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QUARTERLY REPORT

Q1 2008

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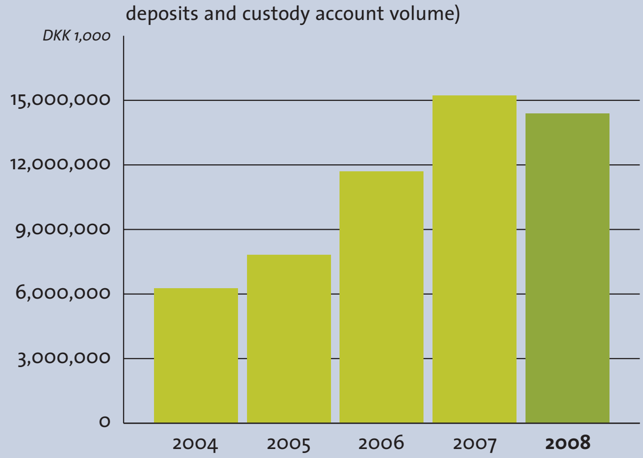
5-year financial highlights

	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 Q1					
Net interest and fee income	57,385	55,137	66,261	42,015	36,332
Other operating income	9,306	34	76	63	176
Staff costs and administrative expenses, etc.	48,082	47,243	39,277	30,396	27,989
Impairment losses on loans and advances, ect.	1,828	-3,342	-707	-239	4,550
Profit/loss from investments in associates and group enterprises	0	-1,600	0	0	1,211
Profit excluding value adjustment and tax	16,781	9,670	27,767	11,921	5,180
Value adjustments	9,071	13,747	2,370	4,495	6,416
Profit before tax	25,852	23,415	30,137	16,416	11,596
Profit after tax	21,324	17,190	21,802	10,611	8,140
Balance sheet at 31 March					
Loans	4,591,844	3,788,000	2,928,217	2,022,434	1,385,211
Guarantees	3,087,889	2,907,091	2,133,835	1,516,375	1,124,318
Deposits	2,819,179	2,879,958	2,213,039	1,720,320	1,380,095
Equity at year-end	498,797	488,906	359,468	293,841	285,496
Balance sheet total	6,398,768	5,435,781	3,860,101	2,770,117	2,022,506
Custody account volume	3,887,646	5,638,530	4,428,873	2,552,844	2,382,580
Business volume	14,386,558	15,213,579	11,703,964	7,811,973	6,272,204
Ratios for Q1					
Return on equity before tax (p.a.)	20.9%	19.3%	34.3%	22.2%	16.3%
Return on equity after tax (p.a.)	17.3%	14.2%	24.8%	14.3%	11.5%
Capital adequacy ratio	15.5	14.3	14.9	13.0	13.9
Closing price of the share	284	554	525	335	232
Equity value of share	252	239	209	172	157
Number of employees (average)	205	213	184	142	130

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 0k (2007: DKK 816k) under impairment losses on loans and advances. The comparative figures for 2004-2005 have not been restated.

Profit before tax in Q1

Business volume Q1 (Sum of guaranties, loans, deposits and custody account volume)



Max Bank improves profit after tax by 24% to DKK

Summary

This good news takes up a lot of space in Max Bank's report for Q1 2008. Profit after tax is DKK 21.3m, which is 24% up on the same period last year.

The reason is an improved balance between the items income and expenses as well as extraordinary income from the sale of property and an extra profit from Totalkredit. Total staff costs and administrative expenses have gone down, and since interest earnings have seen a fair rise, the result is improved core earnings. In addition, the sale of the Bank's former head office generated a profit of DKK 9.3m. Also, the Bank realised an extra profit of DKK 15.1m in Q1 from the divestment of Totalkredit.

The not so good news is that the turbulence in the financial markets have caused additional interest expenses on the funding account. Furthermore the slide in stock market prices since New Year has reduced investment activities, which has resulted in a decline in commission income as well as losses on the Bank's otherwise relatively modest share portfolio which is offset against the profit from the divestment of Totalkredit.

Growth slowdown

Recent years' strong growth in Max Bank's total business volume has in Q1 2008 dampened considerably. The Bank's total business volume consequently dropped by approx DKK 2.6bn to DKK 14.4bn compared to the beginning of the quarter. Especially the Bank's custody account volume dropped, partly as a result of the slide in market prices, which has reduced the share price of the custody accounts, just as many customers have sold their investment portfolios, and partly because investment credits of approx DKK 500m expired by the end of February.

The drop in deposits is caused by the Bank not having needed to perform actively in the competition to attract deposits. The Bank has a good and long-term funding, which is emphasised by the fact that the already high cash excess cover has gone up to 94% by the end of Q1 2008.

Compared to the same period last year, loans and advances have increased substantially by 21% to DKK 4.6bn. Guarantees have gone up by 6% to DKK 3.1bn while deposits have decreased slightly by 2% to DKK 2.8bn.

Reasonable earnings increase

In Q1 2008, Max Bank had net interest income of DKK 36.7m. This in an increase of 12%, and seen in the light of the considerable increase in interest expenses for funding, this development is satisfactory.

Fee and commission income has decreased by DKK 1.9m to DKK 23.0m, which is primarily a result of a slowdown in the customers' securities trading.

Nevertheless, total net interest and fee income has experienced a modest rise of 4% to DKK 57.4m.

Profit from sale of head office

In addition to interest and fee income, Max Bank has realised a profit of DKK 9.3m from the sale of its present head office in Jernbanegade, Næstved. The profit of DKK 9.3m accounts for the difference between the selling price of the property and the carrying amount. The head office has been sold as the Bank will in the beginning of 2009 move to new premises in the beginning of 2009, which are being built on Næsted Harbour.

Price slide burdens market value adjustments

The development in the share market has in particular put a strain on Q1 performance. The market value adjustments are actually positive by DKK 9.1m, but they include profit from sale of the Bank' shares in Totalkredit by DKK 15.1m. So, the Bank has seen a net capital loss on its securities portfolio of approx DKK 6m.

Kinked cost curve
Staff costs and administrative expenses have in Q1 decreased slightly on the same period the year before, which is a positive development. This is a result of the average number of the Bank's employees having gone down from 213 to 205. Despite the Bank having opened the Corporate and Investment Center in Århus in this period and has had to apply additional resources to solve the many new administrative tasks that have been assigned to financial industry. Apart from this, the decline in costs is a result of intensive efforts to change the cost curve, initiated in the summer of 2007.

Return to more normal write-down for impairment
The development in impairment losses on loans, advances and guarantees in Q1 indicates a return to more normal conditions. Accordingly, Max Bank has had to write down DKK 1.8m for impairment, where write-downs for impairment in the same period last year amounted to an income of DKK 3.3m. However, the level must still be considered quite modest.

Profit after tax is up by 24% on last year
The Bank's profit before tax amounts to DKK 25.9m against DKK 23.4m last year. The Bank's profit after tax, which is calculated at DKK 4.5m, amounts to DKK 21.3m compared with DKK 17.2m in 2007, which is an improvement of 24%.

Considerable capital and cash resources
After transfer of profit for the period, Max Bank's equity totals DKK 498.8m against DKK 488.9m at the same time last year. After addition of subordinate debt of DKK 525m as well as deductions in accordance with Danish Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies, etc, Max Bank's capital base amounted to DKK 1,013m by the end of Q1.

The performance for the period generates a return of 20.9% p.a. before tax and 17.3% p.a. after tax on the Bank's equity.

Max Bank has immense capital and cash resources by the end of Q1. The capital base of DKK 1,013m accordingly corresponds to a capital adequacy ratio of 15.5% on 14.3% a year ago. Max Bank has estimated the capital adequacy requirement at 8.4% under the new Basel II rules, and the capital adequacy ratio of 15.5% is therefore a considerable excess cover.

To this should be added that the Bank's cash resources are now greater than they have been in the past five years. Triggered by the turbulence in the cash market, Max Bank has strengthened its cash resources considerably in the past year, which is attributable to a good and long-term funding policy. A year ago, the cash resources corresponded to an excess cover of 69% in relation to statutory requirements. By the turn of the year, this had improved to 85%, and by the end of Q1, the cash excess cover is estimated at 94%.

New cooperation model with Totalkredit/Nykredit boosts capital adequacy further
As mentioned in Stock Exchange Announcement no 8 of 6 March 2008, the banks behind Totalkredit have been offered a new and improved cooperation agreement based on the 2003 agreement which was concluded when Nykredit acquired Totalkredit.

The new agreement basis implies as previously mentioned recognition of a capital gain of DKK 15.1m as income. In addition, the new agreement entails that Max Bank changes from the applicable loss guarantee model to a set-off model with effect from 1 April 2008. In future, any loss on Totalkredit loans, mediated by Max Bank, will be set off against current commission which the Bank receives from Totalkredit for its effort and servicing of the borrowers until the entire loss realised has been covered.

For Max Bank, the switch to the set-off model implies that loss guarantees of approx DKK 990m towards Totalkredit ceases to apply. This reduces the risk-weighted items, which all things being equal results in an improvement of the Bank's capital adequacy by approx 0.8 percentage points from Q2 2008.

New CEO

In Stock Exchange Announcement no 11 of 27 March 2008, Max Bank announced its hiring of Henrik Lund as new CEO with effect from 1 August 2008. Henrik Lund, who is 43 years old, comes from a position as Branch Manager with Danske Bank in Fredericia. Henrik Lund will, together with Hans Verner Larsen, represent the Executive Board of Max Bank.

The Max Bank share

Since the turn of the year, the Max Bank share has been impacted by heavy price falls. It is however important to note that the price fall on our shares came later than price falls on comparable shares.

The bank shares in the Small and Midcap+ indices, with which Max Bank usually compares itself, had, by the end of Q1, dropped by 49% on average from the respective shares' absolute peak levels in 2007. The indices comprise 16 bank shares, and of these, several have dropped by 60% or more. By way of comparison, the Max Bank share has gone down by 53%.

Expectations for 2008
and special risk factors

In connection with presenting the financial statements for 2007, the Bank announced its earnings expectations before translation/market value adjustments and tax for all of 2008 at the level of DKK 40m. The Bank maintains these expectations.

The share market development has put a strain on the Bank's translation/market value adjustments. Please note that the translation/market value adjustments for the year will be positively affected by the subsequent adjustment of DKK 15.1m from the sale of Totalkredit which was recognised as income in Q1 2008.

The uncertainty about the coming quarters' development primarily relates to the way in which the market trends will affect the Bank's business volume and impairment losses for the rest of the year. The development in Q1 may indicate a relatively dramatic slowdown in especially loans and advances, just as guarantees will decline as a result of the changed agreement with Totalkredit. However, the Bank still expects growth in loans and advances for the year as a whole, and impairment losses are expected only to constitute a moderate item of expense.

Related party transactions

Dan Andersen, Næstved, COMING/1: Publicity, advertisements and marketing of DKK 2.0m 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 remain unchanged compared to the annual report for 2007.

Financial calendar

5 August 2008.
Interim report for the first half of 2008.
28 October 2008.
Quarterly report for Q1-Q3 2008.

...continued

Statement by Management on the quarterly report

We have today presented and adopted the quarterly report of Max Bank A/S for the financial period 1 January to 31 March 2008.

The quarterly report has been presented in accordance with the Financial Supervisory Board's Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies, etc as well as additional Danish disclosure requirements for listed financial companies.

We consider the applied accounting policies appropriate for the quarterly report to give a true and fair view of the Group's financial position at 31 March 2008 and of the Bank's activities and cash flows for the financial period 1 January to 31 March 2008.

In our view, the management's review gives a fair presentation of the development in the Bank's activities and finances, the profit for the period and the Bank's financial position as a whole as well as a description of the material risks and uncertainties facing the Bank.

The quarterly report has not been audited or reviewed.

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 Q1					
Capital adequacy ratio	15.5%	14.3%	14.9%	13.0%	13.9%
Core capital ratio	8.8%	9.6%	9.3%	8.6%	11.1%
Return on equity for the period before tax	5.2%	4.8%	8.6%	5.5%	9.1%
Return on equity for the period after tax	4.3%	3.5%	6.2%	3.6%	6.3%
Operating income over operating expenses	DKK 1.52	DKK 1.53 kr.	DKK 1.78	DKK 1.54	DKK 1.36
Interest-rate risk	3.6%	4.2%	4.2%	3.4%	2.9%
Currency position	1.8%	1.7%	8.8%	1.4%	2.3%
Currency risk	0.0%	0.0%	0.0%	0.0%	0.0%
Loans plus impairment losses thereon in ratio to deposits	165.1%	134.2%	136.4%	123.1%	107.9%
Excess liquidity in relation to statutory requirements of liquidity	94.0%	69.4%	67.7%	50.2%	76.7%
The sum of large exposures	148.5%	216.7%	153.2%	159.3%	99.8%
Accumulated impairment ratio	0.8%	1.2%	1.8%	2.6%	4.0%
Semiannual impairment ratio	0.0%	0.0%	0.0%	0.0%	0.2%
Growth in loans for the period	-7.4%	3.2%	24.5%	7.4%	1.7%
Loans in ratio to equity	9.2	7.7	8.1	6.9	4.9
Semiannual earnings per share (denomination DKK 100)	DKK 66.5	DKK 48.4	DKK 61.8	DKK 42.5	DKK 50.0
Equity value over net asset value (denomination DKK 100)	DKK 1,262	DKK 1.195	DKK 1.043	DKK 859	DKK 784
Price/equity value per share (denomination DKK 100)	1.12	2.32	2.52	1.95	1.48

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 0k (2007: DKK 816k) under impairment losses on loans and advances. The comparative figures for 2004-2005 have not been restated.

Income statement for Q1

Note		**2008** DKK 1,000	2007 DKK 1,000
	INCOME STATEMENT		
1	Interest income	101,898	67,874
2	Interest expenses	65,180	35,224
	Net interest income	**36,718**	**32,650**
	Dividends from shares, ect.	158	135
3	Fees and commission income	23,024	24,886
	Ceded fees and commission expenses	2,515	2,534
	Net interest and fee income	**57,385**	**55,137**
4	Value adjustments	9,071	13,747
	Other operating income	9,306	34
5	Staff costs and administrative expenses	44,264	44,434
	Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment	3,818	2,809
	Other operating expenses	0	0
6	Impairment losses relating to loans, receivables and other receivables, etc.	1,828	-3,342
	Profit/loss from investments in group enterprises	0	-1,600
	Profit before tax	**25,852**	**23,415**
7	Income tax	4,528	6,225
	Profit	**21,324**	**17,190**

Balance sheet at 31 March

Note		2008 DKK 1,000	2007 DKK 1,000	Year-end 2007 DKK 1,000
	ASSETS			
	Cash holdings and demand deposits with central banks	195,555	478,207	540,723
8	Receivables from credit institutions and central banks	263,095	264,400	350,348
9	Loans, advances and other receivables at amortised cost	4,591,844	3,788,000	4,957,773
10	Bonds at fair value	1,065,513	607,019	769,673
	Shares, etc.	178,234	193,785	181,841
	Investments in group enterprises	10,826	13,492	10,826
	Total land and buildings	4,073	14,632	17,087
	Owner-occupied properties	4,073	14,632	17,087
	Other property, plant and equipment	34,053	33,940	37,401
	Current tax assets	1,964	3,456	1,692
	Deferred tax assets	9,447	7,518	6,746
	Other assets	44,164	31,332	64,868
	Total assets	**6,398,768**	**5,435,781**	**6,938,978**
	EQUITY AND LIABILITIES			
	Payables to credit institutions and central banks	2,444,530	1,600,934	2,610,068
	Deposits and other payables	2,819,179	2,879,958	3,228,357
	Current tax payable	0	2,146	0
	Other liabilities	99,029	74,658	73,787
	Deferred income	129	152	131
	Total payables	**5,362,867**	**4,557,848**	**5,912,343**
	Provisions for pensions and similar obligations	10,420	11,250	10,420
	Provisions for loss on guarantees	1,684	2,777	1,717
	Total provisions	**12,104**	**14,027**	**12,137**
11	Subordinate debt	525,000	375,000	525,000
	Total subordinate debt	**525,000**	**375,000**	**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	2,128	2,305
	Statutory reserves	2,305	2,128	2,305
	Retained earnings	363,095	353,381	351,439
12	**Total equity**	**498,797**	**488,906**	**489,498**
	Total equity and liabilities	**6,398,768**	**5,435,781**	**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	7,390	3,870
	Loans, advances and other receivables	83,976	58,022
	Bonds	7,489	5,565
	Total derivative financial instruments	3,043	417
	Of these Foreign exchange contracts	3,052	166
	Interest rate contracts	205	227
	Share contracts	-214	24
	Other interest income	0	0
	Total interest income	**101,898**	**67,874**
2	**INTEREST EXPENSES**		
	Credit institutions and central banks	29,070	13,682
	Deposits and other payables	28,414	16,774
	Subordinate debt	7,696	4,768
	Other interest expenses	0	0
	Total interest expenses	**65,180**	**35,224**
3	**FEES AND COMMISSION INCOME**		
	Securities trading and custody accounts	6,146	7,979
	Payment services	2,263	2,133
	Loan fees	1,744	2,059
	Guarantee commission	7,828	7,894
	Other fees and commissions	5,043	4,821
	Total fees and commission income	**23,024**	**24,886**
4	**VALUE ADJUSTMENTS**		
	Other loans, advances and receivables at fair value	8	8
	Bonds	-1,047	775
	Shares, etc.	11,589	10,091
	Foreign exchange	564	1,516
	Foreign exchange, interest rate, share, commodity and other contracts as well as derivative financial instruments	-2,043	1,357
	Total value adjustments	**9,071**	**13,747**
5	**STAFF COSTS AND ADMINISTRATIVE EXPENSES**		
	Remuneration of Supervisory and Executive Boards		
	Executive Board	595	794
	Supervisory Board	269	286
	Total	**864**	**1,080**
	Staff costs		
	Wages and salaries	20,472	19,340
	Pensions	2,302	2,237
	Social security expenses	2,159	2,148
	Total	**24,933**	**23,725**
	Other administrative expenses	18,467	19,629
	Total staff costs and administrative expenses	**44,264**	**44,434**

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	7,866	3,644
	Reversal of write-downs for impairment made in prior financial years*)	4,337	6,817
	Finally lost but no previous write-down for impairment made	111	62
	Recovered from claims previously written off	69	279
	Total individual impairment losses	**3,570**	**-3,390**
	Group-based impairment losses		
	Impairment losses for the year	0	48
	Reversal of write-downs for impairment made in prior financial years	1,742	0
	Total group-based impairment losses	**-1,742**	**48**
	Total impairment losses relating to loans	**1,828**	**-3,342**
	*) Including interest of DKK 0k on impaired loans for 2008 (2007: DKK 816k)		
7	**INCOME TAX**		
	Estimated tax calculated on profit for the period	7,229	6,531
	Deferred tax	-2,701	-306
	Total income tax	**4,528**	**6,225**
	Applicable tax rate	25.0%	28.0%
	Permanent differences	-7.5%	-1.4%
	Effective tax rate	**17.5%**	**26.6%**

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	163,095	164,400	250,348
	Total receivables from credit institutions and central banks	**263,095**	**264,400**	**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	7,595	3,640	21,711
	Reversal of write-downs for impairment made in prior financial years	4,033	5,677	22,531
	Interest on impaired loans	0	816	3,292
	Recorded losses previously written off	7,843	811	8,212
	Balance of impairment losses end of period	61,716	71,365	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	1,742	0	808
	Balance of group-based impairment losses end of period	554	3,152	2,296
	Total balance of impairment losses end of period	**62,270**	**74,517**	**65,001**
10	**BONDS**			
	Bonds at fair value	1,065,513	607,019	769,673
	Total bonds at fair value	**1,065,513**	**607,019**	**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	275,000	425,000
	Hybrid core capital	100,000	100,000	100,000
	Total subordinate debt	**525,000**	**375,000**	**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 2009 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 Q1 2008 amounted to DKK 608k.

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 Q1 2008 amounted to DKK 1,189k.

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 Q1 2008 amounted to DKK 487k.

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 Q1 2008 amounted to DKK 1,653k.

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 Q1 2008 amounted to DKK 1,516k.

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 Q1 2008 amounted to DKK 1,476k.

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 Q1 2008 amounted to DKK 766k.

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	234	58	2,428
	Purchase and sale of own shares	-6,049	-2,674	-31,992
	Profit for the period	21,324	17,190	44,733
	Equity end of period	**498,797**	**488,906**	**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 93,263 shares (2007: 23,972 shares), corresponding to 4.51% of the share capital. The shares were acquired as part of ordinary trading.			
13	**CONTINGENT LIABILITIES**			
	Guarantees, etc.			
	Financial loan guarantees	1,461,501	1,494,652	1,535,494
	Loss guarantees for mortgage loans	1,179,324	1,030,572	1,141,081
	Registration and refinancing guarantees	100,368	112,073	139,240
	Other guarantees	346,696	269,794	319,120
	Total guarantees, etc.	**3,087,889**	**2,907,091**	**3,134,935**
	Other contingent liabilities			
	Other commitments	2,125	1,920	2,138
	Total other contingent liabilities	**2,125**	**1,920**	**2,138**
14	**CAPITAL ADEQUACY REQUIREMENTS** 1)			
	Core capital after statutory deductions	574,429	544,996	557,865
	Capital base net of deductions	1,013,265	817,518	1,001,542
	Weighted items outside the trading portfolio	6,002,184	5,175,471	6,392,918
	Weighted items with a market risk, etc.	555,187	530,710	529,399
	Total weighted items	**6,557,371**	**5,706,181**	**6,922,317**
	Core capital net of statutory deductions as a percentage of weighted items	8.8%	9.6%	8.1%
	Capital adequacy ratio under section 124(1) or section 125(1) of the Danish Financial Business Act.	**15.5%**	**14.3%**	**14.5%**

1) 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).