2008

deutsche apotheker- und ärztebank

Interim Report
as of 30.06.2008

Balance Sheet Figures (€ million)	31.12.2007	**30.06.2008**	Changes in %*
Balance Sheet Total	37,070	**39,283**	+ 6.0
Customer Loans	22,035	**23,130**	+ 5.0
Customer Deposits	14,567	**15,382**	+ 5.6
Securitised Liabilities	10,455	**9,899**	– 5.3
Liable Equity Capital	2,583	**2,558**	– 1.0

Earnings Development (€ million)	30.06.2007	**30.06.2008**	Changes in %*
Net Interest Income	241.9	**323.1**	+ 33.6
Net Commission Income	92.9	**73.5**	– 20.9
General Administrative Expenses	– 181.6	**- 187.5**	+ 3.2
Operating Profit before Risk Provisioning	164.4	**205.3**	+ 24.9
Risk Provisioning1)	– 40.3	**- 123.4**	–
thereof balance of loan loss provisions	– 38.5	**- 15.7**	
thereof depreciation and value adjustments on financial instruments	– 0.6	**- 94.1**	
thereof balance others	– 1.3	**- 13.6**	
Net Income after Taxes	58.7	**56.8**	– 3.1

* Deviations due to rounding differences

1) Balance from risk provisioning for the lending business, for financial instruments and investments as well as provisioning reserves pursuant to § 340 of the German Commercial Code (HGB)

Deutsche Apotheker- und Ärztebank

Interim Report as of 30.06.2008

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Summary of Business Development

Overall a good start in the operating business

After a good start to the 2008 financial year, Deutsche Apotheker- und Ärztebank (apoBank) was able to continue the positive trend of the previous years in the operating business, which is reflected in net interest and net commission income. However, the fact that the general conditions were unfavourable in one way or another – apart from the persistent turmoil in the financial markets, the sustained increase in cost of refinancing and the added pressure on margins should be mentioned here – prevented the earnings components from fully reaching the target figures.

Net interest income was reported at Euro 323.1 million for the first six months – an increase of 33.6 percent over the comparable figure of the previous year. Above all, transactions in the strategic interest rate management as well as volume increases in the lending and deposit business had a positive effect on earnings. On the other hand, refinancing expenses, which have increased since the outbreak of the financial crisis, continued to have a negative impact. In addition, in contrast to previous years, the market situation resulted in lower earnings contributions from the Bank's own investments.

Net commission income reflects the development in the stock market, which has been characterised by noticeable investor restraint since the middle of last year. At the same time, commissions earned declined because of changes in consumer behaviour. As a result, at Euro 73.5 million, net commission income was 20.9 percent lower than as at 30 June of the previous year.

Administrative expenses including depreciation on tangible assets and intangible assets were approximately at the prior-year level at Euro 187.5 million, an increase of 3.2 percent. Increases in operating expenditure were mainly attributable to strategically or legally induced projects. Operating expenditure and personnel costs were in line with expectations; the development corresponded with the typical course of the cost curve, which in the first six months always remains below the level of the second half of the year.

At Euro 15.7 million, the balance of risk provisioning in the lending business is significantly down on the comparable period last year, by Euro 22.8 million. On the other hand, at Euro 94.1 million, risk provisioning for financial instruments was considerably higher than in the prior-year period because of the persistent market turmoil. However, it should be noted in this comparison that the financial crisis took effect in August 2007, so that the figures as at 30 June 2007 were unaffected. Given the continued good credit rating of the securities, we can assume that these value corrections are only of a temporary nature.

Thanks to the earnings power of the operating business, there were no difficulties in establishing adequate risk provisions. The balance sheet profit as of 30 June 2008 reached the level of the previous year at Euro 56.8 (2007: 58.7) million.

Moderate balance sheet expansion

The balance sheet total amounted to Euro 39.3 billion as at 30 June 2008 – an increase of 6.0 percent compared with the end of the year 2007. Again, the lending business turned out to be the main growth driver. Demand for apoBank's profession-specific financing expertise largely came from new customers, whose number is constantly growing, thus reflecting the Bank's positive response from the medical professions and underlining its position as the number one financial services provider in the health care sector. The expansion of the balance sheet total is also the result of restructuring measures implemented in the wake of the financial crisis. For economic reasons it seemed sensible to us to restructure a fund in which the Bank had invested, thereby taking AAA-rated assets in the amount of around one billion Euro into our own books.

Refinancing of the loans occurred, apart from accepting customer funds, through issues in the capital market. Having obtained the licence to issue Pfandbriefe in December 2007, the Bank placed its first mortgage Pfandbrief with a volume of Euro 500 million in June of the year under review. In April 2008, apoBank's cover pool for the issuance of mortgage Pfandbriefe was rated at the best rating AAA by the rating agency Standard & Poor's.

Sales power further optimised

In order to fulfil our task and our claim of being *the* bank in the health care sector, we once again reinforced our advisory capacities in the first half of 2008. This applies both with regard to the customer advisers, such as asset and investment advisors, and with regard to those in charge of new forms of cooperation and care structures, as well as to advisers in the corporate clients business concentrating on the health sector.

Within the framework of these measures, the number of personnel increased to 2,200 (end of 2007: 2,124). Our employees work in 46 outlets and branches, five agencies, six advisory centres and the head office. In addition, more than 80 advisors of our mobile sales arm "apoFinanz" ensure the provision of service to customers in those areas that are far from the next branch.

Apart from personnel measures, we continued our efforts to optimise the sales channels with the goal of further improving customer satisfaction as well as the quality of service and advice. In view of the first six months of this year, particularly the expansion activities for our telephone service and the renewed updating of our banking software should be mentioned in this context.

Lending Business

Positive development in the new lending business

Also in the first half of 2008, the balance sheet expansion was mainly driven by the gratifyingly high credit demand – despite the aggravated situation in the financial markets and the increasingly fierce competition. The Bank's highly specialised financing expertise in the business areas of business start-up financing, real estate financing, projects in the health sector and investment financing/personal loans again met with positive response from academic health professionals. In particular, significant growth was achieved in the fields of business start-up and real estate financing. In this context, greater use was made of public standardised loans from the Kreditanstalt für Wiederaufbau (KfW) as well as from the various state development institutes (Landesförderinstitute).

The customer loan portfolio increased by 5.0 percent to Euro 23.1 billion in the first half of 2008. The total volume of credit – including contingent liabilities and irrevocable loan commitments – as at 30 June 2008 reached Euro 28.8 billion (2007: Euro 27.8 billion). New advances in the loans sector increased by approximately Euro 300 million to Euro 1.9 billion compared to the first six months of 2007. This level is remarkable, given the substantial changes in the structural framework conditions in the German health care sector, on the one hand, and in view of the increasingly fierce predatory and pricing competition, on the other.

Deposit Business

apoZinsPlus on course for success

In the first six months of the year 2008, client deposits in the narrower sense increased by 5.6 percent to Euro 15.4 billion. In addition, the refinancing was effected through issues in the international capital market with a volume of Euro 9.9 billion.

Deposits on demand, which were influenced both by closing-date disposals by institutional clients and by the call account “apoZinsPlus” (see below) rose by 5.0 percent to Euro 7.7 billion. The average volume of demand deposits of private clients, which allows analysis independent of the closing date, was at the same level during the first six months as the average in 2007.

As far as short-term investments are concerned, investors were particularly interested in *apoZinsPlus*, which offers an attractive tiered interest rate structure. Here, the volume of investments rose by 37 percent to Euro 3.4 billion in the first half of 2008 compared with the annual average of 2007.

Asset Management

Asset management rated as excellent again

Fears of inflation and recession equally influenced the development of the capital markets in the first half of 2008. Furthermore, the global financial crisis is by no means over yet, particularly as it threatens to affect the real economy. Against this background, it is not surprising that both stock and bond markets showed a very volatile development in the first six months.

Our asset management successfully met the challenges of this difficult environment. Thus, the cautious and conservative investment policy of our asset management was proved right with a performance exceeding, in some cases significantly, most comparable benchmark figures in all risk grades, and was awarded the best possible rating by the German Institute for Asset Accumulation (Institut für Vermögensaufbau). Given the market environment, we see it as a success that the volume managed by our asset management as at 30 June 2008 was at the same level as at the end of the year 2007. We remain optimistic about the further development of business, particularly because we will launch new products in the second half of the year.

Despite the weakness of the international stock markets, activities in the consulting business for private clients also continued to develop positively. In particular, the introduction of the flat-rate withholding tax at the beginning of the year 2009 led to increased demand for our consulting services. We assume that we will be able to repeat the very good result of the previous year in the traditional securities business with private customers – despite their restraint in the first six months.

New mandates in the institutional segment

Our business with institutional clients, which was influenced by the volatile financial markets, developed satisfactorily. The strong fluctuations in the international stock markets and the significant widening of spreads in bond products made it more difficult for investors to achieve an optimal asset allocation.

In the field of consulting, there was increased demand for our tailor-made customer services; we won two new mandates to develop an Asset Liability Management (ALM) model. In the custody business, the negative performance of the stock and bond markets in the first six months of 2008 resulted in customers being cautious about their allocation to special funds. In contrast, demand for traditional direct bond investments experienced an extraordinarily positive development. Sales substantially exceeded the prior-year level. Thus, in 2008 we will see a significant shift in asset allocation away from special funds to direct bond investments.

Subsidiaries well positioned

The business development of our majority-owned subsidiary APO Asset Management GmbH (apoAsset) is gratifying, but the result is down on the corresponding prior-year figure. It could not be overlooked that the difficult market development led to a decline in our customers' propensity to invest in all asset classes. The company is addressing this problem by considerably strengthening our sales support system as well as by introducing new products. The apo Vivace INKA fund of funds, which was launched in view of the flat-rate withholding tax, has been well accepted by our customers. In addition, the new bond product, which has a stronger quantitative orientation and exclusively invests in government bonds and Pfandbriefe, has attracted wide interest among institutional clients.

With its many years of experience, APO Immobilien-Kapitalanlagegesellschaft mbH (aik) has established itself in the market as a professional real estate investment company. The total of ten special real estate funds initiated so far will be supplemented by a new open-end real estate fund "with the character of a public fund". In view of the good results, investors in existing funds have significantly increased their commitments.

Because of the good investment climate in the international real estate markets, we are currently refocusing on acquisitions in the United Kingdom, the Netherlands, Belgium, Luxembourg, and France. But also the German market continues to offer interesting investment opportunities, so that attractive purchases for the funds could already be made in the current year.

The company's core business, real estate asset management, will be further strengthened, particularly through the further development of its tenant key account management and the expansion of international networks. With a proven, efficient rental management, several lease agreements have already been concluded in the current year, so that the letting ratio still amounts to about 97%. In order to guarantee the rentability of the properties and to keep the buildings up-to-date, the portfolio is consistently developed. On the basis of the high letting ratio and the portfolio development, the aik funds generate sustainable attractive returns.

For our subsidiary AC Capital Partners Ltd, which operates as an asset manager, the first half of the 2008 financial year was characterised by the ongoing financial crisis, which will influence the capital market and its participants until into the year 2009, according to our estimates. Institutional investors were very cautious and focused on the restructuring of existing transactions, in order to address current problems such as liquidity and mark-to-market fluctuations.

Despite the difficult framework conditions, the company succeeded in expanding its new business in the second quarter of the current year, particularly in the area of newly developed structured financial products. Accordingly, it can be assumed that AC Capital will be able to meet the targets set in its business plan.

Treasury/Liquidity Management

Debut Pfandbrief issue

The treasury activities within the scope of our strategic interest rate risk management at the overall bank level and portfolio level contributed as planned to our risk hedging and result improvement in the first half of 2008. As in the past, apoBank regularly takes global hedging measures for the future on the basis of simulation calculations.

In a difficult capital market environment, which was characterised by continued significantly higher volatility, and taking account of our appropriate risk guidelines, we decided not to further promote the expansion of treasury activities in the field of own investments. Both factors influenced the earnings contribution of our Financial Instruments portfolio, which is overall below the pro rata figure of the previous year. The application of the strict lower of cost or market principle resulted in further value adjustments recognised in the profit and loss account in the own investment portfolio. Since apoBank generally acts as a buy-and-hold investor and the quality of its securities is still very high, we think this will affect us only temporarily.

This estimation is supported by the fact that the redemption of securities is going according to plan and that there have been no losses. We expect the value adjustments to be gradually made up for in a normalised market environment.

In order to secure liquidity, apoBank holds marketable securities with a good credit rating in its “liquidity reserve” portfolio, which can be sold or are eligible as collateral at any time. Apart from that, we have consistently expanded the Bank’s position as a provider of liquidity in the money market over the last few months; apoBank has a comfortable liquidity position with a large portfolio of ECB-eligible securities. The regulatory law requirements for the liquidity ratio were met at any time. A congruent refinancing structure is secured in the long term within the framework of our strategic liquidity management.

The debut issue of a mortgage Pfandbrief in June 2008 was an essential element of the activities to secure congruent refinancing in the first six months. The Pfandbrief, which received an AAA rating from Standard & Poor’s, was placed in the European capital market with a maturity of five years and a volume of Euro 500 million. In addition, the cover pool currently has a volume of around Euro 1.8 billion and offers potential for further Pfandbrief issues in the second half of the year. A total of approximately Euro 1.3 billion was raised at the capital markets in the first half of the year.

Equity Capital

Additional capital relief effects

On 13 June 2008, the Annual General Meeting approved the proposals of the Supervisory Board and the Board of Directors for the appropriation of the balance sheet profit for the fiscal year 2007 in the amount of Euro 113.4 million. Accordingly, Euro 65.5 million was allocated to general reserves and a comparatively high dividend of 6% was distributed, which corresponds to an amount of Euro 47.9 million. The allocation of reserves corresponds to our principle of strengthening the capital base from funds that the Bank generates itself. The allocation to general reserves contributes to an increase in apoBank's core capital to Euro 1,703 million. The liable equity capital amounted to Euro 2,558 million as at 30 June 2008.

After the IRBA approval of apoRate, the rating system in the business with private customers and small companies, on 1 January 2007, the Bank also obtained regulatory approval of the IRB basic approach for the Institutions portfolio on 1 January 2008. Thus, almost 80% of the Bank's total portfolio are already approved for the IRB approach.

Apart from the quality of the IRB portfolios, the good credit quality of the other portfolios leads to further capital relief effects.

Compared to the end of the previous financial year, apoBank was able to further improve its regulatory capital ratios. According to the new regulatory standards without consideration of the transition regulation, the ratios as of 30 June 2008 amounted to 13.3% (equity ratio) and 8.9% (core capital ratio).

Risk Report

Targeted and controlled risk taking is one of the substantial elements of successful banking business. Also in 2008, we are working on improving and further developing our risk processes and methods in order to be able to control our business activities in a risk- and yield-oriented way also in the future. The business and risk strategies, in which the risk guidelines for all types of risks are defined, provide the framework for risk control. Observance of these guidelines is monitored within the framework of the overall bank control and communicated through continuous reporting.

Our risk culture is characterised by appropriate handling of the risks of the banking business. Via the risk-bearing ability calculation, all types of risks are included in a system of comprehensive control and limitation.

Sales risks/Strategic risks

The sales risk is understood as the deviation of a sales result actually achieved at a certain date from the target performance. This also includes the Bank's strategic risk in the sense of a negative deviation from plan due to market changes that were not taken into account in the planning or due to changes in the framework conditions to the Bank's disadvantage.

In the first half of the year, sales risks encountered according to the above definitions were clearly within the corresponding limits.

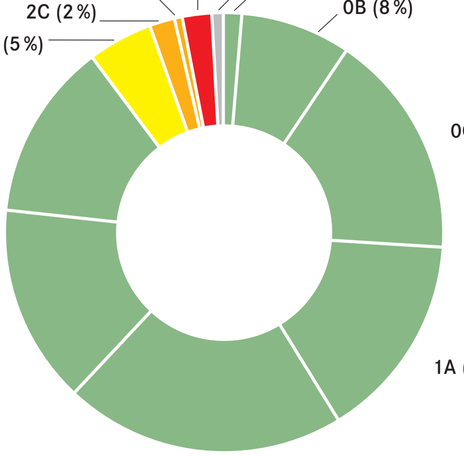
Counterparty default risk

The Bank's overall portfolio continues to grow. Apart from the expansion in private banking, this growth is mainly due to increasing volumes in receivables from financial instruments.

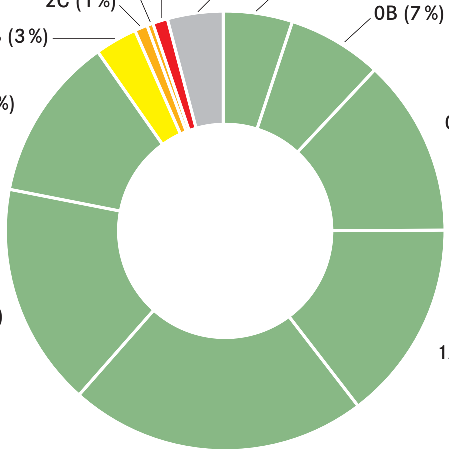
The Private Customers/Branch Business portfolio is stable and of good quality as regards risk.

Rating class distribution in the Private Customers/Branch Business portfolio

Volume distribution (in € m)
on the basis of loans taken
total 21,424



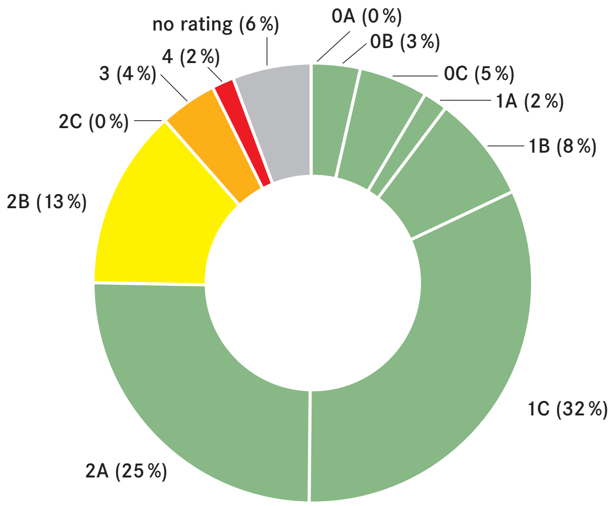
Distribution of borrowers
on the basis of loans taken
total 136,655



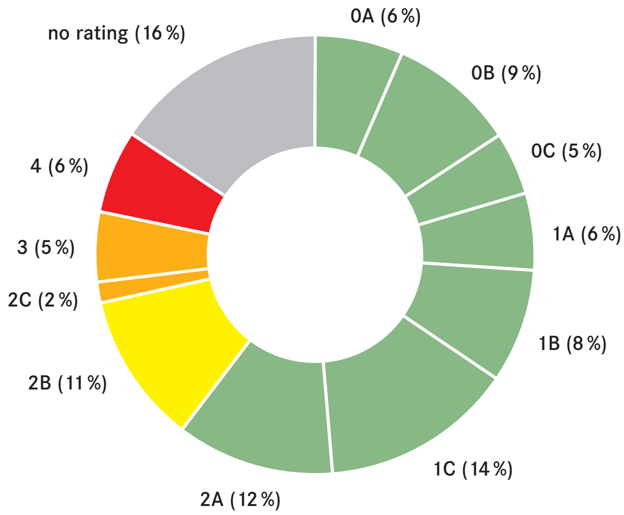
Rating class	Meaning
0A 0B 0C	Commitments **impeccable** as regards credit-worthiness. No risk factors.
1A 1B 1C	Commitments **good** as regards credit-worthiness with individual risk factors
2A	Commitments with **low** risks
2B	Commitments with **greater** risks
2C	**High-risk** commitments
3	**Higher risk** commitments
4	**Commitments threatened by default** (according SolvV definitions) - Commitments overdue by more than 90 days - Commitments for which a loss provision was already allocated in the previous year or a loss provision was made in the current year - Write-offs - Insolvency
	No rating

Rating class distribution in the Organisation and Major Customers portfolio

Volume distribution (in € m)
on the basis of loans taken
total 1,910



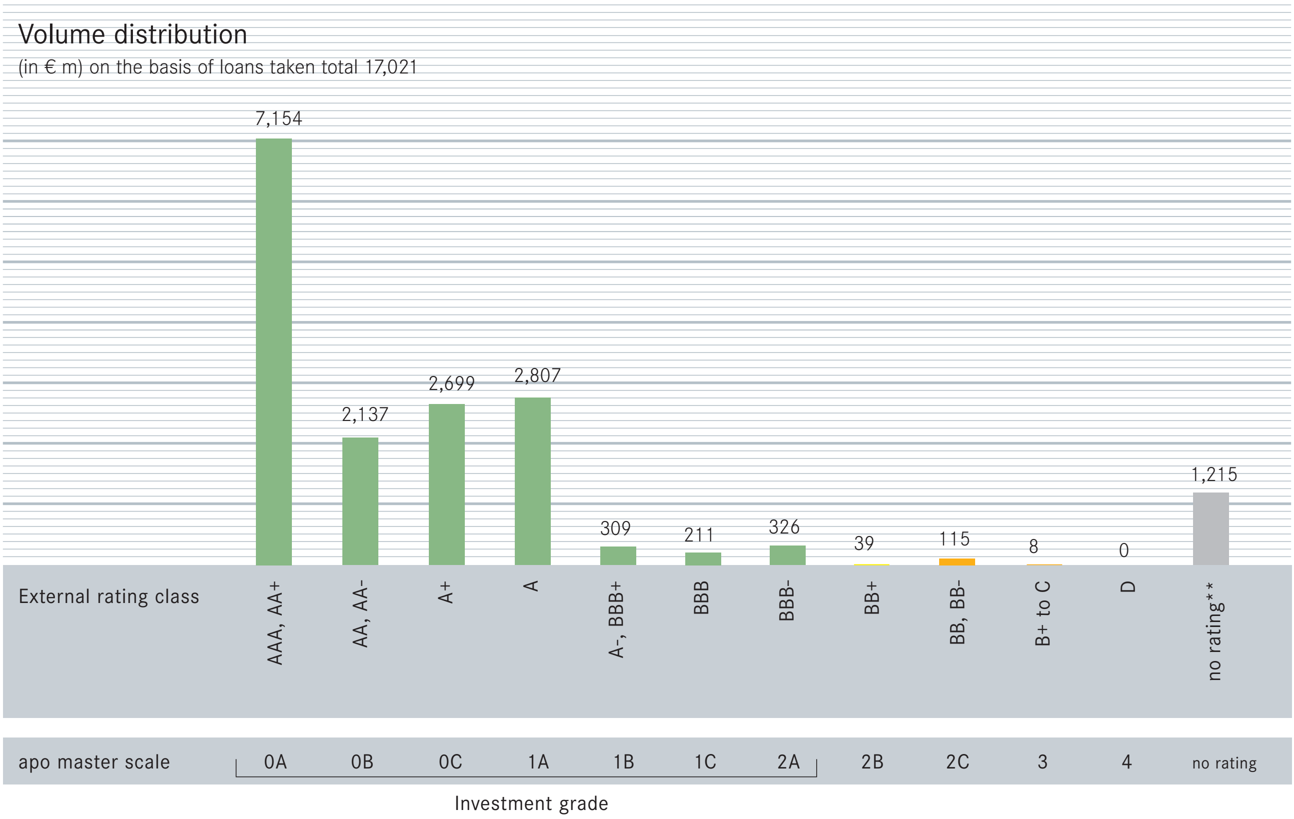
Distribution of borrowers
on the basis of loans taken
total 449



Rating class	Meaning
0A 0B 0C	Commitments **impeccable** as regards credit-worthiness. No risk factors.
1A 1B 1C	Commitments **good** as regards credit-worthiness with individual risk factors
2A	Commitments with **low** risks
2B	Commitments with **greater** risks
2C	**High-risk** commitments
3	**Higher risk** commitments
4	**Commitments threatened by default** (according SolvV definitions) - Commitments overdue by more than 90 days - Commitments for which a loss provision was already allocated in the previous year or a loss provision was made in the current year - Write-offs - Insolvency
	No rating

The rating distribution in the Organisation and Major Customers portfolio is still balanced with a focus on the rating classes 1C and 2A.

Rating class distribution in the Financial Instruments portfolio* on the basis of loans taken



* includes money dealings, liquid investments and derivatives

** The unrated volumes are mainly composed of interbank balances and the LAAM funds. All the assets on which the LAAM funds are based have an AAA rating.

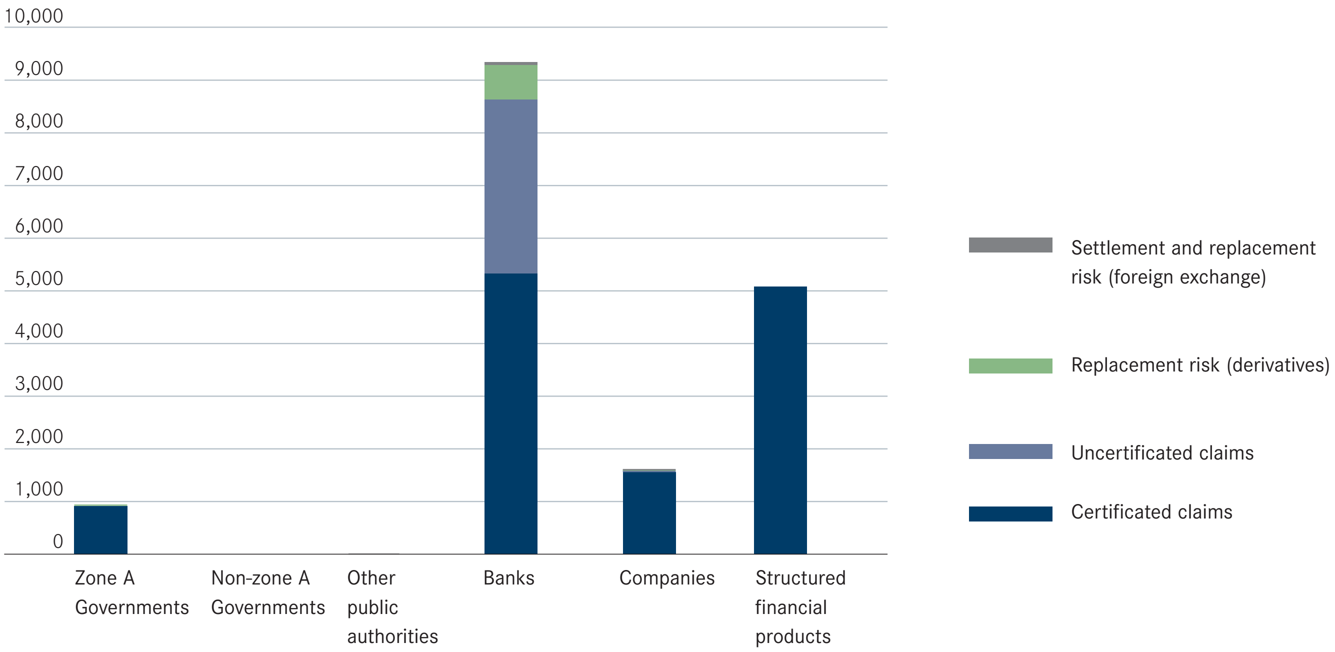
The rating distribution of the Financial Instruments portfolio reflects the continued very high quality of the assets as well as the Bank's appropriate risk policy. On balance, there has been no significant rating deterioration in our Financial Instruments portfolio. It is still of very high quality. The ABS transactions held in the Bank's portfolio are continuously repaid.

The Financial Instruments sub-portfolio mainly includes certificated claims on banks, companies and countries as well as investments in ABS structures. The second focus of the portfolio is on derivatives and money market lines of banks.

Financial instruments (on-balance sheet and off-balance sheet) by sectors and types of risks

Sector	Certificated claims* (book value Euro m)	Uncertificated claims (book value Euro m)	Derivatives (LEE Euro m)	Foreign exchange (LEE Euro m)	Total
Zone A governments	942	0	21	0	**963**
Non-zone A governments	0	0	0	0	**0**
Other public authorities	0	0	1	6	**6**
Banks	5,346	3,327	634	56	**9,363**
Companies	1,560	13	6	20	**1,598**
Structured financial products	5,091	0	0	0	**5,091**
Total	12,938	3,340	661	82	**17,021**

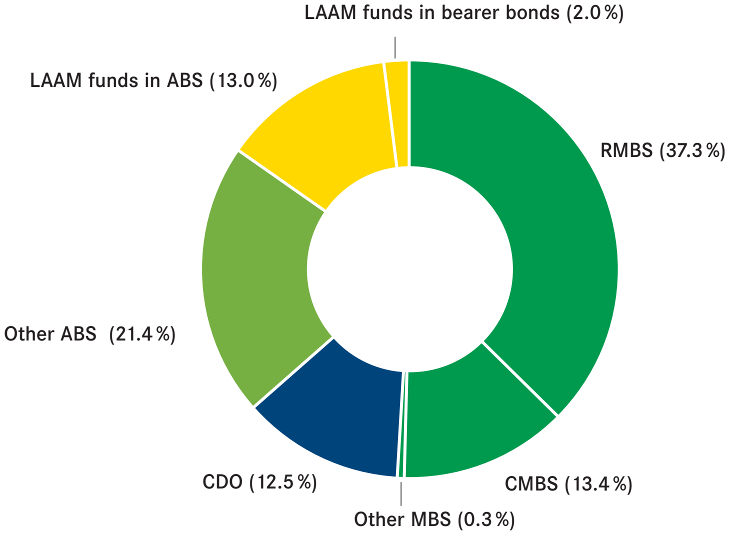
* including ABS, CDO, CDS, MBS and special funds
Volumes = loans taken (key date, after Netting and Collateral Management) on the basis of book values or loan equivalent exposures (LEE) in Euro m
Totals may deviate due to rounding



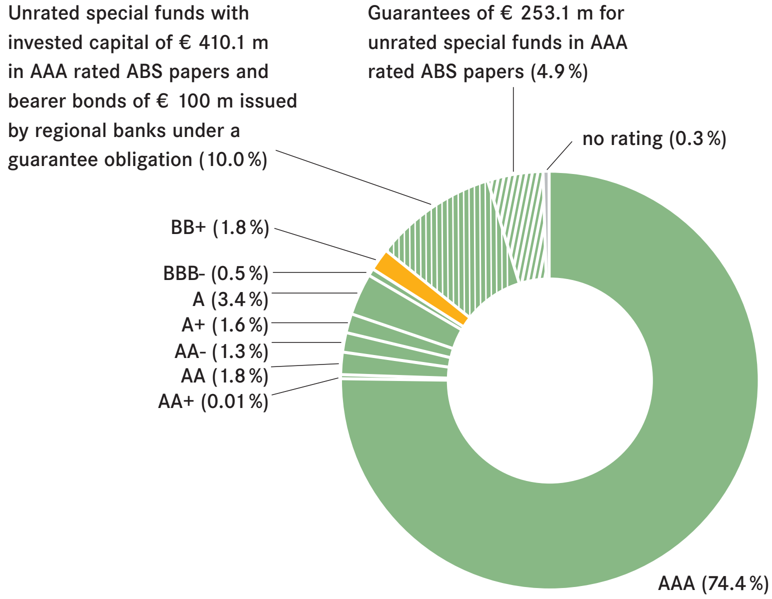
All investments, even those whose risk is only indirectly assigned to the Bank and whose amount is restricted to the fund investment, were analysed and assessed in the usual loan process before the investment decision. Independent of the recognition, a regular credit control process takes place, in which the fundamental key figures are analysed and assessed as occasion arises. According to our current estimate, the very good external ratings accurately reflect the default risk of the portfolio.

Structured financial products (on-balance sheet and off-balance sheet)

Volume distribution € 5,091 m



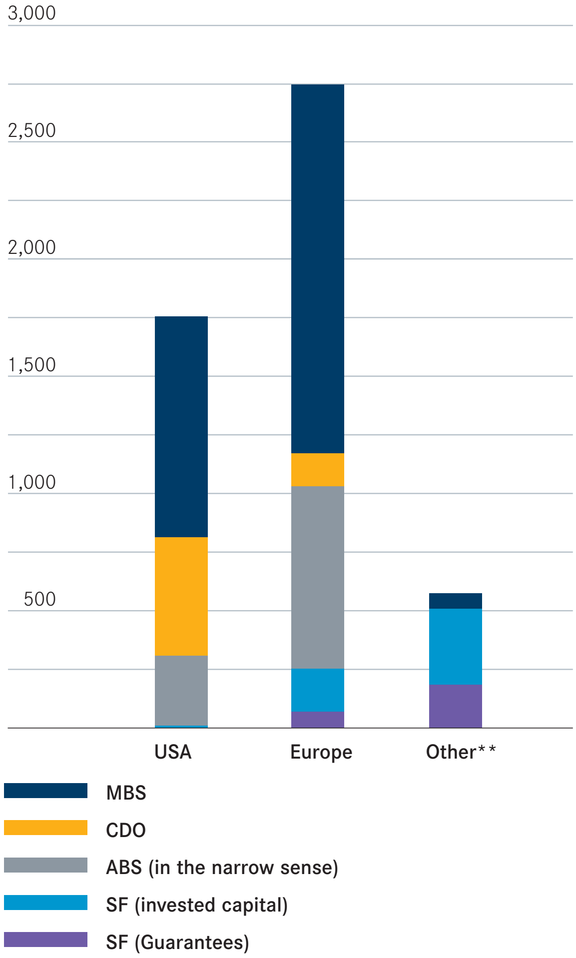
Volume distribution € 5,901 m



Structured financial products (on-balance sheet and off-balance sheet) by rating classes, countries and residual terms

	Total	Loans taken										
		by rating classes					by countries			by residual term*		
APO-Masterskala (apo master scale)		0A	0B	0C to 2A	from 2B							
External rating class		AAA, AA+	AA, AA-	A+ to BBB-	from BB+	no rating	USA	Europe	Other**	0 to 1	> 1 to 5	> 5
MBS	**2,590**	2,358	104	120	0	8	946	1,579	65	207	935	1,447
CDO	**651**	459	27	82	83	0	508	143	0	10	269	373
ABS (in the narrow sense)	**1,079**	971	28	75	0	6	298	781	0	62	349	669
Special funds (SF), (current risk sharing)	**518**	0	0	0	8	510	8	186	324	0	184	334
Special funds (SF), (Guarantees)	**253**	0	0	0	0	253	0	69	184	0	0	253
Total	**5,091**	**3,788**	**159**	**276**	**90**	**777**	**1,760**	**2,758**	**573**	**279**	**1,737**	**3,075**

* Residual term in years = expected maturity
** securitisation structures from various countries as well as special funds with securitisation structures without country focus
Volumes = loans taken (key date, after Netting and Collateral Management) on the basis of book values or loan equivalent exposures (LEE) in Euro m
Totals may deviate due to rounding



Despite the continued market turmoil, the ABS tranches included in the unrated LAAM funds still have an external AAA rating.

The ongoing monitoring of the Bank's portfolios and the resulting early identification of risks is an essential part of our conservative risk policy. This is also reflected in the fact that the balance of risk provisioning to be made for the customer business areas as at 30 June 2008 in the amount of Euro 15.7 million is significantly below the standard risk costs.

Market price risk

Apart from credit spread risks in the field of own investments, the Bank's market price risks consist primarily of the risk of a change in interest rates. Other market price risks are of minor importance.

The essential market price risks of the Bank as a whole are integrated and limited in the overall risk control. In order to control the market price risks, the Bank pursues both present-value and periodic approaches.

The market price risk of the Financial Instruments portfolio continued to increase in the first half of the year due to ongoing market disruptions in the wake of the financial market crisis. The overall limitation of market price risks, which is derived from the risk-bearing ability, was observed at any time.

The result of the supervisory stress calculations for the interest rate risk of the banking book was at all times below the set limit at a low level.

Liquidity risk

The Bank's payment flows are easy to plan. In order to guarantee permanent solvency, the Bank has a large liquidity reserve of securities eligible as collateral and, as a rule, eligible for refinancing with central banks, as well as money market lines and the possibility to generate liquidity via a short-term issuance programme. Thus, and through its stable investor and customer base, the Bank is at all times able to maintain liquidity even in stress situations.

Market price risk of the financial instruments banking book (utilisation on a value-at-risk basis)

* Financial instruments without interest book position

In 2008, refinancing sources are expanded through the issue of mortgage Pfandbriefe. A debut issue with a volume of Euro 500 million was placed in the second quarter. In addition, the large cover pool offers significant potential for further issues.

The Bank's liquidity was always assured in the first half of the year. The regulatory requirements (liquidity ratio, minimum reserve) were met at any time.

In 2008, the Bank started a project to further expand its liquidity risk management as well as its trading-independent monitoring. The focus is on the further development of liquidity cash flows and on the refinement of the modelling of payment flows. In particular, the scenario and stress calculations are also being expanded.

Pfandbrief controlling

The payment security of the newly issued Pfandbriefe is closely monitored and controlled through a daily process. Apart from a conservative limitation of risks and a defensive selection of the loans of the cover pool, the internal demands on the liquid surplus cover are also clearly above the statutory requirements. On this basis, the first Pfandbrief issue received the best rating score AAA from rating agency Standard & Poor's.

Operational risk

For the supervisory reporting of the operational risk, we continue to use the standard approach. Internal methods and procedures were developed further; registered losses were lower than estimated.

The impact of the current financial market situation on apoBank

We do not believe that the financial market crisis is already over. We continue to monitor its impact very closely and incorporate our findings in our control system.

Already in the first six months of the year, we were able to successfully complete important restructuring measures required for our Financial Instruments portfolio. The restructuring was focused on LAAM funds, and the good credit-worthiness of the securities was of particular importance.

In order to liquidate a fund, AAA rated, mainly European ABS securities in the amount of approximately Euro 1 billion were included in the Bank's books. By means of stress calculations it was secured that the Bank's risk-bearing ability and liquidity are guaranteed, even given the larger portfolio.

Another fund could be fully financed to the currently expected final maturity of the securities.

As regards a LAAM fund which still needs to be restructured, the negotiations with an investment partner are close to completion. Also in this case, the restructuring measure will be focused on the good credit-worthiness of the securities. Part of the securities will be included in the Bank's books. The securities remaining in the fund will be fully financed to final maturity.

The quality of the positions in the remaining LAAM funds and of the securities taken over from the LAAM funds remains very high. The Bank continues to assume that the existing price losses of the reference securities are attributable to the current market environment rather than to their quality. Accordingly, we are convinced at present that the repayment of the securities will be properly made at the end of the maturity.

Summary of the risk situation

The Bank consistently continues to pursue an appropriate risk policy. The risks are closely monitored and limitation measures are taken. Changes in the market value, resulting from the extraordinary market disruptions which were recorded particularly at the end of the first quarter, are comfortably within the Bank's risk-bearing ability. In the Financial Instruments portfolio, no losses were recorded in the first six months. A write-down in the amount of Euro 3 million was taken only on one investment in hybrid capital of a commercial bank. As regards risk provisioning for financial instruments, we assume that the value adjustments are only of a temporary nature.

The risk provision covers all discernible risks in the lending business. Despite the obvious changes in the health sector, we believe that the risk potential of our portfolio will not deteriorate. The risk measurement systems, which are subject to permanent further development, secure early information about changes in the Bank's risk situation and facilitate proactive measures for risk limitation. The risk-bearing ability continues to be fully maintained both overall and for each type of risk.

Ratings

In February of the current financial year, rating agency Moody's confirmed apoBank's "A2/P1" rating. The outlook, which had been "under review" since November 2007, was thus raised back to "stable". The Bank's individual financial strength rating remains unchanged at "C".

The regular management meeting with rating agency Standard & Poor's was held in April of this year. Subsequent to this meeting, in July 2008, Standard & Poor's confirmed apoBank's "A+/A-1" rating with a "stable" outlook.

Parallel to the ratings from Moody's and Standard & Poor's, apoBank's credit-worthiness indirectly receives a rating also from the third internationally recognised rating agency within the framework of the Verbund rating, from Fitch. After a confirmation in December 2007, the Verbund rating remains unchanged at "A+/F1".

Apart from the issuer credit ratings, rating agency Standard & Poor's in April awarded an AAA rating to apoBank's initial cover pool for the issue of mortgage Pfandbriefe. This excellent rating reflects, among other things, the good quality and high granularity of the cover pool and takes account of the sophisticated lending standards including the apo-Rate risk measurement system, which has been examined and approved by the supervisory authorities.

Outlook

Thanks to its balanced business model, apoBank had a successful start in its operating core business. However, given the ongoing exceptional situation in the financial markets, it is difficult to give a detailed forecast for the full year.

On the basis of a quality-oriented growth in the lending business and an expansion in the range of associated cross-selling products, we believe that we will be able to increase net interest income again. However, interest margins in the lending business continue to be under pressure due to the persistently fierce competition in the German banking market. Our many years of experience in the health sector and profession-specific expertise enable us to mitigate this effect to a certain extent.

The impact of the financial market turmoil has been felt in the treasury activities in the areas of refinancing and own investments. We expect an increase in the cost of refinancing in the course of the general spread expansion. However, as apoBank has been allowed to issue Pfandbriefe since the beginning of the 2008 financial year, it has the opportunity to benefit from refinancing advantages by issuing mortgage Pfandbriefe. As far as own investments are concerned, we expect that their earnings contribution will be lower than in the years before the financial crisis. On the other hand, as in the previous years, measures to increase the sustainability of results and the invested equity within the framework of strategic interest rate risk management will have a positive impact on earnings.

The Bank's net commission income will, to some extent, also be affected by the continued uncertainty in the financial markets and the customers' behaviour, although the securities business with our clients developed quite successfully under these framework conditions. From today's point of view, however, it should be rather difficult to achieve the record net commission income level of the 2007 financial year.

As already in the previous years, administrative expenses will be characterised by the expansion of business as well as by strategic and regulatory projects. In the course of a typical development of the cost curve, operating expenditure will increase particularly in the second half of the year.

With regard to risk provisioning for the lending business, we expect that value adjustments will not exceed the standard risk costs. Risk provisioning for the Financial Instruments portfolio continues to depend on future developments in the financial markets and is therefore difficult to forecast from today's point of view. But thanks to the positive development in the operating business and our comfortable reserves, apoBank might be able to cope even with unexpected charges.

Against the background of these assumptions, we expect the operating result to remain at the same level as in the previous year. There is, however, a certain risk potential resulting from the ongoing tense situation in the financial markets. But given the positive development in the first six months, we are confident today that we will be able to implement our plans to the largest extent and to generate an accounting profit at the high level of the previous year again. This would allow the Bank to pay an unchanged attractive dividend of 6% and to make an allocation to reserves at the high prior-year level.

Interim Financial Statements as of 30.06.2008

Balance Sheet
Profit and Loss Account
Notes

Assets

	€	€	30.06.2008 €	31.12.2007 in € thousand
1. Cash reserves				
a) Cash on hand		26,645,646.20		30,826
b) Cash in central banks		0.00		247,467
c) Cash in post office giro accounts		0.00	**26,645,646.20**	0
2. Debt instruments of public agencies and bills of exchange eligible for refinancing with central banks				
a) Treasury bills and non-interest-bearing treasury notes and similar debt instruments of public agencies		0.00		0
b) Bills of exchange		0.00	**0.00**	0
3. Loans and advances to banks				
a) Due on demand		1,201,296,956.59		146,938
b) Others		3,429,874,697.19	**4,631,171,653.78**	3,388,265
4. Loans and advances to customers			**23,129,918,020.40**	22,035,489
5. Debt securities and other fixed-interest securities				
a) Money market papers		1,779,053,772.20		1,922,798
b) Bonds and debt securities		6,185,096,927.55		5,279,158
c) Own debt securities		106,127,063.23	**8,070,277,762.98**	112,002
6. Shares and other non-fixed-interest securities			**1,763,530,162.87**	2,202,559
7. Participating interests and capital shares in cooperatives				
a) Participating interests		77,876,800.42		77,297
Including: in banks	72,604,976.99			(72,025)
in financial services institutions	0.00			(0)
b) Capital shares in cooperatives		637,300.89	**78,514,101.31**	637
Including: in cooperative banks	0.00			(0)
in financial services institutions	0.00			(0)
8. Shares in affiliated companies			**131,852,179.64**	131,852
Including: in banks	0.00			(0)
in financial services institutions	53,015,844.54			(53,016)
9. Trust assets			**2,755,334.71**	2,759
Including: loans for third-party accounts	17,814.08			(21)
10. Compensation claims against the public sector, including debt securities from their exchange			**0.00**	0
11. Intangible assets			**19,688,695.00**	18,801
12. Tangible assets			**224,224,662.39**	222,254
13. Other assets			**1,135,118,404.19**	1,136,778
14. Prepayments and accord items			**69,795,457.98**	113,969
Total assets			**39,283,492,081.45**	37,069,849

Liabilities

	€	€	€	30.06.2008 €	31.12.2007 in € thousand
1. Liabilities to banks					
a) Due on demand			1,758,746,110.14		1,286,850
b) With agreed term or period of notice			9,286,274,368.31	**11,045,020,478.45**	7,691,234
2. Liabilities to customers					
a) Savings deposits					
aa) With agreed period of notice of three months		74,165,485.05			91,375
ab) With agreed period of notice of more than three months		19,168,184.87	93,333,669.92		26,547
b) Other liabilities					
ba) Due on demand		7,716,803,727.25			7,351,907
bb) With agreed term or period of notice		7,572,126,682.83	15,288,930,410.08	**15,382,264,080.00**	7,097,451
3. Certificated liabilities					
a) Debt securities issued			9,899,232,883.13		10,454,796
b) Other certificated liabilities			0.00	**9,899,232,883.13**	0
4. Trust liabilities				**2,755,334.71**	2,759
Including: loans for third-party accounts	17,814.08				(21)
5. Other liabilities				**383,012,296.88**	489,071
6. Deferred income and accruals				**59,632,790.53**	71,103
7. Provisions					
a) Provisions for pensions and similar obligations			117,866,826.00		114,571
b) Tax provisions			3,083,743.99		4,376
c) Other provisions			27,505,414.57	**148,455,984.56**	26,600
8. Special items with a reserve element				**0.00**	0
9. Subordinated liabilities				**219,436,539.25**	219,988
10. Participating certificate capital				**286,129,188.12**	286,129
Including: due within two years	51,129,188.12				(51,129)
11. Fund for general banking risks				**146,000,000.00**	146,000
12. Equity capital					
a) Subscribed capital			944,205,422.45		950,651
b) Capital reserves			0.00		0
c) Revenue reserves					
ca) Legal reserves		355,250,000.00			322,500
cb) Other revenue reserves		355,250,000.00	710,500,000.00		322,500
d) Net earnings			56,847,083.37	**1,711,552,505.82**	113,441
Total liabilities				**39,283,492,081.45**	37,069,849

	€	€	€	30.06.2008 €	31.12.2007 in € thousand
1. Contingent liabilities*					
a) Contingent liabilities from rediscounted, settled bills		0.00			0
b) Liabilities from guarantees and indemnity agreements		3,026,009,024.63			3,170,103
c) Collateral furnished for third-party liabilities		0.00	3,026,009,024.63		0
2. Other obligations					
a) Obligations under optional repurchasing agreements		0.00			0
b) Placement and underwriting obligations		0.00			0
c) Irrevocable loan commitments		2,592,285,000.00	2,592,285,000.00		2,589,608

* Cf. remarks on the Letter of Comfort to Deutsche Apotheker- und Ärztebank (Ireland) Investment Company, Dublin, in the Notes.

Profit and Loss Account

for the period 1 January 2008 to 30 June 2008

	€	€	€	€	01.01.-30.06.2007 in € thousand
1. Interest income from					
a) Lending and money market transactions		900,801,428.13			708,316
b) Fixed-interest securities and debt register claims		173,262,639.81	1,074,064,067.94		110,038
2. Interest expenses			-815,937,424.98	**258,126,642.96**	-633,152
3. Current income from					
a) Shares and other non-fixed interest securities			50,269,503.41		43,135
b) Participating interests and capital shares in cooperatives			3,044,426.92		3,060
c) Shares in affiliated companies			11,685,705.83	**64,999,636.16**	10,536
4. Income from profit pooling, profit transfer agreements or partial profit transfer agreements				**0.00**	0
5. Commission income			104,092,554.86		131,991
6. Commission expenses			-30,642,468.59	**73,450,086.27**	-39,110
7. Net income from financial transactions				**-2,474,963.98**	9,867
8. Other operating income				**5,000,941.25**	5,200
9. Income from release of special items with a reserve element				**0.00**	0
10. General administration costs					
a) Personnel expenses					
aa) Wages and salaries		-70,984,922.16			-69,295
ab) Social security contributions and expenses for pensions and benefits		-13,072,932.53	-84,057,854.69		-11,295
Including: for pensions	-1,674,326.66				(-1,130)
b) Other administration costs			-91,442,151.96	**-175,500,006.65**	-91,397
11. Depreciation and value adjustments in respect of intangible and tangible assets				**-11,967,527.57**	-9,602
12. Other operating expenses				**-5,659,499.40**	-3,889
13. Write-offs and value adjustments in respect of receivables and specific securities and allocations to provisions for credit risks			-113,859,688.40		-36,467
14. Income from write-ups of receivables and specific securities and write-backs of provisions for credit risks			0.00	**-113,859,688.40**	0
15. Write-offs and value adjustments in respect of participating interests, shares in affiliated undertakings and securities treated as fixed assets			-9,523,384.29		-3,879
16. Write-ups in respect of participating interests, shares in affiliated undertakings and securities treated as fixed assets			0.00	**-9,523,384.29**	0
17. Expenses from the absorption of losses				**-690,798.32**	0
18. Transfer to special items with a reserve element				**0.00**	0
19. Profit on ordinary activities				**81,901,438.03**	124,057
20. Extraordinary income			0.00		0
21. Extraordinary expenditures			0.00		0
22. Extraordinary profit/loss				**0.00**	(0)
23. Taxes on income			-24,827,759.36		-65,082
24. Other taxes not indicated in item 12			-259,944.80	**-25,087,704.16**	-316
24a. Transfer to fund for general banking risks				**0.00**	0
25. Distributable profit				**56,813,733.87**	58,659
26. Profit carried forward from the previous year				**33,349.50**	19
				56,847,083.37	58,678
27. Withdrawals from revenue reserves					
a) From the legal reserves			0.00		0
b) From other reserves			0.00	**0.00**	0
				56,847,083.37	58,678
28. Allocation to revenue reserves					
a) To the legal reserves			0.00		0
b) To other reserves			0.00	**0.00**	0
29. Net earnings				**56,847,083.37**	58,678

A. General Information

- No remarks.

B. Explanation of the accounting, valuation and translation methods

- In preparing the balance sheet and profit and loss account, the following accounting and valuation methods were used:

Loans and advances from banks and customers were carried at nominal value or acquisition cost, with the difference between the higher nominal value and the amount disbursed being posted to deferred income and accruals. Identifiable credit risks arising in loans and advances to customers are covered by individual value adjustments. A global value adjustment was carried out in respect of latent credit risks with consideration given to tax guidelines. Additional provisions were made for the specific risks of the business with credit institutions.

Current asset securities were valued according to the strict lower of cost or market principle, while fixed asset securities were valued according to the diluted lower of cost or market principle.

We calculated the acquisition costs for securities of the same type using the averaging method.

Securities procured in connection with interest rate swaps were combined with these into one valuation unit and subjected to compensatory valuation. Securities with a nominal volume of € 1.6 billion on the balance sheet date were hedged by asset swaps. Write-offs were made at the balance sheet date for uncompensated diminutions in value in these valuation units.

For the largest part of ABS, we calculated the attributable value using indicative prices from price service agencies/brokers. Remaining positions were determined by means of a valuation model for the first time, because no prices were available for them anymore in the reporting period.

Tailor-made CDO structures are structured products within the meaning of IDW RH BFA 1.003. CDOs that have been acquired since 2006 were split into an interest-bearing security and a protection seller position of a credit default swap. In the case of long-term diminutions in the value of balance sheet components, provisions for contingent losses are set up or write-offs are made. For the tailor-made CDO structures, the attributable value at the balance sheet date is calculated using a valuation model on the basis of the correlations and the credit spreads of the reference assets.

Products with a capital guarantee which are allocated to fixed assets were reported in the balance sheet as one product according to IDW ERS HFA 22, text 14 c). There is a contractually agreed absolute capital guarantee by the issuers, which guarantees the capital employed at the maturity date. The attributable value of the capital-guaranteed products corresponds to the indicative quotations of the issuers at the balance sheet date.

The attributable values of the shares in the LAAM funds III and XII correspond to the indicative fund prices provided by the independent fund administrators.

The attributable values of the reference assets of the LAAM funds VIII and XXI were determined on the basis of indicative prices provided by price service agencies/brokers and, for the first time, by means of a valuation model. On the basis of these prices, the values of the fund shares were calculated.

The attributable values of the ABS, tailor-made CDO structures and products with capital guarantee correspond to their respective fair values in accordance with § 285 sentences 3 to 5 of the German Commercial Code (HGB).

No depreciation was made on the lower attributable value at the balance sheet date for the following securities of the investment portfolio pursuant to § 253 (2) sentence 3 of the German Commercial Code (HGB) in combination with § 279 (1) HGB:

Securities of the investment portfolio	Book value as of 30.06.2008 € m	Attributable value as of 30.06.2008 € m	Hidden reserves € m	Omitted depreciation in € m
ABS	2,080.3	2,002.8	0.7	- 78.2
Tailor-made CDO	583.9	549.6		- 34.3
Capital-guaranteed products	504.8	478.7		- 26.1
LAAM fund	203.6	119.3		- 84.3
Other securities in fixed assets	563.1	543.5	0.1	- 19.7
Total	**3,935.7**	**3,693.9**	**0.8**	**- 242.6**

Within the framework of our analysis whether there could be long-term diminutions in value of the ABS in the direct portfolio, the ABS in the LAAM reference portfolios as well as the ABS taken over from the LAAM XX, which has been liquidated in the meantime, we identified individual securities on the basis of fixed applicability criteria (e.g. change in payment delay rates, amount and cover of losses incurred, securitised types of risk, amount of price losses), and investigated on the basis of a look-through approach regarding the underlying risk assets whether the credit enhancement can cover already incurred and future expected losses. We performed a credit analysis on all securities for which we identified an applicability criterion. This credit analysis came to the result that a long-term diminution in value cannot be assumed for any of the securities.

The diminutions in value of the tailor-made CDO structures are so far exclusively attributable to the spread increases of the reference assets, and are viewed as only temporary under consideration of our future loss expectations. The rating-based future expected defaults in the reference portfolios, which were determined on the basis of scenario analyses, are covered by the respective existing credit enhancement. Owing to our buy-and-hold strategy, we assume full amortisation of our investments at the end of maturity.

As regards capital-guaranteed products, we assume, because of our yield expectations, that the diminutions in value are also only temporary. With the help of scenario analyses and under consideration of current distributions, we determined whether the invested capital is recovered within a reasonable period of time.

Participating interests and capital shares in cooperatives and shares in affiliated undertakings were as a matter of principle reported at cost of acquisition or the lower attributable value.

Tangible assets were carried at cost of acquisition less scheduled depreciation.

Depreciation for buildings was made on a straight-line basis throughout the useful life or using declining-balance rates; movable assets were depreciated on a straight-line basis throughout the useful life. Low-value items for the purpose of § 6 (2) Income Tax Act (EstG) were completely written off.

In contrast to the previous year, a borrower-specific interest rate was taken into account for the first time in the process of the determination of individual value adjustments. This change was implemented as part of a system adjustment and on balance led to a reduced need for risk provisioning in the lending business.

Claims on or liabilities to capital investment companies were reported as claims on or liabilities to customers, because capital investment companies have lost their status as credit institutions according to the Act Amending the German Investment Act (Investmentänderungsgesetz), which came into force on 27 December 2007.

All liabilities were carried as a matter of principle at their repayment amounts. Differences between the lower issue price and the repayment amount of liabilities were reported under deferred items and written back on an accrual basis. Discounted debt certificates were discounted with the issuing yield.

The provisions for pension liabilities were made at their actuarial present value using the actuarial tables “Richttafeln 2005” (Heubeck) and on the basis of an interest rate of 4.5 %.

The provisions for part-time retirement, anniversary payments and deferred compensation were also made on the basis of an interest rate of 4.5 %. In the year under review, the Bank recorded the releases and allocations in the balance sheet items “Provisions for pensions and similar obligations” as a net item under “Personnel expenses”.

Adequate provisions were also made for other uncertain liabilities.

- Items based on amounts in foreign currency or which were originally based on foreign currency were translated to EURO as follows:

Foreign currency receivables and liabilities and cash transactions not completed by the balance sheet date were translated at the spot rate in accordance with § 340h (1) of the German Commercial Code (HGB). Foreign currency liabilities secured by cross-currency swaps were translated at the spot rate on the balance sheet date. The corresponding valuation result was neutralised by an offsetting item. Fixed assets that are hedged by opposite foreign exchange transactions were translated at the spot rate on the balance sheet date. The corresponding valuation result was neutralised by an offsetting item.

C. Statement of Fixed Assets for the period from 01.01. to 30.06.2008 (EURO, rounded)

	Acquisition/ production costs	Additions	Write-ups	Transfers (+ / –)	a) b)	Disposals Subsidies	Depreciation (cumulative)	Book values on balance sheet date	Depreciation in Financial Year
		of the Financial Year							
	€	€	€	€		€	€	€	€
Intangible					a)	0			
assets	38,804,623	4,494,726	0	0	b)	0	- 23,610,654	19,688,695	- 3,606,533
Tangible assets:									
a) Land and					a)	0			
buildings	273,655,541	6,596,026	0	0	b)	0	- 91,749,716	188,501,851	- 3,556,117
b) Office furniture					a)	- 1,482,987			
and equipment	92,646,286	3,809,028	0	0	b)	0	- 59,249,515	35,722,812	- 4,804,877
a.	**405,106,450**	**14,899,780**	**0**	**0**		**- 1,482,987**	**- 174,609,885**	**243,913,358**	**- 11,967,527**

	Book values at the start of the financial year €	Changes (netted) €	Book values on balance sheet date €
Long-term securities	1,776,562,960	2,159,147,252	3,935,710,212
Participating interests and capital shares in cooperatives	77,933,916	580,185	78,514,101
Shares in affiliated companies	131,852,180	0	131,852,180
b.	**1,986,349,056**	**2,159,727,437**	**4,146,076,493**
Total of a and b	**2,391,455,506**		**4,389,989,851**

D. Notes to the Balance Sheet and the Profit and Loss Account

I. Balance Sheet

- The trust transactions shown in the balance sheet are loans for third-party accounts totalling € 17,814 and contributions to capital held in trust totalling € 2,737,521.

- Asset item 12 (tangible assets) includes:

	€
- Land and buildings used in the course of own business	183,420,457
- Office furniture and equipment	35,722,812

- The cooperative bank holds capital shares amounting to at least 20% in other companies:

Company	Share in company capital	Company's equity capital		Result of the past financial year	
	%	year	€ '000	year	€ '000
AC Capital Partners Limited, Dublin	51	2007	19,051	2007	16,805
Apo Asset Management GmbH, Düsseldorf	70	2007	5,070	2007	3,285
APO Beteiligungs-Holding GmbH, Düsseldorf	100	2007	36,564	2007	0 (750**)
APO Consult GmbH, Düsseldorf*	76	2007	51	2007	0 (57**)
APO Data-Service GmbH, Düsseldorf*	49	2007	3,007	2007	464
APO Leasing GmbH, Düsseldorf*	100	2007	94	2007	0 (1**)
APO Reiseservice GmbH, Düsseldorf*	100	2007	0	2007	0 (0**)
APO Vermietungsgesellschaft mbH, Düsseldorf*	100	2007	43	2007	3
APO Vermietungsgesellschaft mbH & Co. Objekt Berlin KG, Düsseldorf*	5	2007	50	2007	219
apokom GmbH, Düsseldorf*	100	2007	75	2007	0 (32**)
Kock & Voeste Existenzsicherung für die Heilberufe GmbH, Berlin*	26	2007	165	2007	37
medisign GmbH, Düsseldorf*	50	2007	399	2007	-109
APO Immobilien-Kapitalanlagegesellschaft mbH, Düsseldorf	57	2007	9,011	2007	2,959
APO Vermietungsgesellschaft mbH & Co. Objekt Berlin KG, Düsseldorf	95	2007	50	2007	219
ARZ Rechenzentrum nordrhein-westfälischer Apotheken AG, Haan	20	2007	16,942	2007	1,495
CP Capital Partners AG, Zurich	24	2007	131	2007	9
DAPO International Finance N.V. i.L., Amsterdam	100	2007	91	2007	434
Deutsche Apotheker- u. Ärztebank (Ireland) Investment Company, Dublin	100	2007	26,458	2007	478

Company	Share in company capital	Company's equity capital		Result of the past financial year	
	%	year	€ '000	year	€ '000
DGN Deutsches Gesundheitsnetz Service GmbH, Düsseldorf	100	2007	1,619	2007	-1,659
MD Verlag- und Werbegesellschaft mbH i.L., Berlin*	100	2007	0	2007	-2
Finanz-Service GmbH der APO-Bank, Düsseldorf	50	2007	1,609	2007	334
IWP Institut für Wirtschaft und Praxis Bicanski GmbH, Münster	26	2007	122	2007	2
Prof. Bicanski und Coll. IWP Beratungsgesellschaft mbH, Münster	26	2007	176	2007	7
Profi Erste Projektfinanzierungs- und Beteiligungsgesellschaft AG, Zurich	24	2007	566	2007	265
Treuhand Hannover GmbH, Hanover	26	2007	22,030	2007	1,373
ZA Zahnärztliche Abrechnungsgesellschaft, Aktiengesellschaft, Düsseldorf	25	2007	2,184	2007	-40

* indirect participations
** before profit transfer or loss absorption

- Consolidated financial statements were not prepared in view of § 296 (2) German Commercial Code (HGB) since the results for the whole Group are of minor importance for the provision of a fair picture of the Group's net worth, financial position and profit situation.

- Participating interests in major stock corporations with more than 5% of voting rights existed as follows:
  Treuhand Hannover GmbH, Steuerberatungsgesellschaft
  DAPO International Finance N.V. i.L., Amsterdam

- The following information (in € m) is provided with respect to the Pfandbriefe included in the item "Securitised liabilities" in accordance with § 28 of the German Pfandbrief Act (Pfandbriefgesetz, PfandBG) and in accordance with § 35 (1) No. 7 of the German Accounting Directive for Banks (RechKredV):

- Total amount and maturity structure

	Nominal value		Net present value		Risk-adjusted net present value *) (upward shift)		Risk-adjusted net present value *) (downward shift)	
	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007
Total amount of outstanding Pfandbriefe	500.00	–	501.74	–	471.05	–	535.45	–
Total amount of cover pools	1,839.61	–	1,832.95	–	1,750.15	–	1,904.13	–
Surplus cover in %	267.92	–	265.32	–	271.54	–	255.61	–

	x ≤ 1 year		1 year < x ≤ 5 years		5 years < x ≤ 10 years		10 years < x	
	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007	Q2 2008	Q2 2007
Maturity structure of outstanding Pfandbriefe	0.00	–	500.00	–	0.00	–	0.00	–
Maturity structure of cover pools	266.63	–	802.53	–	642.35	–	128.09	–

*) The risk-adjusted net present value is calculated on the basis of the dynamic procedure in accordance with § 5 of the German Pfandbrief Net Present Value Directive (PfandBarwertV). The cover pools do not contain any derivatives.

Composition of the cover pools

Total amount of claims used as cover	Q2 2008	Q2 2007	Share in the total amount of of cover pools
by size class			
x < € 300,000	1,748.85	–	
€ 300,000 < x < € 5 m	9.76	–	
x > € 5 m	0.00	–	
by type of use (I) in Germany			
residential	1,758.61	–	
commercial	0.00	–	
by type of use (II) in Germany			
Flats	301.96	–	16.41%
Single-family homes	1,085.27	–	58.99%
Multi-family homes	371.38	–	20.19%
Office buildings	0.00	–	0.00%
Commercial buildings	0.00	–	0.00%
Industrial buildings	0.00	–	0.00%
Other buildings used for commercial purposes	0.00	–	0.00%
Unfinished new buildings not yet capable of producing a yield as well as building sites	0.00	–	0.00%
of which: building sites	0.00	–	0.00%

There is no property collateral outside Germany.

Summary of overdue claims:

	Q2 2008	Q2 2007
Total amount of claims being > 90 days in arrears	–	-

Other notes

	residential		commercial	
	Q2 2008	Q2 2007	Q2 2008	Q2 2007
Number of pending forced auctions and forced administrations	0.00	–	0.00	–
Number of forced auctions carried out in the financial year	0.00	–	0.00	–
Number of real estate taken over to prevent losses	0.00	–	0.00	–
Total amount of overdue interest payments	0.00	–	0.00	–
Total amount of repayments	12.65	–	0.00	–

- Cover statement mortgage Pfandbriefe

	Q2 2008
Claims on customers	
- mortgage loans	1,758,607
Tangible fixed assets (land charges on the Bank's own property)	0
Bonds and other fixed-interest securities (book value € 89,505 thousand)	81,000
Total cover assets	1,839,607
Total of public mortgage Pfandbriefe requiring cover	500,000
Surplus cover	1,339,607

- "Other liabilities" include the following larger single amounts:

	€
Premiums from options and caps carried as liabilities	271,945,067
Capital gain from sale of ABS papers w/LAAM III shown as a liability	33,978,002
Offsetting item from foreign currency valuation	27,833,288
Interest, participating certificates and contributions of silent partners	22,173,829

- Irrespective of an assigned liability, we deposited cash collaterals of € 71.3 million within the framework of our collateral management for interest rate derivatives.

- Details of liability item 9 (subordinated liabilities):

Expenses of € 5,717,036 were incurred in the reporting year.
There is no obligation to make premature repayment.

Subordination has been arranged as follows:
In the event of the insolvency or liquidation of the Bank, the liabilities are repayable only after all higher-ranking creditors have been satisfied.
These liabilities have maturities of 8, 10 and 25 years.

Subordinated liabilities carry the following rates of interest:

Subordinated bearer bonds with a variable rate of 6-month Libor plus 1 % as well as fixed interest rates of 5.0 % to 5.3 %.

Subordinated note loans with fixed interest rates of 4.80 % to 6.69 %.

- The members' capital contributions shown under "Subscribed capital" of liability item 12 a:

		€
Contributions of silent partners		150,000,000
Members' capital contributions		
a) Portfolio as at 30.06.2008 including disposals		794,205,422
b) of remaining members *)		789,125,354
c) of departing members *)		5,080,068
Compulsory contributions due on shares in arrears	€ 31,746	

The amounts marked with *) are estimated figures, because notices of withdrawal may still be cancelled until the end of the year 2008.

- The revenue reserves (L 12 c) developed as follows in the period under review:

	Legal reserves	Other revenue reserves
	€	€
Status as of 1 January 2008	322,500,000	322,500,000
Transfers		
- from the accounting profit of the Previous Year	32,750,000	32,750,000
- from the distributable profit of the Financial Year	0	0
Withdrawals	0	0
Status as of 30 June 2008	**355,250,000**	**355,250,000**

- Total return swaps of € 1,056,903,409.48 mainly account for the item "Contingent liabilities" of € 3,026,009,024.63.

- The volume of unsettled forward transactions affected by a settlement risk or currency, interest rate and/or other market price risk arising from open items, and in the event of counterparty default, also from closed items, amounted to € 61,780 million (previous year: € 68,076 million) as of 30 June 2008.

Interest rate swaps	Currency swaps	Caps/floor	CDS	Index transactions	Forward rate agreement
Interest rate/currency swaps	Total Return Swap	Swap options	Forward exchange transactions	Interest rate futures	

These forward transactions, which are subject to fluctuations as regards interest rate, exchange rate and market price, are effected almost exclusively for the purpose of covering positions.

Existing derivatives contracts are broken down below according to their risk structure.

In accordance with standard international practice, the nominal values are stated; however, these figures are not the same as the default risk value.

In € million	Nominal value		Market value		Credit equivalent	
	30.06.2008	31.12.2007	30.06.2008	31.12.2007	30.06.2008	31.12.2007
Interest rate-related transactions						
Time to maturity						
- up to 1 year	13,703	16,262	73	181	103	213
- over 1 year up to 5 years	24,036	26,792	340	379	578	598
- over 5 years	15,099	18,170	617	646	1,027	1,010
	52,838	**61,224**	**1,030**	**1,206**	**1,708**	**1,821**
Currency-related transactions						
Time to maturity						
- up to 1 year	3,769	3,000	-2	-7	57	64
- over 1 year up to 5 years	309	278	-22	-20	27	19
- over 5 years	196	165	0	0	20	14
	4,274	**3,443**	**-24**	**-27**	**104**	**97**

In € million	Nominal value		Market value		Credit equivalent	
	30.06.2008	31.12.2007	30.06.2008	31.12.2007	30.06.2008	31.12.2007
Stock-related transactions						
Time to maturity						
- up to 1 year	2,154	789	0	0	138	57
- over 1 year up to 5 years	29	36	0	0	2	2
- over 5 years	0	0	0	0	0	0
	2,183	**825**	**0**	**0**	**140**	**59**
Credit derivatives						
Time to maturity						
- up to 1 year	0	0	0	0	0	0
- over 1 year up to 5 years	479	456	- 43	- 13	58	0
- over 5 years	2,006	2,128	- 208	- 116	433	0
	2,485	**2,584**	**- 251**	**- 129**	**491**	**0**
Total: in aggregate	**61,780**	**68,076**	**755**	**1,050**	**2,443**	**1,977**

The nominal amount of the derivatives assigned to the trading portfolio was € 4,627 million as of 30 June 2008, with a negative market value of € 2.1million and a credit equivalent of € 6 million.

- Deutsche Apotheker- und Ärztebank eG, Düsseldorf, has issued the following Letter of Comfort to Deutsche Apotheker- und Ärztebank (Ireland) Investment Company, Dublin:
  Deutsche Apotheker- und Ärztebank eG undertakes without any restriction and irrevocably to ensure that Deutsche Apotheker- und Ärztebank (Ireland) Investment Company is managed and financially supported in such a manner that it is at all times in a position to timely perform all of its obligations entered into in connection with the investment of Deutsche Apotheker- und Ärztebank eG in Deutsche Apotheker- und Ärztebank (Ireland) Investment Company. The extent to which collateral is provided depends on the percentage of shares owned by Deutsche Apotheker- und Ärztebank eG at the time when the obligations were entered into.

  Apart from the equity investment (€ 26 million), Deutsche Apotheker- und Ärztebank (Ireland) Investment Company currently has no active business operations.

II. Profit and Loss Account

- The income of the Bank is primarily generated in Germany.

- Income taxes are payable on the profit from ordinary activities. Income taxes were largely calculated on the basis of actual figures and applying the current tax rate.

E. Other Details

- Financial liabilities of € 90,145,368 have not been shown in the balance sheet or referred to in the Notes but are of significance for the assessment of financial status and result from the guarantee obligation given to the protection scheme of the BVR cooperative banking sector organisation.

- As at 30 June 2008, members of the Board of Directors and employees of the Bank held seats on the Supervisory Boards of the following joint-stock companies or comparable organisations pursuant to § 267 (3) German Commercial Code (HGB):

Name	Company	Function
Günter Preuß	Apotheken-Rechen-Zentrum GmbH, Darmstadt	Chairman of the Administrative Board
	apokom GmbH, Düsseldorf	Member of the Supervisory Board
	DGN Deutsches Gesundheitsnetz Service GmbH, Düsseldorf	Member of the Supervisory Board
	Treuhand Hannover GmbH Steuerberatungsgesellschaft, Hanover	Member of the Supervisory Board
Gerhard K. Girner	Apo Asset Management GmbH, Düsseldorf	Member of the Supervisory Board
	APO Immobilien-Kapitalanlagegesellschaft mbH, Düsseldorf	Member of the Supervisory Board
	Apothekerversorgung Mecklenburg-Vorpommern, Schwerin	Member of the Administrative Board
	Deutsche Ärzte Finanz Beratungs- und Vermittlungs-AG, Cologne	Member of the Supervisory Board
	Deutsche Ärzteversicherung AG, Cologne	Member of the Supervisory Board
	Deutsche Ärzte-Versicherung Allgemeine Versicherungs-AG, Cologne	Member of the Supervisory Board
	Finanz-Service GmbH der APO-Bank, Düsseldorf	Chairman of the Supervisory Board
	Maintrust Kapitalanlagegesellschaft mbH, Frankfurt	Member of the Supervisory Board
Günther Herion	AC Capital Partners Limited, Dublin	Member of the Board of Directors
	APO Immobilien-Kapitalanlagegesellschaft mbH, Düsseldorf	Member of the Supervisory Board
	Rheinisch-Westfälischer Genossenschaftsverband e. V., Münster/Cologne	Member of the Administrative Board
	RMS Risk Management Solutions GmbH, Cologne	Member of the Supervisory Board
	ZA Zahnärztliche Abrechnungsgesellschaft Düsseldorf, Aktiengesellschaft, Düsseldorf	Member of the Supervisory Board
Werner Albert Schuster	APO Data-Service GmbH, Düsseldorf	Chairman of the Supervisory Board
	DGN Deutsches Gesundheitsnetz Service GmbH, Düsseldorf	Vice-Chairman of the Supervisory Board
Claus Harald Wilsing	AC Capital Partners Limited, Dublin	Chairman of the Board of Directors
	Apo Asset Management GmbH, Düsseldorf	Chairman of the Supervisory Board
	APO Immobilien-Kapitalanlagegesellschaft mbH, Düsseldorf	Chairman of the Supervisory Board
	apokom GmbH, Düsseldorf	Chairman of the Supervisory Board
	arsago Hedge Fund Holding AG, CH Hurden	Member of the Administrative Board
	DGN Deutsches Gesundheitsnetz Service GmbH, Düsseldorf	Chairman of the Supervisory Board
	INKA Internationale Kapitalanlagegesellschaft mbH, Düsseldorf	Member of the Supervisory Board
	Seabright Holdings Ltd., Cyprus	Member of the Supervisory Board
Claus Verfürth	Apo Asset Management GmbH, Düsseldorf	Member of the Supervisory Board

Name	Company	Function
Hans-Jochen Becker	apokom GmbH, Düsseldorf	Member of the Supervisory Board
	CP Capital Partners AG, Zurich	Chairman of the Administrative Board
	PROFI Erste Projektfinanzierungs- und Beteiligungsgesellschaft AG, Zurich	Member of the Administrative Board
Berthold Bisping	apokom GmbH, Düsseldorf	Member of the Supervisory Board
	ARZ Haan AG, Haan	Member of the Supervisory Board
	CP Capital Partners AG, Zurich	Member of the Administrative Board
	PROFI Erste Projektfinanzierungs- und Beteiligungsgesellschaft AG, Zurich	Member of the Administrative Board
Rainald Brune	Deutsche Apotheker- und Ärztebank (Ireland) Investment Company, Dublin	Member of the Board of Directors
Regina Dörr	Deutsche Apotheker- und Ärztebank (Ireland) Investment Company, Dublin	Member of the Board of Directors
Hans Fells	Finanz-Service GmbH der APO-Bank, Düsseldorf	Member of the Supervisory Board
Stefan Kunac	APO Data-Service GmbH, Düsseldorf	Member of the Supervisory Board
Uwe Meyer-Vogelgesang	DGN Deutsches Gesundheitsnetz Service GmbH, Düsseldorf	Member of the Supervisory Board
Stefan Mühr	DGN Deutsches Gesundheitsnetz Service GmbH, Düsseldorf	Member of the Supervisory Board
Ulrich Sommer	Apo Asset Management GmbH, Düsseldorf	Member of the Supervisory Board

Name and address of the auditing association:

RWGV
Rheinisch-Westfälischer
Genossenschaftsverband e. V.
Mecklenbecker Straße 235–239
48163 Münster

Members of the Board of Directors (first name and surname)

Günter Preuß, Bank Director, Spokesman
Gerhard K. Girner, Bank Director
Günther Herion, Bank Director
Werner Albert Schuster, Bank Director
Claus Harald Wilsing, Bank Director
Claus Verfürth (from 01.07.2008), Chief Representative

Members of the Supervisory Board (first name and surname)

Dr. med. dent. Wilhelm Osing, Chairman, Dentist
Wolfgang Häck*, Vice-Chairman, Bank Employee
Karin Bahr*, Bank Employee
Ralf Baumann*, Bank Employee
Hans-Jochen Becker **, Bank Employee
Dr. med. dent. Wolfgang Eßer, Dentist
Sven Franke*, Bank Employee
Eberhard Gramsch, Physician
Norbert Hinke*, Bank Employee
Prof. Dr. med. Dr. h. c. Jörg-Dietrich Hoppe, Physician
Uschi Jaeckel*, Trade Union Secretary
Hermann Stefan Keller, Pharmacist
Dr. med. Andreas Köhler, Physician
Dr. med. Ulrich Oesingmann, Physician
Dr. med. dent. Helmut Pfeffer, Dentist
Gerhard Reichert, Pharmacist
Christian Scherer*, Bank Employee
Friedemann Schmidt, Pharmacist
Roland Wark*, Bank Employee
Loni Wellert*, Bank Employee

* employee representatives ** representatives of management executives

Düsseldorf, 12 August 2008
Deutsche Apotheker- und Ärztebank eG
The Board of Directors

Günter Preuß | Gerhard K. Girner | Günther Herion | Werner Albert Schuster | Claus Harald Wilsing

Certification Following the Auditing Review

To Deutsche Apotheker- und Ärztebank eG

We have subjected the abbreviated interim financial statements – consisting of balance sheet, profit and loss account as well as abbreviated notes – and the interim management report of Deutsche Apotheker- und Ärztebank eG for the period from 1 January to 30 June 2008, which are part of the semi-annual financial report according to § 37w WpHG (German Securities Trading Act), to an auditing review. The preparation of the abbreviated interim financial statements according to the German commercial law regulations and of the interim management report according to the applicable regulations of the WpHG is the responsibility of the Board of Directors of the company. It is our task to issue a certificate for the abbreviated interim financial statements and the interim management report on the basis of our auditing review.

We have carried out the auditing review of the abbreviated interim financial statements and of the interim management report in accordance with the German auditing principles for the auditing review of financial statements promulgated by the German Institute of Auditors (Institut der Wirtschaftsprüfer, IDW). According to these principles, the auditing review is to be planned and carried out in such a way to enable us, in close examination, to rule out with a reasonable degree of certainty that the abbreviated interim financial statements have not been prepared in all essentials in conformity with the German commercial law regulations, and that the interim management report has not been prepared in all essentials in conformity with the applicable regulations of the WpHG. An auditing review is primarily restricted to questioning employees of the company and to analytical assessments, and therefore does not provide the same degree of security achieved in an audit of the financial statements. Since we were not engaged to perform an audit of the financial statements and have therefore not performed such an audit, we are not in a position to issue an auditor's certificate.

On the basis of our auditing review, no facts or circumstances have become known to us that give grounds for supposing that the abbreviated interim financial statements have not been prepared in all essentials in conformity with the German commercial law regulations, or that the interim management report has not been prepared in all essentials in conformity with the applicable regulations of the WpHG.

Düsseldorf, 12 August 2008
PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(Prof. Dr. Dicken), Certified Auditor (ppa. Gathmann), Certified Auditor

Responsibility Statement by the Legal Representatives

Responsibility Statement by the Legal Representatives

To the best of our knowledge and in accordance with the applicable accounting principles for interim financial reporting, the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the interim management report includes a fair review of the development and performance of the business and the position of the company, together with the description of the principal opportunities and risks associated with the expected development of the company for the remaining months of the financial year.

Düsseldorf, 12 August 2008

The Board of Directors

Deutsche Apotheker- und Ärztebank eG

Günter Preuß　　Gerhard K. Girner

Günther Herion　　Werner Albert Schuster　　Claus Harald Wilsing

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