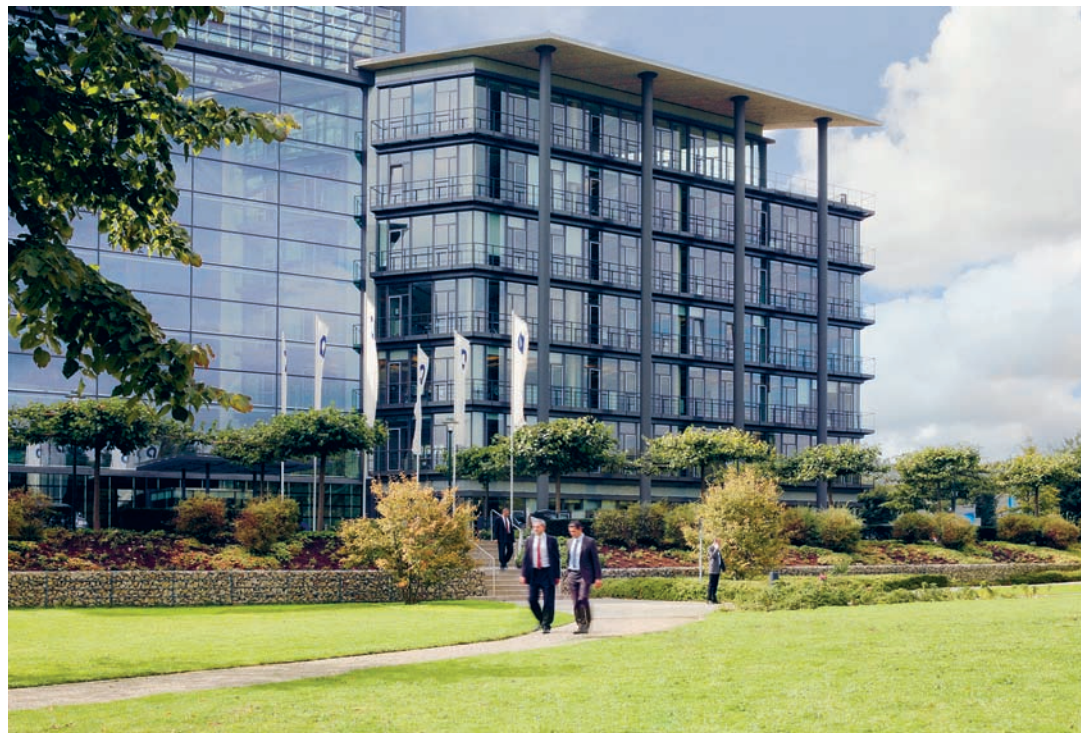


2009



Interim Report  
as of 30 June 2009



<b>Balance Sheet Figures</b> (€ million)	31 Dec 2008	<b>30 Jun 2009</b>	Changes in %*
Balance Sheet Total	41,221	<b>40,392</b>	- 2.0
Customer Loans	24,554	<b>24,905</b>	1.4
Customer Deposits	15,801	<b>16,291</b>	3.1
Securitised Liabilities	10,960	<b>10,094</b>	- 7.9
Liable Equity Capital	2,483	<b>2,609</b>	5.1
<b>Earnings Development</b> (€ million)	30 Jun 2008	<b>30 Jun 2009</b>	Changes in %*
Net Interest Income	323.1	<b>300.0</b>	- 7.1
Net Commission Income	73.5	<b>35.3</b>	- 51.9
General Administrative Expenses	- 187.5	<b>- 193.0</b>	2.9
Operating Profit before Risk Provisioning	205.3	<b>143.0</b>	- 30.4
Risk Provisioning <sup>1)</sup>	- 123.4	<b>- 124.1</b>	0.6
thereof balance of loan loss provisions	- 15.7	<b>- 38.1</b>	
thereof balance of financial instruments provisions	- 92.2	<b>- 82.0</b>	
thereof others	- 15.5	<b>- 4.0</b>	
<b>Accounting Profit</b>	56.8	<b>7.6</b>	- 86.7

\* Deviations due to rounding differences  
1) Balance of risk provisioning for lending, 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 June 2009**



# Content

## **Interim Management Report as of 30 June 2009**

- 8 Summary of Business Development
- 12 Lending Business
- 14 Deposit Business
- 15 Asset Management
- 18 Treasury/Liquidity Management
- 19 Equity Capital
- 21 Risk Report
- 31 Rating
- 32 Outlook

## **Interim Financial Statements as of 30 June 2009**

- 36 Balance Sheet
- 38 Profit and Loss Account
- 39 Notes

## **Responsibility Statement by the Legal Representatives**

- 60 Declaration by the Board of Directors

## **About the Bank**

- 62 Head Office, Locations



# Interim Management Report as of 30 June 2009

Summary of Business Development

Lending Business

Deposit Business

Asset Management

Treasury/Liquidity Management

Equity Capital

Risk Report

Rating

Outlook

## Summary of Business Development

### Robust business model

apoBank had a good start into the financial year 2009 in its operating core business. Despite the strong influences of the financial and economic crisis apoBank achieved a positive result in the first half 2009 with an accounting profit of Euro 7.6 million (30 June 2008: Euro 56.8 m). The significant decline compared to the same period last year has mainly three reasons: Firstly the omission of additional income from the strategic interest rate risk management generated in the last year; secondly one-time effects in 2009 due to our project “apoFit” and thirdly expenditures in connection with the initiated consolidation and risk hedging strategy regarding our own investments as well as value adjustments in the financial instruments portfolio. The bank’s fundamental profitability is further solid and adds to balance the negative effects on earnings.

As expected, net interest income decreased of the previous year’s figure, amounting to Euro 300.0 million as at 30 June 2009 (30 June 2008: Euro 323.1 m). The omission of one-time additional income generated from the strategic interest rate risk management

in 2008 had a substantial negative impact. On the operating side, the Bank could more than fully compensate for the additional charges on the interest income resulting from significantly higher refinancing costs in the wake of the financial market crisis, as well as for the lower margins in the deposit business. Apart from the measures in the framework of strategic interest rate risk management taken in the past as a hedge against a period of low interest rates, above all the sales successes in the lending business had a stabilising effect. The high level of the same period last year was exceeded here. Apart from growing volumes in the lending and deposit business, this is also reflected in the increase in the number of clients by around 6,300 to around 325,400 (31 December 2008: 319,100).

As in the previous year, net commission income in the investment business with retail and institutional clients was adversely characterised by the consequences of the financial market crisis and the continuing investor restraint. Against this background, net commission income remained significantly below the previous year’s figure at Euro 35.3 million (30 June 2008: Euro 73.5 m).



Administrative expenses including depreciation on tangible and intangible assets were approximately at the previous year's level at Euro 193.0 million (30 June 2008: Euro 187.5 m). Both operating expenditure and personnel costs were in line with expectations and corresponded with the typical course of the cost curve. The cost side in the first half of 2009 was also characterised by the implementation of a stringent cost management and by one-off expenses in connection with the consequent continuation of "apoFit". "apoFit" – our project for sustained optimisation of the cost structure – helps us to gain more scope for strategic investments to implement our growth strategy. For example, we are expanding our advisory capacities in the sales and adjusting our sales structure.

The balance of risk provisioning in the first half of 2009 totalled Euro 124.1 million (30 June 2008: Euro 123.4 m) and was thus on the level of the same period last year:

- In the traditional customer loan business, the balance of risk provisioning was at the level of planned standard risk costs, amounting to Euro 38.1 million (30 June 2008: Euro 15.7 m), reflecting the higher credit volume and the good quality of the portfolio overall. The increase on the comparable period last year is also attributable to individual value adjustments for greater innovative business structures in the health care sector.
- The balance of risk provisioning of liquidity and own investments, i.e. the Financial Instruments portfolio, amounted to Euro

82.0 million (30 June 2008: Euro 92.2 m) and is still characterised by the impacts of the financial market crisis to the world economy. Additional to value adjustments on our structured financial products the risk provisioning is attributable to our consequent continued consolidation and risk hedging strategy. There were no non-performances or defaults in our tranches in the first half of the year. In return, this also includes write-ups due to scheduled maturities of securities, which had been revalued in the past in the wake of the financial market crisis.

- The balance of other risk provisioning items amounted to Euro 4.0 million (30 June 2008: Euro 15.5 m).

The balance sheet total as at 30 June 2009 amounted to Euro 40.4 billion (31 December 2008: Euro 41.2 bn) and thus remained at approximately the previous year's level. This development is characterised by two movements in the opposite direction. On the one hand, it is characterised by growth in the lending business, which reflects the demand for apoBank's profession-specific financing expertise in the health care sector. On the other hand, the positive effects from the reduction of own investments in the wake of our adopted consolidation strategy are already discernible.

The Bank's liquidity situation is well secured and currently comfortable on the basis of various sources. Refinancing of the loans occurred, apart from accepting customer funds, in making issues in the capital market.

The growth in customer funds shows the trust placed in the Bank by health professionals.

The Bank's equity ratio and core capital ratio as of 30 June 2009 amounted to 9.5 percent (31 December 2008: 12.8%) and 6.4 percent (31 December 2008: 8.7%), respectively. The lower capital ratios are attributable to the significant additional required capital as a result of the rating activities of external rating agencies, mainly regarding the bonds in our securitised portfolio. However, the most recent results of our regular stress tests clearly show that the additional required capital several times exceeds the expected losses of the securities even under conservative stress scenarios. Our aim is to sustainably achieve a core capital ratio of over 7 percent and an equity capital ratio of over 10 percent again. To this end, the Bank took measures at an early stage to reduce the additional required capital and to strengthen its capitalisation.

Apart from our own measures to strengthen equity through growing members' capital contributions and the placement of subordinated capital with our clients, the Bank together with the Federal Association of German Cooperative Banks (Bundesverband der Deutschen Volksbanken und Raiffeisenbanken, BVR) took steps, after the 30 June 2009 reference date, to ease temporarily the burden on equity capital. Hereby, apoBank's ability to access the capital market is secured by solidarity within the cooperative Verbund.

### **Sales power strengthened and readjusted**

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 2009, while at the same time responding in an even more targeted manner to the changes in the health care sector. In this context, our advisors are specialised in the needs of employed and self-employed clients. Since employed medical professionals are increasingly receiving more attention, more than 50 qualified retail advisors have been established since the beginning of the year to provide help and advice in all financial matters exclusively to this target group. This has created additional scope for providing advice to clients with own practices, on whose concerns the individual customer advisors can now fully concentrate. In the course of this we also expanded the number of individual client advisors and investment advisors by more than 30, what corresponds to an increase of about 10 percent.

Within the framework of the measures to strengthen our sales power, the number of personnel increased to 2,319 (31 December 2008: 2,263). apoBank currently has over 60 locations in all regions of the Federal Republic of Germany. Apart from client services in traditional branches, our employees advise their clients in advisory centres/offices as well as in agencies. In order to guarantee high-quality advisory services also outside of the branch locations, more than 80 mobile advisors of

Finanz-Service GmbH der apoBank – or apoFinanz for short – look after our customers' needs. For these clients the same services are available as in the branch and, of course, the entire product range of apoBank.

## Lending Business

### Significant growth in the lending business

Despite the turmoil in the financial markets, the first half of 2009 was characterised by significant growth in new lendings and by an expansion of the customer loan portfolio.

Deutsche Apotheker- und Ärztebank's highly specialised and business related financing expertise in the business areas of business start-up financing, real estate financing and investment financing/personal loans continues to be highly esteemed by academic health professionals. Despite the uncertainties about personal and professional prospects associated with the reforms in the health care sector, we recorded a very high credit demand.

With an increase of around Euro 2.0 billion, new advances in the loans sector once again exceeded the already remarkable interim result of the previous year by 5.9 percent. As at 30 June 2009, the customer loan portfolio amounted to Euro 24.9 billion (31 December 2008: Euro 24.6 bn).

This development resulted from stable new business in the areas of business start-up

financing and investment financing. In addition, above-average growth in new business was recorded in the area of real estate financing. Apart from the self-refinanced "apoZinscapDarlehen", public standardised loans from the Kreditanstalt für Wiederaufbau or from the various state development institutes (Landesförderinstitute) also play a central role.

We believe that the development in this business area is due, for one thing, to continued historically low interest rates. On the other hand, with our "apoZinscapDarlehen" we offer our clients a convincing long-term financing solution. Unlike fixed rate loans, the "apoZinscapDarlehen" with an interest rate protection factor can be partly or fully repaid at any time. Borrowers can react to changes in their personal or professional environment not only by making unscheduled repayments, but also by adjusting the redemption and annuity rates. Thus, the "apoZinscapDarlehen" excellently meets all requirements for a low-interest and flexible initial, modernisation or follow-up financing.

After an increase of Euro 0.6 billion, the total volume of credit – including contingent liabilities and irrevocable loan commitments – as at the balance sheet date 30 June 2009 amounts to Euro 30.6 billion.

## Deposit Business

### **Deposits remain on course for success**

In the first six months of the year 2009, client deposits in the narrower sense increased by 3.1 percent to Euro 16.3 billion. In addition, the refinancing was done by issues in the international capital market with a volume of Euro 10.1 billion.

Deposits on demand, which were influenced both by closing date disposals by institutional clients and by the call account “apoZinsPlus”, rose by 14.2 percent to Euro 8.5 billion. The average volume of demand deposits of retail clients, which allows an analysis independent of the closing date, was significantly over the average in 2008 in the first six months.

Concerning short-term investments, our clients were still very interested in “apoZins-Plus”, which continues to offer our clients attractive interest rates, despite the decline in market interest rates. Compared with the annual average in 2008 of approximately Euro 3.5 billion, the volume declined by around Euro 120 million, most of which was shifted to our special investment product “apoSafe15”, an investment with a maturity of 15 months.

The increase in term deposits of around 2.0 percent to Euro 4.1 billion compared to the previous year largely resulted from the disposals of our institutional clients. Driven by the development in the money market in the wake of the financial market crisis, term deposits with maturities of about one year were in demand again. Already since the end of November 2008, our new product “apoSafe15” has led to a significant increase in term deposits of approximately Euro 300 million.

## Asset Management

After the already troubled years of 2007 and 2008, the first six months of 2009 were also characterised by the financial market crisis, which has meanwhile shocked the global economy. As a result, given the sharp downturn in orders and exports, economic experts had to repeatedly reduce their expectations for the world's economies. According to current forecasts, the German economy will probably shrink at least by 6 percent in 2009. The first quarter of 2009 was the lowest point so far, showing record lows in share prices and government bond yields. Any other investment that was suspected of carrying a slightly higher risk was ignored. However, the market recovered surprisingly quickly from this low, supported by the significant amounts of liquidity that were provided by the world's central banks and needed to be invested profitably. Experts still disagree as to whether the peak of the financial market crisis is already over. There are many factors indicating that the recession was indeed severe, but at least it seems as if the bottom has almost been reached.

Against this background, the first half of 2009 was more than challenging for the Bank's asset management activities. There-

fore, we are pleased that we were able to achieve another significant increase in the volume of deposits under management. Our conservative investment strategy and professional portfolio management encouraged many clients to entrust their deposits to our asset management, particularly in turbulent times. As a result of the financial market crisis, there was a significant change in investment behaviour towards very conservative products. Against this background, our activities in the consulting business for retail clients developed as expected in the current environment. Demand for apoObligationen continues to be high. The controversial topics of the financial market crisis, such as inflation, economic activity and tangible assets, give reason to expect a significant increase in advisory and investment needs during the second half of the year.

In the institutional business, the first six months of 2009 were as difficult for the investments of our clients as the year 2008. While corporate bonds and high yield bonds enjoyed significant price recoveries, the asset class of shares weighed on results at least at the beginning of the year. This put

further pressure on many clients and made them change their investment behaviour. Against this backdrop, we noticed an increase in traditional direct investments in debentures of approximately 80 percent compared with the previous year; the development of our custodian bank business was in line with the significantly reduced targets. In the field of consulting, we obtained a commitment to perform some ALM (asset liability management) studies, which underlines our competence in this segment. For the remainder of this financial year, we expect no significant changes in the development and are confident that we will exceed our target figures.

### **Business development of the subsidiaries**

The business development of our subsidiary Apo Asset Management GmbH (apoAsset) is satisfactory, but the result after the first six months is down on the corresponding figure of the previous year, which is due to the development of the capital markets. The company currently benefits from its efforts to offer products that better meet the safety demands of institutional and retail clients.

On the one hand, this applies to the public fund "DuoPlus", which was launched in May 2009. In this product, the allocation of fund assets to European blue-chip securities and government bonds in Euro is changed continuously, dependent on the capital market development, by means of a strictly rule-governed approach. The target is to use positive share trends, while at the same

time systematically reducing the risk of losses due to adverse market movements. On the other hand, apoAsset has launched an institutional public fund in the area of bonds. This fund invests exclusively in European government bonds and is to generate, with great regularity, a return of more than 4 percent per year with the help of a procedure for maturity management developed by apoAsset.

Finally, the company intensified its efforts to widen the circle of investors who invest in the defensive fund segment of health care shares.

For our subsidiary AC Capital Partners Ltd., the first half of 2009 was also marked by the global financial market crisis. In cooperation with nameable banks, AC Capital Partners Ltd. is currently drawing up fund concepts for conservative institutional investors who make use of the opportunities offered by the current market situation while remaining aware of the risks. These concepts include, for example, hedge concepts in the segment of corporate bonds or investments with a strategy against potential dangers of inflation. Despite the ongoing financial market crisis, AC Capital Partners Ltd. assumes that it will be able to achieve the goals set for 2009.

APO Immobilien-Kapitalanlagegesellschaft (aik) celebrates its tenth anniversary in 2009. In the 10 years of its existence, the real estate asset manager has become number one in the target market of pension funds of the medical professions. In 2009, the company



conceived a new real estate fund, which also enables smaller and medium-sized pension funds to benefit from aik's approved good management qualities. With the purchase of one property each in Paris and London, the issue of the first share certificates – and thus the official launch of the new joint fund “apoReal International” – is imminent.

Given the uncertainties in the financial markets and the restrictive lending conditions, the year 2009 offers attractive investment opportunities to aik as an equity investor. Besides the already acquired properties in London and Paris, several others are already in the due diligence phase. Apart from that, the focus is on acquisitions in Belgium and the Netherlands. In Germany, where some acquisitions have already been made, the purchase of a portfolio consisting of 11 properties is being prepared.

Despite the decline in demand for office space, remarkable rental performance was achieved in asset management during the first half of the year. Thus, the occupancy rate still amounts to about 97 percent. Overall, 25 commercial lease agreements for around 22,500 sqm of space with an annual rental volume of Euro 4.4 million have been signed since the beginning of the year. The focus remains on active and efficient rental management to ensure good performance of the real estate funds even in difficult economic times.

## Treasury/Liquidity Management

The Treasury activities within the scope of our strategic interest rate risk management at the overall bank and portfolio level contributed as planned to risk hedging and result improvement in the first half of 2009. As in the past, apoBank has already taken global hedging measures for the future on the basis of simulations.

We consequently continued our adopted consolidation strategy with respect to the own investments portfolio. Due to scheduled and extraordinary repayments, the size of the portfolio was successively reduced. We still refrain from making new investments, which are not connected to restructurings. As part of our risk hedging strategy, we took measures to provide a hedge against possible risks and accounted for them in the risk provisioning for financial instruments.

A congruent refinancing structure is secured in the long term within the framework of our strategic liquidity management. In order to secure liquidity, apoBank holds marketable securities with a good credit rating in its “liquidity reserve” portfolio, which can be sold at any time or are eligible as collateral. apoBank has a comfortable liquidity position

with a large portfolio of ECB-eligible securities. The regulatory requirements for the liquidity ratio were met at any time. We have steadily reduced our position as a provider of liquidity in the money market over the last few months, while at the same time significantly increasing our portfolio of ECB-eligible securities.

All refinancing activities planned for 2009 were already realised in the first half of 2009 in the capital market. Also placements in the retail segment planned for the whole year were almost fully realised in the first half. One essential element was the placement of “AAA” rated apoPfandbriefe as well as of medium-term issues with institutional clients and banks.

In the course of the year, we will continue our refinancing activities in order to secure part of the funds required for refinancing in 2010 already at an early stage.

## Equity Capital

On 19 June 2009, the Annual General Meeting approved the proposals of the Supervisory Board and the Board of Directors for the appropriation of the accounting profit for the financial year 2008 in the amount of Euro 59.6 million. Accordingly, Euro 12.0 million were allocated to general reserves and a dividend of 6 percent was distributed, which corresponds to an amount of Euro 47.6 million. As at 30 June 2009, the Bank's core capital amounted to Euro 1,766 million (31 December 2008: Euro 1,683 m). Liable equity capital amounted to Euro 2,609 million (31 December 2008: Euro 2,483 m).

At the beginning of the first half of 2009, rating agencies began to fundamentally change their rating methods for securitised US residential mortgages (Alt-A residential mortgage backed securities) and to significantly downgrade them on a systematic basis. Even Aaa rated securities were adjusted by more than 15 rating notches. Overall, rating agencies worldwide downgraded securities with a volume in the three-digit billion range. These adjustments have a direct influence on the banks' securitisation portfolios, as the strict rating orientation of the effective capital adequacy requirements

according to Basel II is leading to significant regulatory oversubscription: Even securities without non-performance are subject to a full equity deduction, whereas, for example, a deduction of only 45 percent is provided for non-performing loans. The downgrading of the securities concerned incorporates the amount of expected losses only in a very undifferentiated manner. The regulatory requirements demand full capital backing even for securities where Moody's expects a repayment rate of 75 to 95 percent.

Since apoBank is also invested in ABS securities, the downgrading of recently still Aaa rated securities and their regulatory treatment have resulted in a significant amount of additional required capital in our Bank as well. However, the most recent results of our regular stress tests clearly show that the additional amount of required capital several times exceeds the expected losses of the ABS securities even under conservative stress scenarios. Despite shifts in valuation resulting from the general deterioration of the economic situation in the United States of America and the lower recovery expectations regarding financed real estate, none of apoBank's tranches has

become non-performing so far. Interests are duly paid. Prepayments are made as well.

Taking account of the outlined developments, the Bank's equity ratio and core capital ratio as at 30 June 2009 amounted to 9.5 percent (31 December 2008: 12.8%) and 6.4 percent (31 December 2008: 8.7%), respectively. Our aim is to sustainably achieve a core capital ratio of over 7 percent and an equity capital ratio of over 10 percent again. To this end, the Bank took measures at an early stage to reduce the additional required capital and to strengthen its capitalisation.

Apart from our own measures to strengthen equity through members' capital contributions and the placement of subordinated capital with our clients, the Bank together with the Federal Association of German Cooperative Banks (Bundesverband der Deutschen Volksbanken und Raiffeisenbanken, BVR) took steps, after the 30 June 2009 reference date, to ease temporarily the burden on equity capital. Hereby, apo-Bank's ability to access the capital market is secured by solidarity within the cooperative Verbund.

## Risk Report

Selective and controlled risk taking is one of the substantial elements of successful banking business. In 2009, we are also 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 our risk control. Compliance with these guidelines is monitored at portfolio level 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-taking capability calculation, all major types of risks are included in a system of comprehensive control and limitation.

### **Business risks/Strategic risks**

The business risk is understood as the deviation of a margin or commission income 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 business conditions to the Bank's disadvantage.

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

### **Credit risk**

apoBank's sub-portfolios have evolved in different ways. The retail banking business continues to grow, and a slight volume increase has been reached in the Corporates and Institutional clients portfolio as well. On the other hand, limits and drawdowns in the Financial Instruments portfolio have intentionally declined because of the consolidation strategy taking effect here.

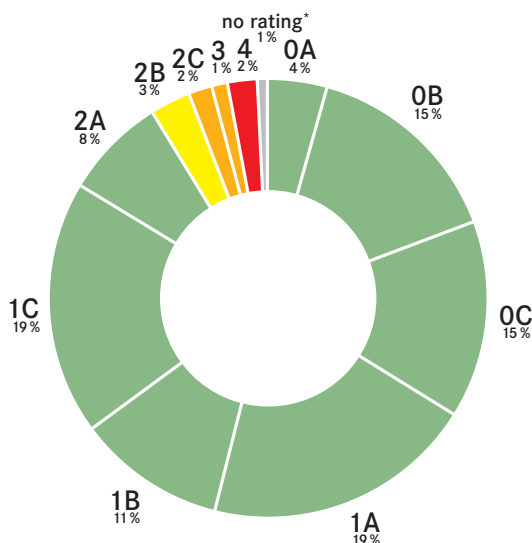
The Retail portfolio is stable and of good quality. Defaults within apoBank's core credit business are hardly cyclical, as the absolute amount of health expenditures still grows also in time such as the current recession. Due to the stronger business attitude of medical professions structural changes can be easier be incorporated by them.

### Rating class distribution in the Retail portfolio

#### Volume distribution (in € m)

on the basis of drawdowns

total 22,483



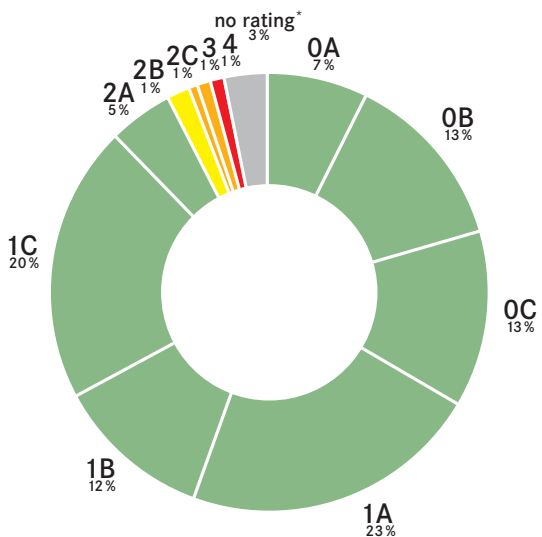
#### Rating class BKZ\*\* Meaning

Rating class	BKZ**	Meaning
0A	50	Exposures with impeccable creditworthiness, no risk factors (standard management)
0B	50	
0C	50	
1A	50	Exposures with good creditworthiness with individual risk factors (standard management)
1B	50	
1C	50	
2A	50	Exposures with low risks (standard management)
2B	52-53	
2C	54	Exposures with greater risks (intensive management)
3	54	
4	55-58	Commitments threatened by default (according to Basel II 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 (problem credit management) - Write-offs - Insolvency
no rating		

#### Distribution of borrowers

on the basis of drawdowns

total 143,494



\*\* BKZ (Bearbeitungskennzeichen) = processing indicator according to manual risk assessment (relating to the Retail Clients/Branch Business and Corporates and Institutional clients portfolio)

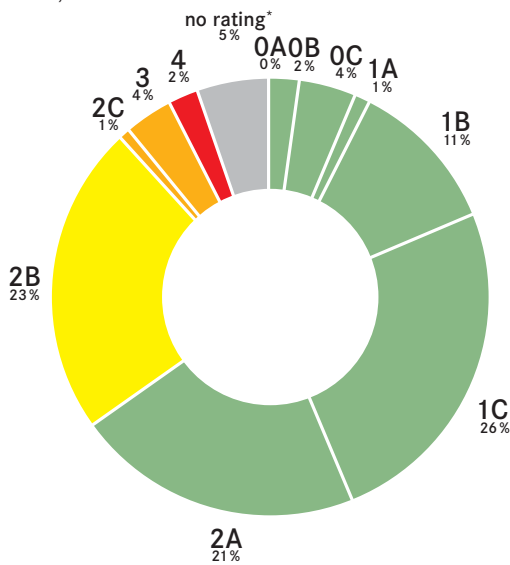
Volumes = drawdowns (balance sheet date) in € m

\* No rating; including permanently unrated exposures

< € 100 as well as exposures to employees

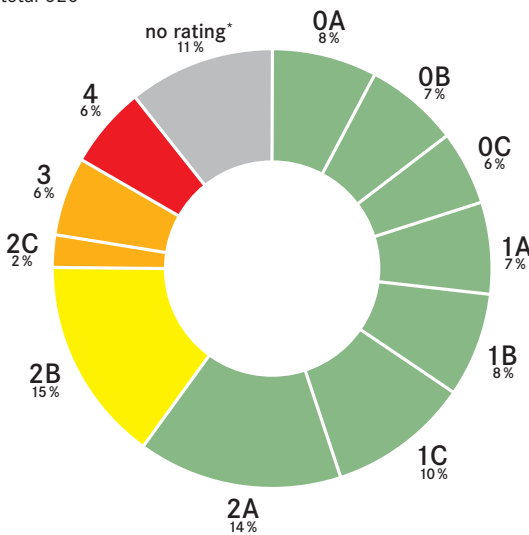
Rating class distribution in the Corporates and Institutional clients portfolio

Volume distribution (in € m)  
on the basis of drawdowns  
total 2,464



Rating class	BKZ**	Meaning
0A	50	Exposures with impeccable creditworthiness, no risk factors (standard management)
0B	50	
0C	50	
1A	50	Exposures with good creditworthiness with individual risk factors (standard management)
1B	50	
1C	50	
2A	50	Exposures with low risks (standard management)
2B	52-53	Exposures with greater risks (intensive management)
2C	54	High-risk commitments (problem credit management)
3	54	Higher risk commitments (problem credit management)
4	55-58	Commitments threatened by default (according to Basel II 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 (problem credit management) - Write-offs - Insolvency
		no rating

Distribution of borrowers  
on the basis of drawdowns  
total 526

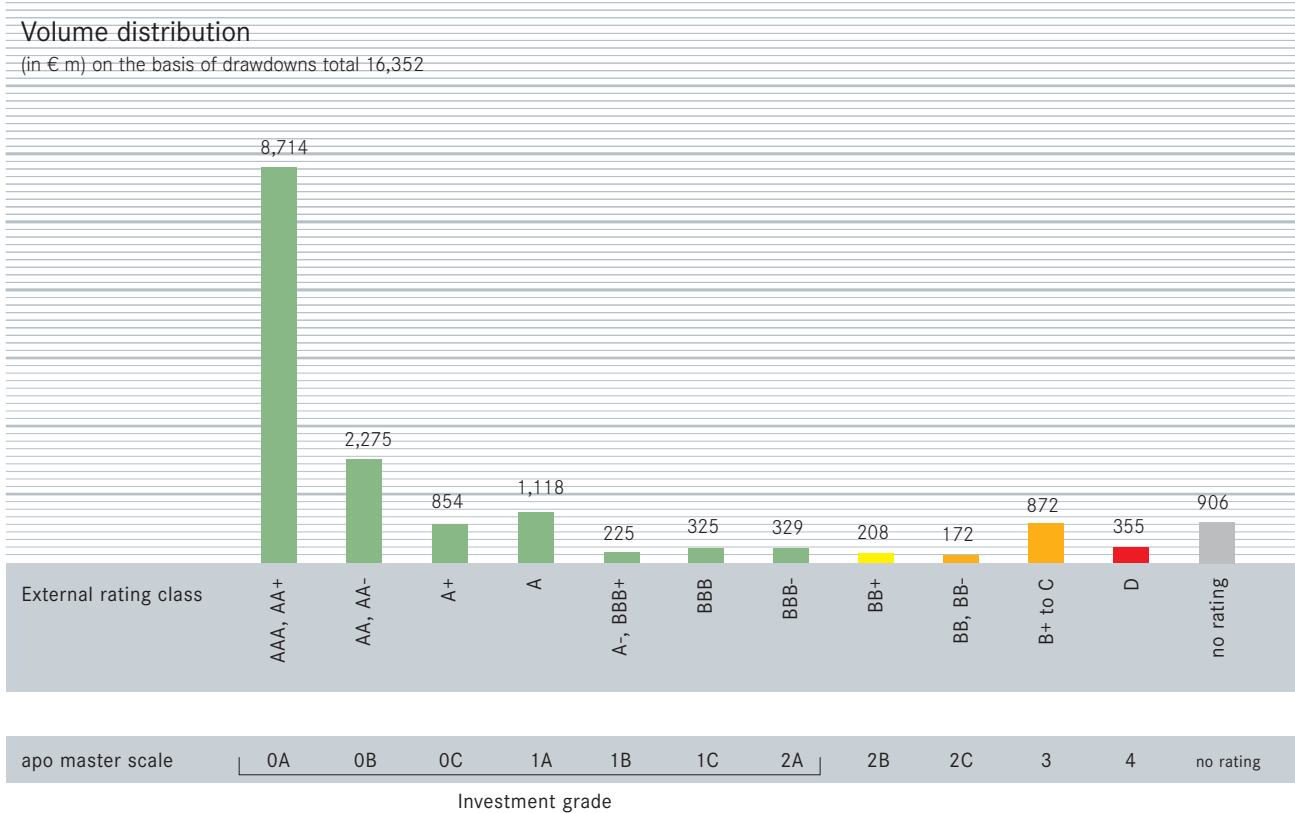


Volumes = drawdowns (balance sheet date) in € m  
\* No rating; excluding permanently unrated exposures < € 100

\*\* BKZ (Bearbeitungskennzeichen) = processing indicator according to manual risk assessment (relating to the Retail Clients/Branch Business and Corporates and Institutional clients portfolio)

The rating distribution in the Corporates and Institutional clients portfolio is still well balanced with a focus on the rating classes 0A to 2B. Greater innovative business structures in the health care sector have partially longer start-up times than previously planned. In individual cases the bank build up risk provisions for risks close to equity investments in such structures.

Rating class distribution according to drawdowns in the Financial Instruments portfolio\*



The unrated exposures are mainly composed of interbank balances and the LAAM funds.  
More than 70% of the assets in the LAAM funds are rated investment grade.  
\*includes money market, liquid investments and derivatives

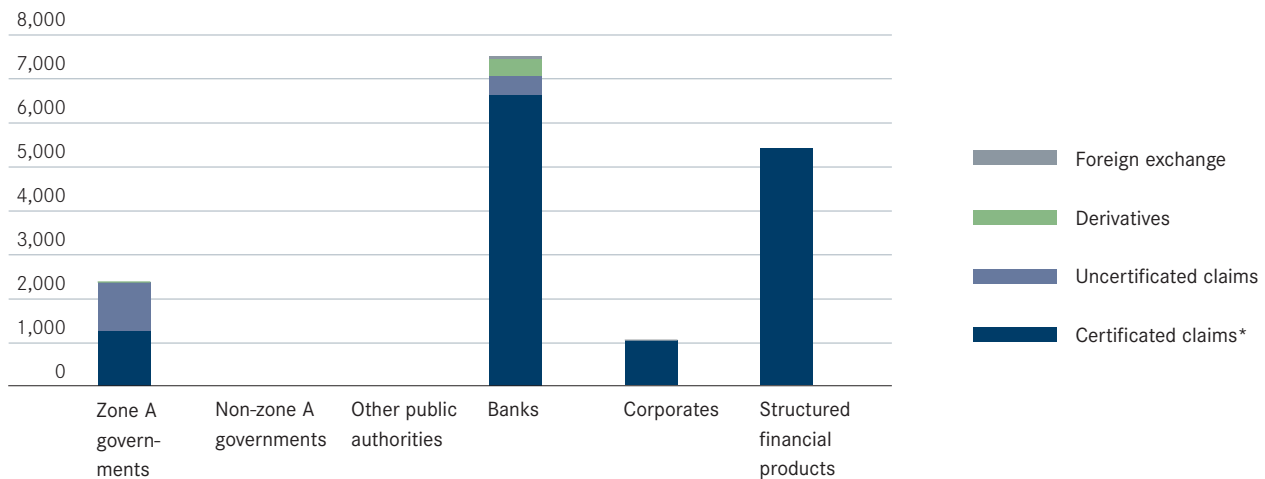
The sub-portfolio Financial Instruments, which primarily includes securitised exposures on banks, corporates and sovereigns as well as structured financial products, was systematically reduced. In particular, exposures to banks were strongly reduced. Corporate risks were also reduced selectively. Reinvestments of the liquidity reserve were largely made in government securities or government-guaranteed securities as well as Pfandbriefe. As a result, the amount of sovereign bonds has slightly increased.

The rating distribution reflects, among other things, the massive downgrades of ratings by Moody's in the US ALT-A RMBS portfolio in February and March of this year, which fell from AAA to the range of BB+ to CCC-. Standard & Poor's has so far only selectively taken the same rating action. In total the volume of the ABS-portfolio declined due to scheduled redemptions.



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

Sector	Certificated claims* (book value € m)	Uncertificated claims (book value € m)	Derivatives (LEE € m)	Foreign exchange (LEE € m)	Total
Zone A governments	1,257	1,100	26	0	2,384
Non-zone A governments	0	0	0	0	0
Other public authorities	0	0	1	6	7
Banks	6,635	430	316	63	7,444
Corporates	1,054	6	4	22	1,086
Structured financial products	5,431	0	0	0	5,431
<b>Total</b>	<b>14,377</b>	<b>1,536</b>	<b>347</b>	<b>91</b>	<b>16,352</b>



\*including ABS, CDO, CDS, MBS, TRS and special funds

Volumes = drawdowns (balance sheet date, after netting and collateral management) on the basis of book values or loan equivalent exposures (LEE) in € m

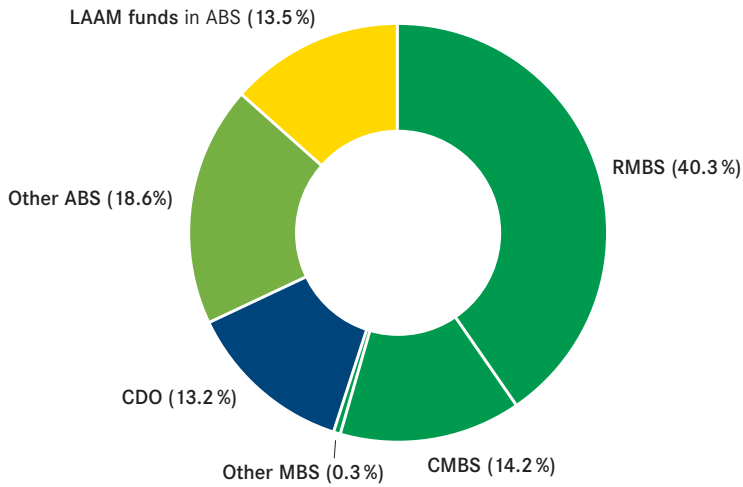
Totals may deviate due to rounding

In the Financial Instruments portfolio the main focus is on the upper rating classes. In the first half of the year there were no non-performances or defaults in the financial instrument portfolio. However, after the balance sheet date significant downgrades in the underlying portfolio occurred of one CDO transaction on corporates. Based on reasons of prudence a value adjustment was made here. The CDO structure still has a subordination in a noteworthy size to absorb defaults of corporates.

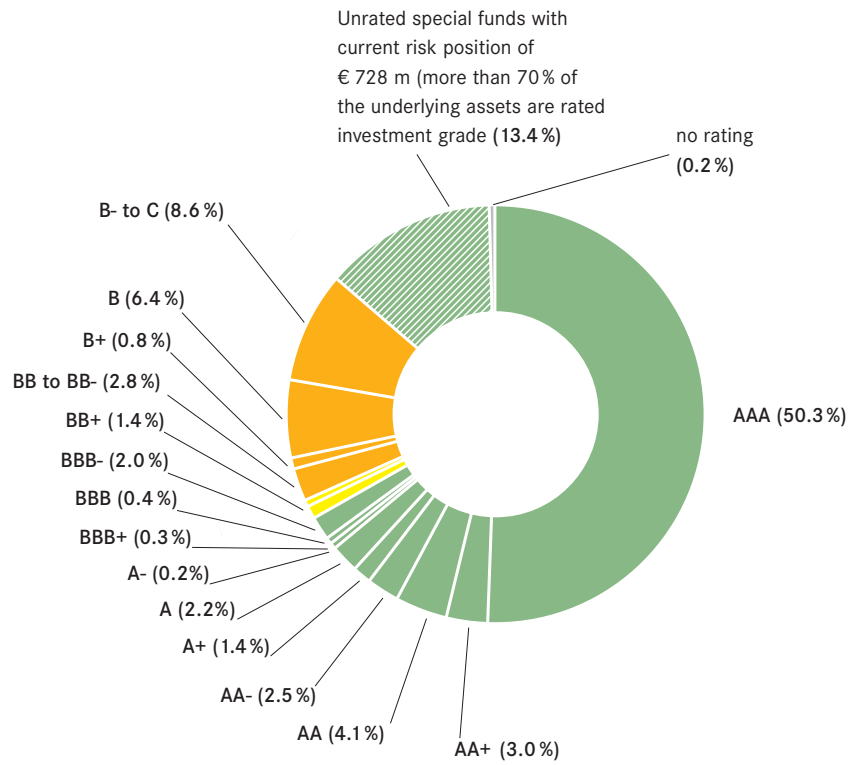
All investments, even those in the good rating classes, are closely monitored, subjected to regular stress tests and continually reviewed for the possibility of disinvestment and hedging measures. The results of the analysis for the ABS portfolio show that increased losses, which are distributed over the maturity, will occur only in stress scenarios. However, some transactions deteriorated, that possibly arising losses have been accounted in the risk provisioning.

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

Volume distribution € 5,431 m



Volume distribution € 5,431 m



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

apo master scale	External rating class	by rating classes						by countries			by residual term*		
		0A	0B	0C to 2A	2B	2C to 3	no rating	USA	Europe	other**	0 to 1	> 1 to 5	> 5
		AAA, AA+	AA, AA-	A+ to BBB-	BB+	BB to C	no rating						
<b>MBS</b>	<b>2,958</b>	1,657	282	239	75	704	0	***971	1,932	54	297	1,274	1,386
<b>CDO</b>	<b>737</b>	327	18	86	0	306	0	683	54	0	184	71	483
<b>ABS (in the narrow sense)</b>	<b>997</b>	910	59	28	0	0	0	320	677	0	138	406	453
<b>Special funds (SF), (invested capital)</b>	<b>738</b>	0	0	0	0	11	728	11	218	510	158	195	386
<b>Total</b>	<b>5,431</b>	<b>2,894</b>	<b>360</b>	<b>354</b>	<b>75</b>	<b>1,021</b>	<b>728</b>	<b>1,985</b>	<b>2,882</b>	<b>564</b>	<b>777</b>	<b>1,945</b>	<b>2,708</b>

\* Residual term in years = expected maturity

\*\* Securitisation structures from other countries as well as special funds with securitisation structures without country focus

\*\*\* Mainly includes Alt-A RMBS; the subprime exposure amounts to only € 1 m

Volumes = drawdowns (balance sheet date after netting and collateral management) on the basis of book values or loan equivalents (LEE) in € m

Totals may deviate due to rounding

The ongoing monitoring of the Bank's portfolios and the resulting early identification of risks is an essential part of our conservative risk policy. The balance of risk provisioning to be made for the clients business areas as at 30 June 2009 in the amount of Euro 38.1 million is in line with the expected standard risk costs. The balance of risk provisioning for financial instruments amounts to Euro 82.0 million.

**Market risk**

Apart from credit-spread risks in the field of own investments, the Bank’s market risks consist primarily of the interest rate risk. Other market risks are of minor importance.

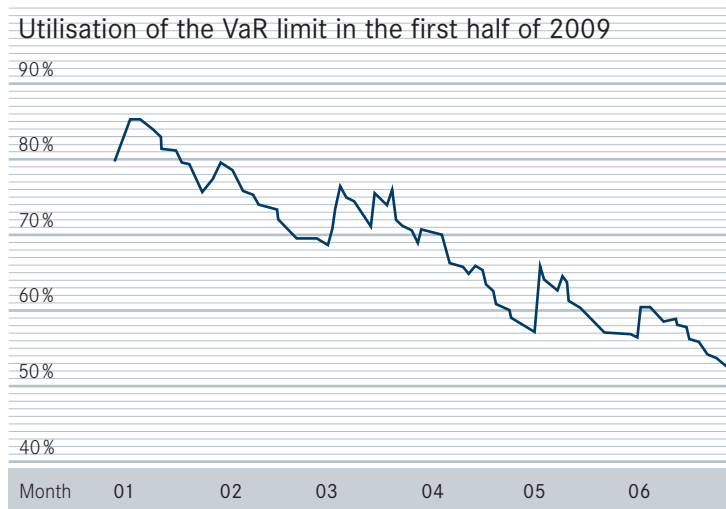
The essential market risks of the Bank as a whole are integrated and limited in the overall risk control framework. In order to control the market risks, the Bank pursues both present-value and periodic approaches.

The market risk of the Financial Instruments portfolio declined in the first half of the year. This was mainly due to the lower volatility of the markets during this period. The limitation of market risks, which is derived from the risk-taking capability, 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 limitation at a moderate level.

**Liquidity risk**

The Bank’s cashflows are good to plan. In order to guarantee permanent solvency, the Bank has a large liquidity reserve of securities eligible as collateral and, mainly, eligible for refinancing with the central bank. Apart from growing customer deposits, the stable investor base is essential for the Bank’s refinancing. The planned refinancing activities in the capital market were completely implemented already in the first six months of 2009. Here, the planned volume of Pfandbriefe was also reached by June.



Financial instruments without interest book position

The cover pool is steadily expanded, also through the loans with volumes above Euro 400,000 which have previously not been taken into account, and thus offers considerable additional potential to expand refinancing via mortgage Pfandbriefe. Beyond that, the Bank decided to already raise funding capital for redemptions and planned growth in 2010.

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 2009, the Bank took measures for the further improved control of the liquidity risks as well as their trading-independent controlling. The focus is on the further development of the funding matrix and on the refinement of the modelling of cashflows. In addition, the scenario and stress calculations are being expanded.

### **Pfandbrief controlling**

The security of the Pfandbrief issues is closely monitored and controlled in a daily process. With regard to the Pfandbrief business, some of the statutory requirements changed when the amendment to the German Pfandbrief Act came into force on 26 March 2009. For instance, the focus has increasingly shifted to liquidity risk. We have responded to the changed requirements by revising our reporting on the basis of updated software. Risks are conservatively limited. Defensive selection is made of the loans of the cover

pool. All limits were complied during the first half of 2009.

### **Operational risk**

For the regulatory reporting of the operational risk, we continue to use the standard approach. Internal methods and procedures were developed further.

### **The impact of the current financial market situation**

We continue to monitor the impact of the ongoing financial market crisis very closely and incorporate our findings in our control system.

Already in the first six months of 2009, we were able to successfully complete important restructurings for some CDO transactions. Hedging costs and reversal of impairment losses are included in the result as at 30 June 2009. From today's point of view, we assume that no losses have to be expected from this sub-portfolio given the increased robustness of the securities. Rating downgrades within a CDO structure on corporates resulted in a value adjustment based on reasons of prudence. Moreover, the Bank decided to additionally reduce its position in structured products by divesting a capital-guaranteed fund platform.

The fundamental change in the rating method for securitised US residential mortgages (Alt-A residential mortgage backed securities) made in February 2009, above all by rating agency Moody's, led to sometimes significant downgrades also in apoBank's portfolio. These downgrades reflected expected losses only in a very undifferentiated way. As far as securities with a B3 or higher rating are concerned, Moody's does not assume any losses for the respective tranches. Even for Caa-rated securities, Moody's expects a repayment rate of 75 to 95 percent. The Bank's current analyses show that the increase in required capital (up to 100% of the nominal amount) resulting from the downgrades even several times exceeds the capital loss of the securities which is calculated under conservative stress scenarios, which we do not expect from today's perspective. For more details, we refer to the chapter "Equity Capital".

### **Risk situation and risk-taking capability**

The Bank consistently continues to pursue an appropriate risk policy. The relevant risks are closely monitored and limitation measures are taken. The risk provisioning covers all discernible risks in the lending business. Despite the changes in the health care sector, we believe that the risk potential of our portfolio will not deteriorate. The risk measurement systems, which have been approved by the regulator and 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.

Due to the market turmoil there were market price changes, also for the securities held by apoBank, which are considered as temporary from today's point of view. There are considerable reserves for covering further market disruptions, if necessary.

The risk-taking capability continues to be fully maintained both overall and for each risk type.

## Rating

Subsequent to the regular management meeting in June of this year, rating agency Standard & Poor's updated its rating analysis for apoBank and maintained its "A+/A-1" ratings with a stable outlook.

On 1 July, rating agency Moody's placed the Bank's financial strengths rating "under review for possible downgrade", thus reserving the right to downgrade its current "C" financial strengths rating after a review. At the same time, the agency maintained its "A2" long-term rating with a stable outlook.

Besides the existing individual ratings of Moody's and Standard & Poor's, our Bank's creditworthiness has also indirectly received Verbundratings from Standard & Poor's and the third internationally recognised rating agency, FitchRatings. FitchRatings maintained its good "A+" Verbundrating for the cooperative Finanzverbund in April 2009. The short-term rating was raised by one notch to "F1+". Standard & Poor's maintained its "A+/A-1" rating for the Finanzverbund with a stable outlook.

Apart from the issuer credit ratings, rating agency Standard & Poor's assesses a rating to apoBank's cover pool for the issue of mortgage Pfandbriefe. The unchanged top "AAA" rating reflects, among other things, the good quality and high granularity of the cover pool. Moreover, it takes account of the sophisticated lending standards including the risk management system apoRate, which has been examined and approved by the supervisory authorities.

## Outlook

Despite the ongoing volatilities in the financial markets, apoBank had a successful start into the financial year 2009 in its operating core business.

On the basis of the consistent implementation of our sales strategy, we expect to continue our quality-oriented growth in the lending and deposit business also in the financial year 2009. Apart from the successful sales performance in our core business, net interest income will be positively influenced, as expected, by the measures taken in the past within the framework of the strategic interest rate risk management and equity investment. However, the additional income generated in 2008 will be omitted again in the current financial year. In addition, the pressure on interest margins has intensified due to the persistently strong competition and the significant increase in refinancing costs in the wake of the financial market crisis. Furthermore, net interest income in the financial year 2009 and the following years will also be affected by the discontinuation of earnings contributions in the Bank's own investments resulting from the adopted consolidation strategy. We aim to systematically reduce our Financial Instruments

portfolio in order to achieve a sustained reduction in our total exposure and required capital over the next few years.

Like last year, the Bank's net commission income should again be affected by the consequences of the financial market crisis and by the changes in the investment behaviour of our clients. These developments will be only partly offset by positive effects from the insurance business.

As already in the previous years, administrative expenses will be characterised by the business 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 in the second half of the year. Within the framework of the implementation of stringent cost management and the consistent continuation of "apoFit" – our project for sustainable optimisation of our cost structure – the cost side will be characterised by one-off expenses in 2009 and the next few years as well. Apart from consequently containing the pace of cost increase, this will provide us with additional financial scope in the medium term, which we can



use for future-oriented investments in our sales business and our IT structure. With this growth strategy, we want to successfully position ourselves permanently as a premium provider of financial services in the health care sector.

With regard to risk provisioning for the traditional lending business, we expect that value adjustments will not exceed the standard risk costs. Given the continuing uncertainty in the financial markets, risk provisioning for the Financial Instruments portfolio can hardly be predicted seriously today. Further rating deteriorations and negative effects on earnings can not be excluded. Since we generally act as a buy-and-hold investor, i. e. securities are usually held until their final maturity, the value adjustments made in the wake of the financial market crisis will presumably lead to write-ups. In addition, risk provisioning is influenced by measures taken within the framework of our risk hedging strategy to permanently hedge against possible risks.

On the basis of our robust business model we also expect the positive development in our operating core business in the second half of the year to continue. The uncertainties about the further development of the financial market crisis does not allow for a reliable forecast for the entire year 2009.





Assets	(Notes)	in € thousand 30.06.2009	in € thousand 31.12.2008
<b>1. Cash reserves</b>		<b>30,913</b>	<b>317,109</b>
a) Cash on hand		30,913	32,548
b) Cash in central banks		0	284,561
c) Cash in post office giro accounts		0	0
<b>2. Debt instruments of public agencies and bills of exchange eligible for refinancing with central banks</b>		<b>0</b>	<b>0</b>
<b>3. Loans and advances to banks</b>		<b>2,313,428</b>	<b>4,116,048</b>
a) Due on demand		1,546,206	2,084,436
b) Others		767,222	2,031,612
<b>4. Loans and advances to customers</b>		<b>24,905,036</b>	<b>24,554,164</b>
<b>5. Debt securities and other fixed-interest securities</b>	(12, 14, 17)	<b>9,568,187</b>	<b>8,562,740</b>
a) Money market papers		294,532	1,162,493
aa) of public issuers		0	0
ab) of other issuers		294,532	1,162,493
b) Bonds and debt securities		9,039,575	7,113,535
ba) of public issuers		213,176	139,525
bb) of other issuers		8,826,399	6,974,010
c) Own debt securities		234,080	286,712
<b>6. Shares and other non-fixed-interest securities</b>	(12, 13, 14, 17)	<b>1,789,457</b>	<b>1,893,362</b>
<b>7. Participating interests and capital shares in cooperatives</b>	(15, 17)	<b>109,555</b>	<b>111,482</b>
a) Participating interests		108,815	110,823
Including: in banks		(92,754)	(92,754)
Including: in financial services institutions		(14,755)	(16,763)
b) Capital shares in cooperatives		740	659
Including: in cooperative banks		(0)	(0)
in financial services institutions		(0)	(0)
<b>8. Shares in affiliated companies</b>	(15, 17)	<b>131,818</b>	<b>131,818</b>
Including: in banks		(0)	(0)
Including: in financial services institutions		(53,016)	(53,016)
<b>9. Trust assets</b>	(16)	<b>2,751</b>	<b>2,753</b>
Including: loans for third-party accounts		(13)	(15)
<b>10. Compensation claims against the public sector, including debt securities from their exchange</b>		<b>0</b>	<b>0</b>
<b>11. Intangible assets</b>	(17)	<b>22,619</b>	<b>25,304</b>
<b>12. Tangible assets</b>	(17)	<b>221,148</b>	<b>223,074</b>
<b>13. Other assets</b>	(18)	<b>1,207,336</b>	<b>1,139,655</b>
<b>14. Prepayments and accord items</b>	(19)	<b>89,521</b>	<b>143,101</b>
<b>Total assets</b>		<b>40,391,769</b>	<b>41,220,610</b>

Liabilities	(Notes)	in € thousand 30.06.2009	in € thousand 31.12.2008
<b>1. Liabilities to banks</b>		<b>11,021,022</b>	<b>11,535,271</b>
a) Due on demand		1,327,948	1,200,883
b) With agreed term or period of notice		9,693,074	10,334,388
<b>2. Liabilities to customers</b>		<b>16,290,807</b>	<b>15,800,645</b>
a) Savings deposits		81,735	80,662
aa) With agreed period of notice of three months		59,433	64,113
ab) With agreed period of notice of more than three months		22,302	16,549
b) Other liabilities		16,209,072	15,719,983
ba) Due on demand		8,494,454	7,438,399
bb) With agreed term or period of notice		7,714,618	8,281,584
<b>3. Certificated liabilities</b>		<b>10,093,625</b>	<b>10,960,301</b>
a) Debt securities issued		10,093,625	10,960,301
b) Other certificated liabilities		0	0
Including: money market papers		(0)	(0)
own acceptances and promissory notes outstanding		(0)	(0)
<b>4. Trust liabilities</b>	(21)	<b>2,751</b>	<b>2,753</b>
Including: loans for third-party accounts		(13)	(15)
<b>5. Other liabilities</b>	(22)	<b>412,326</b>	<b>392,400</b>
<b>6. Deferred income and accruals</b>	(23)	<b>49,123</b>	<b>60,702</b>
<b>7. Provisions</b>		<b>225,283</b>	<b>157,530</b>
a) Provisions for pensions and similar obligations		124,311	121,321
b) Tax provisions		6,870	5,946
c) Other provisions		94,102	30,263
<b>8. Special items with a reserve element</b>		<b>0</b>	<b>0</b>
<b>9. Subordinated liabilities</b>	(24)	<b>220,749</b>	<b>201,551</b>
<b>10. Participating certificate capital</b>		<b>260,565</b>	<b>260,565</b>
Including: due within two years		(50,565)	(50,565)
<b>11. Fund for general banking risks</b>		<b>126,000</b>	<b>126,000</b>
<b>12. Equity capital</b>	(25)	<b>1,689,518</b>	<b>1,722,892</b>
a) Subscribed capital		959,468	952,748
b) Capital reserves		0	0
c) Revenue reserves		722,500	710,500
ca) Legal reserves		361,250	355,250
cb) Other revenue reserves		361,250	355,250
d) Net earnings		7,550	59,644
<b>Total liabilities</b>		<b>40,391,769</b>	<b>41,220,610</b>
<b>1. Contingent liabilities</b>	(26)	<b>2,820,552</b>	<b>2,720,132</b>
a) Contingent liabilities from rediscounted, settled bills		0	0
b) Liabilities from guarantees and indemnity agreements		2,820,552	2,720,132
c) Collateral furnished for third-party liabilities		0	0
<b>2. Other obligations</b>		<b>2,921,280</b>	<b>2,725,648</b>
a) Obligations under optional repurchasing agreements		0	0
b) Placement and underwriting obligations		0	0
c) Irrevocable loan commitments		2,921,280	2,725,648

Profit and Loss Account		in € thousand	in € thousand
(Notes)		01.01.-30.06.2009	01.01.-30.06.2008
<b>1. Interest income from</b>		<b>904,223</b>	<b>1,074,064</b>
a) Lending and money market transactions		752,755	900,801
b) Fixed-interest securities and debt register claims		151,468	173,263
<b>2. Interest expenses</b>		<b>-637,428</b>	<b>-815,937</b>
<b>3. Current income from</b>		<b>33,214</b>	<b>65,000</b>
a) Shares and other non-fixed-interest securities		21,718	50,270
b) Participating interests and capital shares in cooperatives		1,887	3,044
c) Shares in affiliated companies		9,609	11,686
<b>4. Income from profit pooling, profit transfer agreements or partial profit transfer agreements</b>		<b>217</b>	<b>0</b>
<b>5. Commission income</b>		<b>80,942</b>	<b>104,093</b>
<b>6. Commission expenses</b>		<b>-45,631</b>	<b>-30,643</b>
<b>7. Net income from financial transactions</b>		<b>3,413</b>	<b>-2,475</b>
<b>8. Other operating income</b>	(30)	<b>4,038</b>	<b>5,001</b>
<b>9. General administrative costs</b>		<b>-181,002</b>	<b>-175,500</b>
a) Personnel expenses		-92,402	-84,058
aa) Wages and salaries		-78,292	-70,985
ab) Social security contributions and expenses for pensions and benefits		-14,110	-13,073
Including: for pensions		(-3,031)	(-1,674)
b) Other administrative costs		-88,600	-91,442
<b>10. Depreciation and value adjustments in respect of intangible and tangible assets</b>		<b>-12,021</b>	<b>-11,968</b>
<b>11. Other operating expenses</b>	(30)	<b>-7,001</b>	<b>-5,659</b>
<b>12. Write-offs and value adjustments in respect of receivables and specific securities and allocations to provisions for credit risks</b>		<b>-52,516</b>	<b>-113,860</b>
<b>13. Write-offs and value adjustments in respect of participating interests, shares in affiliated undertakings and securities treated as fixed assets</b>		<b>-71,626</b>	<b>-9,523</b>
<b>14. Expenses from the absorption of losses</b>		<b>0</b>	<b>-691</b>
<b>15. Profit on ordinary activities</b>		<b>18,822</b>	<b>81,902</b>
<b>16. Taxes on income</b>	(31)	<b>-11,142</b>	<b>-24,828</b>
<b>17. Other taxes not indicated in item 11</b>		<b>-150</b>	<b>-260</b>
<b>18. Withdrawals from the fund for general banking risks</b>		<b>0</b>	<b>0</b>
<b>19. Distributable profit</b>		<b>7,530</b>	<b>56,814</b>
<b>20. Profit carried forward from the previous year</b>		<b>20</b>	<b>33</b>
<b>21. Net earnings</b>		<b>7,550</b>	<b>56,847</b>

## A. General Information

### 1. Framework for the preparation of the interim financial statements

The interim financial statements of Deutsche Apotheker- und Ärztebank eG (apoBank), Düsseldorf, as of 30 June 2009 were prepared according to the regulations of the German Commercial Code (Handelsgesetzbuch, HGB), the Accounting Ordinance for Banks and Financial Services Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute, RechKredV) as well as the law securities trading act (Wertpapierhandelsgesetz, WpHG). At the same time, the interim financial statements meet the requirements of the Cooperative Societies Act (Genossenschaftsgesetz, GenG) and the articles of association of apoBank.

In accordance with § 244 of the German Commercial Code, the interim financial statements are drawn up in the German language and in euro. Advantage has been taken of the option to provide information through the notes rather than the balance sheet.

### 2. Structural changes in the notes to the interim financial statements

Compared with the presentation of the interim financial statements in the previous year, we have made changes in individual items in the presentation of the notes to the interim financial statements as of 30 June 2009. These changes lead to a new composition of the notes.

With the structural adjustment of the notes, we have grouped the existing information more clearly. In addition, we have included information that we believe gives the reader of our interim financial statements an even better insight into the net asset position, financial position and profit situation.

We have made the following structural changes:

1. Implementation of breakdowns in the form of
  - a) Reference numbers in the balance sheet and in the profit and loss account
  - b) Headlines for the individual notes
2. Restructuring of all existing notes

We have included the following new information:

1. Framework for the preparation of the interim financial statements
2. Description of the accounting, valuation and translation methods for
  - a) Intangible assets
  - b) Derivative financial instruments
3. Notes to balance sheet items
  - a) Extended notes to the securities portfolio with regard to its purpose
  - b) Extended notes to trust transactions by introducing a new breakdown by balance sheet positions
4. Notes to profit and loss account items
  - a) Breakdown of other operating income

## B. Accounting, Valuation and Translation Methods

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

### 3. Loans and advances and risk provisioning

Loans and advances to 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 accruals and deferred income. 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.

### 4. Securities

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 depreciations of current assets in value in these valuation units.

Tailor-made CDO structures are structured products within the meaning of IDW RS HFA 22. 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 depreciations 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. Deviating from the first half of the 2008 financial year, the credit spreads were also calculated on the basis of the DCF method.

Products with a capital guarantee which are allocated to fixed assets and which were reported in the balance sheet as one product at the time of the publication of IDW RS HFA 22 were not split. 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 are based on the attributable values of the reference securities determined by the DCF method.

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).



#### 5. Participating interests and shares in affiliated undertakings

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

#### 6. Fixed assets/tangible assets

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. Economic goods for the purpose of § 6 (2) Income Tax Act (EStG) were completely written off. Economic goods for the purpose of § 6 (2a) Income Tax Act (EStG) were written off over a period of 5 years.

#### 7. Fixed assets/intangible assets

Intangible assets are valued at cost of acquisition and depreciated on a straight-line basis according to plan. The underlying useful life is between 3 and 5 years.

#### 8. Liabilities

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.

#### 9. Provisions

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 half-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.

#### 10. Derivative financial instruments

Derivative financial instruments are, as a matter of principle, valued individually in accordance with the general valuation provisions of commercial law (§§ 252 ff German Commercial Code) and taking account of the realisation and imparity principle, unless valuation units are made to an acceptable extent in order to hedge balance sheet items and trading items.

Since 2007, CDS as collateral have been recorded as contingent liabilities at their nominal value according to the principles for the non-trading portfolio pursuant to IDW RS BFA 1, and are shown in the balance sheet under the item "Liabilities from guarantees and indemnity agreements".

Provisions for contingent losses are set up if there is the threat of serious claims. Such claims did not exist at the balance sheet date.

#### **11. Currency translation**

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

Fixed assets were valued at historical costs. 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 combined into one valuation unit and valued at the historical hedge rate.

## C. Notes to the Balance Sheet

## Notes to Assets

**12. Securities portfolio by purpose**

The securities portfolio is divided by purpose into the following categories:

	30.06.2009	31.12.2008
Debt securities and other fixed-interest securities	€ thousand	€ thousand
- Fixed assets	6,661,778	4,697,367
- Trading portfolio	234,080	286,712
- Liquidity reserve	2,672,329	3,578,661
<b>Total</b>	<b>9,568,187</b>	<b>8,562,740</b>
Shares and other non-fixed-interest securities	€ thousand	€ thousand
- Fixed assets	468,886	476,152
- Trading portfolio	3,981	617
- Liquidity reserve	1,316,590	1,416,593
<b>Total</b>	<b>1,789,457</b>	<b>1,893,362</b>

**13. Notes to shares in special investment funds**

Currently, apoBank holds investments in three Leveraged Accrual Asset Management funds ("LAAM funds"). The LAAM funds are designed as legally separate sub-trusts (funds) of two independent mastertrust platforms. The sub-trusts, which are supported by AC Capital as the investment manager, invest in ABS bonds. The size of the portfolios is limited by the investment guidelines of the investor. As a matter of principle, the fund valuations are carried out by an independent administrator.

Owing to the financial market crisis, apoBank together with AC Capital restructured the fund investments.

The investment, including the loans granted to the funds, amounts to:

Special funds	Mastertrust platform	Investment manager	underlying asset class	invested amount on 30.06.2009
LAAM III	Panacea Trust	AC Capital Partners Ltd.	ABS/MBS	€ 218 m
LAAM VIII	Panacea Trust	AC Capital Partners Ltd.	ABS/MBS	€ 184 m
LAAM XXI	Panacea Trust	AC Capital Partners Ltd.	ABS/MBS	€ 326 m
<b>Total investment</b>				<b>€ 728 m</b>

The special fund LAAM XII was dissolved on 06.02.2009, and the underlying securities were transferred to the Bank's own portfolio. These were Landesbank bonds with public guarantee.

In addition, within the framework of the restructuring of the LAAM III fund and the LAAM VIII fund, the Bank is virtually obliged to provide fresh funds in the form of a loan to the fund, dependent on the performance of the investments included in the fund.

AC Capital acts exclusively as the asset manager and thus holds no own portfolio of shares and structured products. Neither apoBank nor AC Capital have provided any liquidity lines.

#### 14. Notes to securities of the portfolio treated as fixed assets

Securities of the portfolio treated as fixed assets *	Book value as of 30.06.2009	Attributable value as of 30.06.2009	Omitted depreciation
ABS	€ 2,692.0 m	€ 2,478.6 m	€ 213.4 m
Tailor-made CDO (not split)	€ 200.0 m	€ 188.7 m	€ 11.3 m
Capital guaranteed products	€ 481.8 m	€ 450.1 m	€ 31.7 m
LAAM funds	€ 449.4 m	€ 243.1 m	€ 206.3 m
Other securities in fixed assets	€ 2,476.6 m	€ 2,453.0 m	€ 23.6 m
<b>Total</b>	<b>€ 6,299.8 m</b>	<b>€ 5,813.5 m</b>	<b>€ 486.3 m</b>

\* includes securities of the portfolio treated as fixed assets which show unrealised losses at the balance sheet date

Within the framework of our analysis whether there are long-term depreciations in value of the ABS of the direct portfolio, the ABS of the LAAM reference portfolios, 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), 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 conducted a credit analysis of the securities for which we identified an applicability criterion. This analysis came to the result that the existing credit enhancement can largely compensate for expected future losses. In the case of a few securities, small losses are possible in the medium term if the recession continues.

The depreciations 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 are more than 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. With one tailor-made CDO structure distinct downgrades occurred in the portfolio after the balance sheet date. Due to reasons of prudence a value adjustment was made in an amount of € 41 million.

As regards capital-guaranteed products, we decided to about halve our position in the second half of the year by way of disinvestment. Therefore, we have already written down the investment concerned to current market value as of 30 June 2009. For the residual position, we assume that the depreciations in value are only temporary. With the help of scenario analyses and under consideration of current distributions, we determined whether the invested capital will be recovered within a reasonable period of time.

#### 15. List of holdings

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

Company	Share in company capital %	Company's equity capital year	€ thousand	Result of the past financial year year	€ thousand
AC Capital Partners Limited, Dublin (Ireland)	51	2008	11,107	2008	8,556

Company	Share in company capital %	Company's equity capital year	€ thousand	Result of the past financial year	€ thousand
APO Asset Management GmbH, Düsseldorf	70	2008	4,663	2008	2,736
APO Beteiligungs-Holding GmbH, Düsseldorf	100	2008	36,564	2008	0 (-590**)
APO Consult GmbH, Düsseldorf*	76	2008	51	2008	0 (-1**)
APO Data-Service GmbH, Düsseldorf*	49	2008	2,828	2008	110
APO Leasing GmbH, Düsseldorf*	100	2008	94	2008	0 (3**)
APO Reiseservice GmbH, Düsseldorf*	100	2008	0	2008	0 (0**)
APO Vermietungsgesellschaft mbH, Düsseldorf*	100	2008	47	2008	4
APO Vermietungsgesellschaft mbH & Co. Objekt Berlin KG, Düsseldorf*	5	2008	50	2008	-543
apokom GmbH, Düsseldorf*	100	2008	75	2008	0 (-34**)
Kock & Voeste Existenzsicherung für die Heilberufe GmbH, Berlin*	26	2008	165	2008	0
medisign GmbH, Düsseldorf*	50	2008	305	2008	-94
APO Immobilien-Kapitalanlagegesellschaft mbH, Düsseldorf	57	2008	8,596	2008	1,467
aik Management GmbH, Düsseldorf*	100	2008	35	2008	10
APO Vermietungsgesellschaft mbH & Co. Objekt Berlin KG, Düsseldorf	95	2008	50	2008	-543
ARZ Rechenzentrum nordrhein-westfälischer Apotheken AG, Haan	20	2008	18,178	2008	2,180
CP Capital Partners AG, Zurich	24	2008	145	2008	10
Deutsche Apotheker- u. Ärztebank (Ireland) Investment Company, Dublin (Ireland)	100	2008	27,722	2008	1,321
DGN Deutsches Gesundheitsnetz GmbH, Düsseldorf	100	2008	1,422	2008	-2,189
MD Verlag- und Werbegesellschaft mbH i.L., Berlin*	100	2008	0	2007	-3
Finanz-Service GmbH der APO-Bank, Düsseldorf	50	2008	1,683	2008	424
IWP Institut für Wirtschaft und Praxis Bicanski GmbH, Münster	26	2008	136	2008	14
Prof. Bicanski und Coll. IWP Beratungsgesellschaft mbH, Münster	26	2008	173	2008	-3
Profi Erste Projektfinanzierungs- und Beteiligungsgesellschaft AG, Zurich	24	2008	609	2008	213
Treuhand Hannover GmbH, Hannover	26	2008	19,496	2008	-2,411
ZA Zahnärztliche Abrechnungsgesellschaft Düsseldorf AG, Düsseldorf	50	2008	2,437 ***	2008	402 ***

\* indirect participations

\*\* before profit transfer or loss absorption

\*\*\* concerns short fiscal year 1 September to 31 December 2008

Participating interests in major stock corporations with more than 5% of voting rights existed as follows:

Treuhand Hannover GmbH, Steuerberatungsgesellschaft

**16. Trust transactions**

The trust transactions shown in the balance sheet are loans for third party accounts totalling € 13 thousand and contributions held in trust totalling € 2,738 thousand.

Trust assets are subdivided by the following balance sheet items:

	30.06.2009	31.12.2008
	€ thousand	€ thousand
Loans and advances to banks	13	15
Participating interests	2,738	2,738
<b>Total</b>	<b>2,751</b>	<b>2,753</b>

**17. Statement of fixed assets**

Asset item 12 (tangible assets) includes:

	€ thousand
- Land and buildings in the course of own business	178,218
- Office furniture and equipment	37,977

**Statement of fixed assets**

	Acquisition/ production costs € thousand	Additions € thousand	Write-ups of the period under review € thousand	Transfers (+ / -) € thousand	a) Disposals		€ thousand
					b) Subsidies	€ thousand	
Intangible assets	53,019	1,408	0	0	a) 0 b) 0		54,427
Tangible assets:							
a) Land and buildings	282,596	151	0	0	a) 0 b) 0		282,747
b) Office furniture and equipment	101,597	5,952	0	0	a) -101 b) 0		107,448
	<b>437,212</b>	<b>7,511</b>	<b>0</b>	<b>0</b>		<b>-101</b>	<b>444,622</b>

	carried forward € thousand	Depreciation (cumulative) € thousand	Book value on balance sheet date € thousand	Depreciation in the period under review € thousand
Intangible assets	54,427	-31,808	22,619	-4,093
Tangible assets:				
a) Land and buildings	282,747	-99,576	183,171	-3,851
b) Office furniture and equipment	107,448	-69,471	37,977	-4,077
<b>a.</b>	<b>444,622</b>	<b>-200,855</b>	<b>243,767</b>	<b>-12,021</b>
	Book values at the beginning of the financial year € thousand	Changes (netted) € thousand	Book values on balance sheet date € thousand	
Long-term securities	5,761,471	1,934,197	7,695,668	
Participating interests and capital shares in cooperatives	111,482	-1,927	109,555	
Shares in affiliated companies	131,818	0	131,818	
<b>b.</b>	<b>6,004,771</b>	<b>1,932,270</b>	<b>7,937,041</b>	
<b>Total of a and b</b>	<b>6,253,149</b>		<b>8,180,808</b>	

## 18. Other assets

The "Other assets" item includes the following larger amounts:

	€ thousand
Capitalised premiums from options	922,862
Tax receivables	230,685
Including: corporation tax credit pursuant to § 37 (5) Corporation Tax Act (Körperschaftssteuergesetz, KStG)	64,043

## 19. Prepayments and accrued income

Prepayment and accrued income include discount amounts from assumed liabilities of € 38,014 thousand as well as premiums for swaptions exercised of € 45,858 thousand.

## 20. Repurchase agreements

Repurchase agreements did not exist at the balance sheet date.

## Notes to Liabilities

**21. Trust liabilities**

Trust liabilities are subdivided by the following balance sheet items:

	30.06.2009	31.12.2008
	€ thousand	€ thousand
Liabilities to banks	13	15
Participating interests	2,738	2,738
<b>Total</b>	<b>2,751</b>	<b>2,753</b>

**22. Other liabilities**

	€ thousand
Premiums from options and caps carried as liabilities	232,000
Capital gain from sale of ABS papers w/LAAM III shown as a liability	23,830
Interest, participating certificates and contributions of silent partners	20,273

**23. Accruals and deferred income**

Accruals and deferred income include discounts deducted on the payment of receivables totalling € 37,181 thousand.

**24. Subordinated liabilities**

Details of liability item 9 (subordinated liabilities):

Expenses of € 5,485 thousand were incurred in the half-year under review.  
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 5, 10 and 25 years.

Subordinated liabilities carry the following rates of interest:

- Subordinated bearer bonds with a variable rate of six-month Euribor plus 1% as well as fixed interest rates of 5.0% to 5.3%.
- Subordinated promissory note loans with fixed interest rates of 4.80% to 6.69%.

At the balance sheet date, there existed two subordinated liabilities (€ 26.1 million and € 26.2 million) that each exceed 10% of the balance sheet item.



## 25. Equity capital

The members' capital contributions shown under "Subscribed capital" of liability item 12a are subdivided as follows:

	€ thousand
Contributions of silent partners	150,000
Members' capital contributions	
a) Portfolio as at 30.06.2009 including disposals	809,468
b) of remaining members *)	802,770
c) of departing members *)	6,698
Compulsory contributions due on shares in arrears	22

The amounts marked with \*) are estimated figures, because notices of withdrawal may still be cancelled until the end of the year 2009.

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

	Legal reserves € thousand	Other revenue reserves € thousand
Status as of 1 January 2009	355,250	355,250
Transfers		
- from the accounting profit of the previous year	6,000	6,000
- from the distributable profit of the financial year	0	0
Withdrawals	0	0
Status as of 30 June 2009	<b>361,250</b>	<b>361,250</b>

apoBank has not taken advantage of the option according to § 10 (4a) of the Banking Act (KWG) and have not created any revaluation reserve in accordance with § 10 (2b) sentence 1 No. 7 of the Banking Act (KWG) for the year 2009.

## 26. Letter of comfort

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 (€ 27 million), Deutsche Apotheker- und Ärztebank (Ireland) Investment Company currently has no active business operations.

## Derivative Financial Instruments

## 27. Notes to forward transactions

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 € 55,077 million (31.12.2008: € 58,718 million) as of 30 June 2009. Included therein are the following types of transactions:

Interest rate swaps  
 Interest rate/currency swaps  
 Currency swaps  
 Total return swaps  
 Caps/floors  
 Swap options  
 CDS  
 Forward exchange transactions  
 Forward securities transactions  
 Index 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.

## 28. Risk structure (nominal volume)

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	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008	30.06.2009	31.12.2008
<b>Interest rate-related transactions</b>						
Time to maturity						
- up to 1 year	5,715	9,236*)	205	149	241	178
- over 1 year up to 5 years	28,690	27,427	968	857	1,185	1,062
- over 5 years	14,028	15,853	387	405	757	770
	<b>48,433</b>	<b>52,516</b>	<b>1,560</b>	<b>1,411</b>	<b>2,183</b>	<b>2,010</b>
<b>Currency-related transactions</b>						
Time to maturity						
- up to 1 year	2,063	1,944	2	84	61	126
- over 1 year up to 5 years	383	347	2	9	40	43
- over 5 years	245	236	0	1	21	29
	<b>2,691</b>	<b>2,527</b>	<b>4</b>	<b>94</b>	<b>122</b>	<b>198</b>

in € million	Nominal value		Market value		Credit equivalent	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008	30.06.2009	31.12.2008
<b>Stock-related transactions</b>						
Time to maturity						
- up to 1 year	855	862	0	0	49	59
- over 1 year up to 5 years	50	16	0	0	6	3
- over 5 years	0	0	0	0	0	0
	<b>905</b>	<b>878</b>	<b>0</b>	<b>0</b>	<b>55</b>	<b>62</b>
<b>Credit derivatives</b>						
Time to maturity						
- up to 1 year	42	40	- 1	- 1	0	0
- over 1 year up to 5 years	839	701	- 113	- 127	0	0
- over 5 years	2,167	2,056	- 268	- 352	15	15
	<b>3,048</b>	<b>2,797</b>	<b>- 382</b>	<b>- 480</b>	<b>15</b>	<b>15</b>
<b>Other transactions</b>						
Time to maturity						
- up to 1 year	0	0	0	0	0	0
- over 1 year up to 5 years	0	0	0	0	0	0
- over 5 years	0	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total – in aggregate –</b>	<b>55,077</b>	<b>58,718</b>	<b>1,182</b>	<b>1,025</b>	<b>2,375</b>	<b>2,285</b>

\*) Including Pfandbrief forward sale (value date in 2009) of € 10 million

The nominal amount of the derivatives assigned to the trading portfolio was € 406 million as of 30 June 2009, with a negative market value of € 11 thousand and a credit equivalent of € 3.2 million.

The market values presented were calculated using the discounted cash flow method or using valuation methods. The Bank used a DCF method in case of the identification of illiquid markets.

## D. Notes to the Profit and Loss Account

### 29. Breakdown of income by geographic markets

The income of the Bank is primarily generated in Germany.

### 30. Other operating expenses and income

The other operating income in the amount of € 4,038 thousand includes, among other things, rental income in the amount of € 1,951 thousand as well as income from the writing back of provisions in the amount of € 562 thousand.

The other operating expenses in the amount of € 7,001 thousand mainly result from provisions for litigation costs (€ 3,911 thousand).

### 31. Taxes on income

Income taxes are payable on the profit from ordinary business activities and on tax audits of the previous years. The income taxes were largely calculated on the actual figures applying the currently legal tax rate.

## E. Other Notes

### 32. Other financial liabilities

Financial liabilities of € 97,432 thousand have not been shown in the balance sheet or referred to in the notes but are of significance for the assessment of the financial status. They result from the guarantee obligation given to the protection scheme of the BVR cooperative banking sector organisation.

### 33. Notes according to § 28 of the German Pfandbrief Act (Pfandbriefgesetz)

The following information (in € m) is provided with respect to the Pfandbriefe included in the items "Loans and advances to banks", "Loans and advances to customers" and "Certificated liabilities" in accordance with § 28 of the German Pfandbrief Act (Pfandbriefgesetz, PfandBFG):

Total amount and maturity structure

	Nominal value		Net present value		Risk net present value*) (upward shift)		Risk net present value*) (downward shift)	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Total amount of outstanding Pfandbriefe	1,775.90	500.00	1,900.89	501.74	1,778.06	471.05	2,037.01	535.45
Total amount of cover assets	2,207.05	1,839.61	2,291.12	1,832.95	2,175.53	1,750.15	2,417.33	1,904.13
Overcollateralisation in %	24.28	267.92	20.53	265.32	22.35	271.54	18.67	255.61
	x ≤ 1 year		1 year < x ≤ 2 years **)		2 years < x ≤ 3 years **)		3 years < x ≤ 4 years **)	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Maturity structure of Mortgage Pfandbriefe	0.00	0.00	75.00	-	67.00	-	685.00	-
Maturity structure of cover assets	218.61	266.63	299.29	-	213.50	-	321.00	-
	4 years < x ≤ 5 years **)		1 year < x ≤ 5 years **)		5 years < x ≤ 10 years		10 years < x	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Maturity structure of outstanding Pfandbriefe	237.00	-	-	500.00	706.90	0.00	5.00	0.00
Maturity structure of cover pools	281.58	-	-	802.58	679.33	642.35	193.74	128.09

\*) The risk net present value is calculated on the basis of the dynamic method

\*\*\*) Changes in the maturity structure due to the Act on the Further Development of the German Pfandbrief Act (Gesetz zur Fortentwicklung des Pfandbriefrechts, PfandBFEFG), which came into force on 26 March 2009

The cover assets comprise no derivatives.

- Composition of cover assets

Total amount of receivables used to cover

			Proportion of the total amount of cover assets	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
by size classes				
x < € 300 thousand	2,031.38	1,748.85		
€ 300 thousand < x < € 5 m	13.67	9.76		
x > € 5 m	0.00	0.00		
by type of use (I) in Germany				
residential	2,045.05	1,758.61		
commercial	0.00	0.00		
by type of use (II) in Germany				
Apartments	365.60	301.96	16.57 %	16.41 %
Single-family homes	1,256.85	1,085.27	56.95 %	58.99 %
Multi-family homes	422.60	371.38	19.15 %	20.19 %
Office buildings	0.00	0.00	0.00 %	0.00 %
Retail buildings	0.00	0.00	0.00 %	0.00 %
Industrial buildings	0.00	0.00	0.00 %	0.00 %
Other commercially used buildings	0.00	0.00	0.00 %	0.00 %
Unfinished new buildings not yet ready to generate a return as well as building sites	0.00	0.00	0.00 %	0.00 %
thereof: building sites	0.00	0.00	0.00 %	0.00 %

There is no real estate security outside Germany.

- Summary of overdue claims

	30.06.2009	30.06.2008
Total amount of claims being > 90 days in arrears	0.00	0.00

- Other notes

	residential		commercial	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Number of pending forced auctions and forced administrations	0.00	0.00	0.00	0.00
Number of forced auctions carried out in the financial year	0.00	0.00	0.00	0.00
Number of real estate taken over in the financial year to prevent losses	0.00	0.00	0.00	0.00
Total amount of overdue interest payments	0.00	0.00	0.00	0.00

- Cover statement mortgage Pfandbriefe

	30.06.2009	30.06.2008
Claims on customers		
Mortgage loans	2,045,051	1,758,607
Tangible fixed assets (land charges on the Bank's own property)	0	0
Debt securities and other fixed-interest securities (book value € 179,505 thousand)	162,000	81,000
Total cover assets	2,207,051	1,839,607
Total of mortgage Pfandbriefe requiring cover	1,775,900	500,000
Overcollateralisation	431,151	1,339,607

### 34. Board of Directors

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

Herbert Pfennig, Bank Director, Spokesman (from 01.07.2009)  
Günter Preuß, Bank Director, Spokesman (until 30.06.2009)  
Gerhard K. Girner, Bank Director  
Günther Herion, Bank Director  
Stefan Mühr, Bank Director  
Werner Albert Schuster, Bank Director  
Claus Verfürth, Bank Director

### 35. Supervisory Board

#### Members of the Supervisory Board (first name and surname)

Hermann Stefan Keller, Chairman (from 19.06.2009), Pharmacist  
Dr. med. dent. Wilhelm Osing, Chairman (until 19.06.2009), Dentist  
Wolfgang Häck\*, Deputy Chairman, Bank employee  
Karin Bahr\*, Bank employee  
Ralf Baumann\*, Bank employee  
Hans-Jochen Becker\*\*, Bank employee  
Dr. med. dent. Peter Engel (from 19.06.2009), Dentist  
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  
Dr. med. Andreas Köhler, Physician  
Ulrice Krüger\* (from 19.06.2009), Bank employee  
Dr. med. Ulrich Oesingmann, Physician  
Dr. med. dent. Helmut Pfeffer, Dentist  
Gerhard Reichert (until 19.06.2009), Pharmacist  
Christian Scherer\*, Bank employee  
Friedemann Schmidt, Pharmacist  
Roland Wark\* (until 19.06.2009), Bank employee  
Loni Wellert\*, Bank employee  
Heinz-Günter Wolf (from 19.06.2009), Pharmacist

\* employee representatives \*\* representatives of management executives

**36. Seats held by members of the Board of Directors and employees of the Bank on Supervisory Boards**

As at 30 June 2009, 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
Herbert Pfennig	Apo Asset Management GmbH, Düsseldorf	Chairman of the Supervisory Board
	APO Immobilien-Kapitalanlagegesellschaft mbH, Düsseldorf	Chairman of the Supervisory Board
	Internationale Kapitalanlagegesellschaft mbH, Düsseldorf	Member of the Supervisory Board
Günter Preuß	Apotheken-Rechen-Zentrum GmbH, Darmstadt	Chairman of the Administrative 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/Main	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
Stefan Mühr	DGN Deutsches Gesundheitsnetz Service GmbH, Düsseldorf	Member of the Supervisory Board
	Treuhand Hannover GmbH Steuerberatungsgesellschaft, Hanover	Member of the Supervisory Board
Werner Albert Schuster	APO Data-Service GmbH, Düsseldorf	Chairman of the Supervisory Board
	DGN GmbH Deutsches Gesundheitsnetz Service GmbH, Düsseldorf	Chairman of the Supervisory Board
Claus Verfürth	Apo Asset Management GmbH, Düsseldorf	Member of the Supervisory Board
Hans-Jochen Becker	CP Capital Partners AG, Zurich	Chairman 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
Uwe Meyer-Vogelgesang	DGN Deutsches Gesundheitsnetz Service GmbH, Düsseldorf	Member of the Supervisory Board
Ulrich Sommer	Apo Asset Management GmbH, Düsseldorf APO Immobilien-Kapitalanlagegesellschaft mbH, Düsseldorf	Member of the Supervisory Board Member of the Supervisory Board

**37. Name and address of the auditing association**

**Name and address of the responsible auditing association:**

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

Düsseldorf, 18 August 2009  
Deutsche Apotheker- und Ärztebank eG  
The Board of Directors

  
Herbert Pfennig

  
Gerhard K. Girner

  
Günther Herion

  
Stefan Mühr

  
Werner Albert Schuster

  
Claus Verfürth





## Certification following the Auditing Review

To Deutsche Apotheker- und Ärztebank eG

We have subjected the abbreviated interim financial statements – consisting of the abbreviated 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 2009, which are part of the semi-annual financial report according to § 37w WpHG, 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, 18 August 2009

PricewaterhouseCoopers

Aktiengesellschaft

Wirtschaftsprüfungsgesellschaft

Prof. Dr. André Dicken, Certified Auditor

ppa. Holger Gathmann, Certified Auditor



## 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, 18 August 2009

Deutsche Apotheker- und Ärztebank eG

The Board of Directors



Herbert Pfennig



Gerhard K. Girner



Günther Herion



Stefan Mühr



Werner Albert Schuster



Claus Verfürth



Head Office

**40547 Düsseldorf**  
**Richard-Oskar-Mattern-Str. 6**

**Telephone +49 211/5998-0**  
**Fax +49 211/593877**  
**S.W.I.F.T. DAAE DE DD**  
**<http://www.apobank.de>**  
**E-mail: [info@apobank.de](mailto:info@apobank.de)**

Locations

Branch <b>Aachen</b>	Habsburgerallee 13 52064 Aachen	Telephone +49 241 7505-0 Fax +49 241 7505-47
Branch <b>Augsburg</b>	Eserwallstraße 3 86150 Augsburg	Telephone +49 821 50269-0 Fax +49 821 517860
Branch <b>Bayreuth</b>	Brandenburger Straße 4 95448 Bayreuth	Telephone +49 921 78923-0 Fax +49 921 78923-34
Branch <b>Berlin</b>	Kantstraße 129 10625 Berlin	Telephone +49 30 31512-0 Fax +49 30 31512-170
Agency <b>Bielefeld</b>	Am Bach 18 33602 Bielefeld	Telephone +49 521 98643-0 Fax +49 521 98643-11
Agency <b>Bonn</b>	Walter-Flex-Straße 2 53113 Bonn	Telephone +49 228 85466-0 Fax +49 228 85466-11
Advisory bureau <b>Brandenburg</b>	Kirchhofstr. 17 14776 Brandenburg/Havel appointments and enquiries via branch Potsdam	Telephone +49 331 27521-0
Branch <b>Braunschweig</b>	Kaiserstraße 7 38100 Braunschweig	Telephone +49 531 24487-0 Fax +49 531 24487-14

Branch <b>Bremen</b>	Schwachhauser Heerstraße 41 28211 Bremen	Telephone +49 421 3482-0 Fax +49 421 3482-190
Advisory bureau <b>Bremerhaven</b>	Barkhausenstraße 2 27568 Bremerhaven appointments and enquiries via branch Bremen	Telephone +49 421 34821-110 oder +49 421 34821-111
Advisory Centre <b>Büdingen</b>	Gymnasiumstraße 18-20 63654 Büdingen	Telephone +49 6042 95897-24 Fax +49 6042 95897-11
Branch <b>Chemnitz</b>	Carl-Hamel-Straße 3b 09116 Chemnitz	Telephone +49 371 28152-0 Fax +49 371 28152-34
Branch <b>Cologne</b>	Riehler Straße 34 50668 Cologne	Telephone +49 221 7728-0 Fax +49 221 723008
Advisory bureau <b>Cottbus</b>	Dreifert-Straße 12 03044 Cottbus appointments and enquiries via branch Potsdam	Telephone +49 331 27521-0
Branch <b>Darmstadt</b>	Rheinstraße 29 64283 Darmstadt	Telephone +49 6151 9952-0 Fax +49 6151 294519
Branch <b>Dortmund</b>	Karl-Liebnecht-Straße 2 44141 Dortmund	Telephone +49 231 4345-0 Fax +49 231 4345-229
Branch <b>Dresden</b>	Schützenhöhe 16 01099 Dresden	Telephone +49 351 80001-0 Fax +49 351 80001-11
Branch <b>Duisburg</b>	Philosophenweg 21a 47051 Duisburg	Telephone +49 203 99216-0 Fax +49 203 299155
Branch <b>Düsseldorf</b>	Heinrich-Heine-Allee 6 40213 Düsseldorf	Telephone +49 211 5998-0 Fax +49 211 322501
Branch <b>Essen</b>	Paul-Klinger-Straße 12 45127 Essen	Telephone +49 201 81029-0 Fax +49 201 81029-68

Branch <b>Frankfurt</b>	Mainzer Landstraße 275 60326 Frankfurt	Telephone +49 69 795092-0 Fax +49 69 795092-654
Advisory bureau <b>Frankfurt-Oder</b>	Müllroser Chaussee 7 15236 Frankfurt/Oder appointments and enquiries via branch Potsdam	Telephone +49 331 27521-0
Branch <b>Freiburg</b>	Sundgaullee 25 79114 Freiburg	Telephone +49 761 88591-0 Fax +49 761 86395
Agency <b>Friedrichshafen</b>	Werastraße 22 88045 Friedrichshafen	Telephone +49 7541 38414-0 Fax +49 7541 38414-11
Advisory bureau <b>Görlitz</b>	Konsulplatz 3 02826 Görlitz appointments and enquiries via branch Dresden	Telephone +49 351 80001-0
Branch <b>Göttingen</b>	Bürgerstraße 20 37073 Göttingen	Telephone +49 551 50767-0 Fax +49 551 7703587
Branch <b>Hamburg</b>	Humboldtstraße 60 22083 Hamburg	Telephone +49 40 22804-0 Fax +49 40 22804-232
Branch <b>Hanover</b>	Königstraße 10 30175 Hanover	Telephone +49 511 3403-0 Fax +49 511 3403-271
Agency <b>Heilbronn</b>	Lohtorstraße 2 74072 Heilbronn	Telephone +49 7131 87397-0 Fax +49 7131 87397-11
Agency <b>Hildesheim</b>	Kaiserstraße 25 31134 Hildesheim	Telephone +49 5121 20669-3 Fax +49 5121 20669-41
Advisory bureau <b>Kaiserslautern</b>	Münchstraße 6 67655 Kaiserslautern appointments and enquiries via branch Neustadt	Telephone +49 6321 9251-0
Branch <b>Karlsruhe</b>	Zeppelinstraße 2 76185 Karlsruhe	Telephone +49 721 95559-0 Fax +49 721 555493




Branch <b>Kassel</b>	Mauerstraße 13 34117 Kassel	Telephone +49 561 70007-0 Fax +49 561 70007-22
Branch <b>Kiel</b>	Hopfenstraße 47 24103 Kiel	Telephone +49 431 6605-0 Fax +49 431 6605-119
Branch <b>Koblenz</b>	Poststraße 8 56068 Koblenz	Telephone +49 261 1391-0 Fax +49 261 1391-20
Branch <b>Leipzig</b>	Braunstraße 16 04347 Leipzig	Telephone +49 341 24520-0 Fax +49 341 2311053
Advisory bureau <b>Limburg</b>	Auf der Heide 2 65553 Limburg a.d. Lahn appointments and enquiries via agency Wiesbaden	Telephone +49 611 74499-0
Advisory bureau <b>Lingen</b>	Wilhelmstraße 53 49808 Lingen appointments and enquiries via branch Osnabrück	Telephone +49 591 6105580
Branch <b>Lübeck</b>	Fackenburger Allee 11 23554 Lübeck	Telephone +49 451 40852-0 Fax +49 451 40852-60
Branch <b>Magdeburg</b>	Doctor-Eisenbart-Ring 2 39120 Magdeburg	Telephone +49 391 62527-0 Fax +49 391 62527-88
Branch <b>Mainz</b>	Frauenlobplatz 2 55118 Mainz	Telephone +49 6131 96010-0 Fax +49 6131 677506
Branch <b>Mannheim</b>	Jakob-Bensheimer-Straße 22 68167 Mannheim	Telephone +49 621 3306-0 Fax +49 621 3306-223
Agency <b>Marburg</b>	Raiffeisenstraße 6 35043 Marburg	Telephone +49 6421 4009-0 Fax +49 6421 42221
Branch <b>Munich</b>	Ottostraße 17 80333 Munich	Telephone +49 89 55112-0 Fax +49 89 55112-288

Branch <b>Münster</b>	Gartenstraße 208 48147 Münster	Telephone +49 251 9286-0 Fax +49 251 9286-190
Advisory bureau <b>Neubrandenburg</b>	An der Marienkirche (Ärztehaus) 17033 Neubrandenburg appointments and enquiries via branches Rostock or Schwerin	Telephone +49 395 5639273
Agency <b>Neustadt</b>	Lindenstraße 7-13 67433 Neustadt	Telephone +49 6321 9251-0 Fax +49 6321 34536
Branch <b>Nuremberg</b>	Spittlertorgraben 3 90429 Nuremberg	Telephone +49 911 2721-0 Fax +49 911 2721-155
Agency <b>Oldenburg</b>	Huntestraße 14a 26135 Oldenburg	Telephone +49 441 92397-0 Fax +49 441 26685
Branch <b>Osnabrück</b>	An der Blankenburg 64 49078 Osnabrück	Telephone +49 541 94403-0 Fax +49 541 442682
Branch <b>Potsdam</b>	Hegelallee 12 14467 Potsdam	Telephone +49 331 27521-0 Fax +49 331 27521-90
Branch <b>Regensburg</b>	Yorckstraße 13 93049 Regensburg	Telephone +49 941 39603-0 Fax +49 941 37610
Agency <b>Rosenheim</b>	Salinplatz/Bahnhofstraße 15 83022 Rosenheim	Telephone +49 8031 40831-0 Fax +49 8031 40831-11
Branch <b>Rostock</b>	August-Bebel-Straße 11/12 18055 Rostock	Telephone +49 381 45223-0 Fax +49 381 45223-27
Branch <b>Saarbrücken</b>	Puccinistraße 2 66119 Saarbrücken	Telephone +49 681 58606-0 Fax +49 681 58606-67
Branch <b>Schwerin</b>	Wismarsche Straße 304 19055 Schwerin	Telephone +49 385 59122-0 Fax +49 385 59122-70

Advisory bureau <b>Straubing</b>	Lilienstraße 5-9 94315 Straubing appointments and enquiries via branch Regensburg	Telephone +49 941 39603-0
Branch <b>Stuttgart</b>	Albstadtweg 4 70567 Stuttgart	Telephone +49 711 7879-0 Fax +49 711 7879-122
Branch <b>Thüringen/Erfurt</b>	Theo-Neubauer-Straße 14 99085 Erfurt	Telephone +49 361 57654-0 Fax +49 361 57654-70
Agency <b>Trier</b>	Balduinstraße 16-18 54290 Trier	Telephone +49 651 94805-0 Fax +49 651 42330
Agency <b>Ulm</b>	Karlstraße 31-33 89073 Ulm	Telephone +49 731 14034-0 Fax +49 731 14034-20
Advisory bureau <b>Weimar</b>	Zum Hospitalgraben 8 99425 Weimar appointments and enquiries via branch Thüringen	Telephone +49 361 57654-0
Agency <b>Wiesbaden</b>	Abraham-Lincoln-Straße 36 65189 Wiesbaden	Telephone +49 611 74499-0 Fax +49 611 721822
Branch <b>Wuppertal</b>	Berliner Straße 45-47 42257 Wuppertal	Telephone +49 202 25052-0 Fax +49 202 508549
Branch <b>Würzburg</b>	Beethovenstraße 1 97080 Würzburg	Telephone +49 931 35535-0 Fax +49 931 52761

## Imprint

Publisher	Deutsche Apotheker- und Ärztebank Richard-Oskar-Mattern-Str. 6 40547 Düsseldorf
Layout and complete production	Meßner + Meßner, Advertising and Project Agency Düsseldorf
Cover Photo	Hardy Welsch



Deutsche Apotheker- und Ärztebank eG  
Richard-Oskar-Mattern-Straße 6  
40547 Düsseldorf