Bank has throughout many years obtained a special expertise within this area.

In accordance with the Bank's credit policy, the Bank requires that property projects have a positive cash flow in order to partake in the funding of them. The Bank has not taken part in funding of property projects with a low internal rate of return/yield rate, which ia has characterised the Copenhagen market. During the last two years, this has prompted the Bank to pursue an extremely selective and cautious strategy on the market.

In the past two years, Max Bank has gradually reduced its exposure in relation to this sub-group in absolute amounts. In specific terms, the exposure on loans, advances and guarantees has been reduced from DKK 2.2b to DKK 2.0b during H1 2008. When the percentage exposure has gone up nonetheless, this is primarily attributable to the Bank's balance sheet having been reduced as a result of the lapse of Totalkredit guaranties of approx DKK 1.0b.

This is the result of a changed method of cooperation with Totalkredit.

Important properties and projects have been inspected and assessed by the Bank's own valuation experts, and a credit rating of the lessees has been prepared. The concluded lease agreements should, as a main rule, have a long-term structure.

The Bank attaches great importance to professional management of the properties.

Points on property-related limited partnership projects
Historically, Max Bank has been involved in limited partnership projects for many years, and the Bank has obtained a cutting edge competence in this area with its own team of experts that possess extensive specialist knowledge on measurement and legislation in this field. The Bank has never incurred a loss on a limited partnership project. We have, moreover, decided to cooperate only with some of the country's largest and most experienced limited partnership suppliers. Please note that the Bank has a 50% counter-guarantee from a partner bank for commitments totalling approx DKK 120m.

During the past two years, Max Bank has provided funding only to a small number of property-related limited partnership projects. This is a deliberate policy which also conforms to the fact that the bona fide suppliers have reduced the supply due to the increasing level of interest having strained the projects' sustainability.

The limited partnership project should be sustainable in itself without recognition of the investor's tax saving.

The Bank always retains full mortgage on the properties, and the limited partnership partners have all made a reasonable capital contribution. Joint guarantees have also been provided with surplus cover for all limited partnership partners, who have also been credit-rated and approved individually. Current income data and financial information are also obtained for all partners in connection with the annual prolongation of commitments.

Max Bank has provided funding to property-related limited partnership projects in Denmark, Sweden and Germany.

Points on rental properties, corporate and private, as well as co-operative dwellings
The Bank's property portfolio principally consists of favourably located office and business properties, co-operative housing societies and properties for rental housing. No material loans have been granted to more specific properties, including hotels and industrial properties.

As a result of the market development during the past two years with low internal yield rates and an increasing external interest level, the Bank has pursued a rather modest strategy when it comes to funding of new properties.

Points on project development, including building and construction

This sub-group typically comprises construction sites or properties that have been acquired for development and resale of either housing or non-residential projects, but where 75% of the project remains to be sold or leased. This group also includes projects in progress that fulfil the specified preconditions as to sale and lease.

The sub-group ”Building and construction” also includes operating and construction finance of contractors and builders.

Points on investment credits
Investment credits are related to ”Property management and trade, business services” if the debtor is an enterprise within this industry group – also when the Bank has no other business with this enterprise, which is frequently the case. These commitments are hedged by way of the underlying investment objects which almost exclusively comprise listed securities recognised at the current market rate.