



**Half-year report
2007**

At a Glance

mwb Group	Half-year 2007	Half-year 2006	+/- in %
Commission result	TEUR 2,207	TEUR 2,070	+7
Trading result	TEUR 3,750	TEUR 4,827	-22
Personnel expenses	TEUR 1,565	TEUR 1,818	-14
Administrative expenses	TEUR 3,127	TEUR 3,056	+2
Profit from ordinary activities	TEUR 2,106	TEUR 2,257	-7
Net profit	TEUR 1,946	TEUR 2,011	-3
Balance sheet total	TEUR 30,309	TEUR 22,479	+35
Equity	TEUR 20,631	TEUR 18,872	+9
Earnings per share	€ 0.39	€ 0.40	-3
Number of employees	35	34	+3

Financial Calendar

Date	Topic	Place
8/29/2007	DVFA Small Cap Conference Analysts Conference	Frankfurt
September 2007	Small Cap Day	Zurich
10/23/2007	Publication of third quarter figures	

The Company

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 Registered with the local Court of Munich,
 HRB 123 141, founded in 1993
 mwb stock code: 665610

Admitted for trading on the following exchanges

- Munich Stock Exchange
- Berlin-Bremen Stock Exchange
- Frankfurt Stock Exchange
- Hanseatic Stock Exchange, Hamburg
- Rhineland-Westphalia Stock Exchange in Duesseldorf
- Baden-Wuerttemberg Stock Exchange

Member of the Bundesverband der Wertpapierfirmen
 an den deutschen Börsen e.V. (Federal Association of
 Securities Firms at German Stock Exchanges)

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Interim Consolidated Management Report

1. The Economic and Stock Market Environment

The first half of 2007 was characterised by an exceedingly positive development of the stock-market indices alongside sinking trading volumes especially in the case of foreign stocks in Germany. The reason for this contrary movement is the restraint being exercised by investors, who have not committed themselves to the same degree as institutional investors. Foreign investment companies in particular are increasingly shifting their activities to Germany and to the stable euro currency area. Driven by this, the DAX managed to recover the all-time high it reached in the year 2000, even exceeding this in mid-July. Blue chips proved to be the crowd pullers for this development, whilst second-tier shares tended to contribute to higher overall volatility.

Potential Risks

The current market is being threatened primarily by the US mortgage market. Several hedge funds have already fallen victim to the bursting real estate bubble. It is not yet clear to which extent German financial service providers, apart from the IKB Deutsche Industriebank AG, are involved in the US real estate sector, and how they may be affected by this. Another risk is the high price of crude oil, which has led, on the other hand, to an increased demand for solar shares. This has definite positive side-effects for mwb AG, which is strongly represented in the renewable energy sector.

mwb's Share Price Performance

The wait-and-see attitude of private investors and high market volatility were both reflected in mwb Wertpapierhandelsbank AG's share price. The share price was subject to relatively strong fluctuations, ranging between € 4.80 at the start of the year and reaching a high of € 7.36 on February 26, 2007. It has remained stable, however, above the 5-euro mark since mid-May and closed the first six months at € 5.50.

2. The Business Year

Securities Trading

Despite the slight fall in turnover of foreign stocks, Securities Trading maintained its position as the strongest division. Specialist business, in particular, was once again an earnings' driver, accounting for around 77 % of total earnings in the first half of 2007. This is equivalent to a 46 % contribution to commission income and 95 % to trading profits. The division's

importance was strengthened further through the allocation of 33 equity order books in official trading and the regulated market at the Frankfurt Stock Exchange. mwb was also able to double its market share in the MAX-ONE trading system at the Munich Stock Exchange. Since the withdrawal of both Frankfurt specialists, we are one of the two remaining orderbook manager. mwb currently manages a total of 4,090 shares, 1,063 fixed-income securities (bonds), and 1,323 open-end funds. This information refers to the absolute number of individual securities some of which are managed from several locations (one-off payments).

Institutional Clients

Institutional clients contributed approximately 41 % to commission income and 4 % to trading profits in the first six months of 2007. This is equivalent to 18 % of total earnings. The most important sector was capital market business with a transaction volume of € 9.2 million. This ten per cent increase over the comparable period of last year is the first sign that the expansion of capital market business is bearing fruit – and that it is able to compensate the decrease in income from sales and order execution. This business sector was reinforced personnel-wise in May 2007 with a new director.

Private Clients

mwb's subsidiary, MWB Baden GmbH, contributed 13 % to consolidated commission income in the first half of 2007. The welcomed growth experienced in the previous year continued into the first six months of 2007, although competition in private asset management increased noticeably. The volume of assets under management rose by € 6.5 million to a total of € 39.5 million. This corresponds to a 19 % increase and is thereby well above market average.

3. Earnings

Commission Income and Trading Profits

The somewhat difficult underlying conditions resulted in an inability to fully match the results reached in the first half of 2006. Commission income and trading profits taken together amounted to EUR 5,957 thousand in the first half of 2007 compared with EUR 6,897 thousand in the same period of the previous year. Viewed in isolation, commission income rose by 7 % to EUR 2,207 thousand. The downturn is therefore solely attributable to trading profits, which amounted to EUR 3,750 thousand as of June 30, 2007 (previous year: EUR 4,827 thousand).

General Administrative Expenses

In the first half of the year, mwb once again reaped the benefits of its cost consciousness. General administrative expenses fell from EUR 4,874 thousand to EUR 4,693 thousand. A good majority of these savings stemmed from our performance-based remuneration system, which links personnel costs to business performance. Personnel costs fell by 14 % even though a new employee had been hired. Compared to the first half of last year, this represents a decrease of EUR 253 thousand to EUR 1,565 thousand.

This figure already includes provisions for performance-related remuneration in the amount of EUR 453 thousand. Other administrative expenses remained relatively stable at a 2 % increase. The largest cost factor here – representing a 39 % share – stemmed from the processing of securities transactions.

Profits from Ordinary Activities

In spite of a slight 7 % fall compared to the same period last year, earnings from ordinary activities met our expectations. With EUR 2,106 thousand, mwb has, in the first six months of 2007, already attained the earnings for the whole of 2006, which amounted to EUR 2,138 thousand. The current earnings for the first half of the year include earnings from financial assets. This concerns a dividend payment from XCOM AG totalling EUR 479 thousand. XCOM AG is a strategic partner of mwb, which provides us with support in the area of IT-processes and in which we hold a 12.4 % interest.

Net Profit

With net income totalling EUR 1,946 thousand as of June 30, 2007, mwb has roughly reached last year's level of EUR 2,011 thousand. This negligible fluctuation of minus 3 % must still be regarded as a success considering the mediocrity of the trading season.

4. Financial Position

Total Assets

The total assets of mwb Wertpapierhandelsbank AG increased in the first half of 2007 to EUR 30,309 thousand, thereby exceeding the € 30 million mark for the first time. The increase since the start of the year totals EUR 6,811 thousand, which can be attributed to both increases in the unappropriated profit and in receivables from and liabilities to banks resulting from securities transactions.

Liquidity

The company's comfortable liquidity situation remained nearly unchanged in the first half of 2007. Compared to December 31, 2006, liquidity decreased by a mere 3 % to EUR 11,415 thousand.

Equity

For the first time since 2002, mwb AG's equity topped the 20 million euro mark. As of June 30, 2007, equity amounted to EUR 20,631 thousand compared to EUR 18,753 thousand at the close of 2006. The increase stems primarily from net profit for the first half-year.

5. Other Information

With regard to the legal and organisational structure of mwb Wertpapierhandelsbank AG, and with regard to the essential elements of the remuneration systems for the Managing and Supervisory Boards and the statements pursuant to Section 315 (4) HGB (German Commercial Code), we refer to the 2006 consolidated financial statements.

6. Outlook

The assessments in the following section are all based on the information available to us at the current time. This also applies to the risks portrayed in the risk report.

After the DAX reached its all-time high in mid-July, the expected correction followed close on its heels. On account of rising interest rates, high energy prices, and the mortgage crisis in the USA, the index has already forfeited a large part of its annual performance. The main reason, however, was the profit-taking by private and institutional investors, who wanted to sell at the highest level possible. There should therefore be no talk of an incipient bear market.

This is especially true in the light of the robust economic environment in Germany, which more than likely will continue on into the next year. A friendly consumption climate and attractive corporate profits promise a good 4th quarter for the financial markets. We reckon with a more sideways movement in the interim, accompanied by solid – but not excessive – trading opportunities. This stable starting position enables mwb AG to consistently follow its strategic goals: In the Securities Trading Division, we will organically expand our position as a specialist for order-book management.

Intermediate Consolidated Management Report

In the Institutional Clients Division, the expansion of the capital market business is at the top of our agenda for the second half of 2007. Our goal is to offer capital-seeking companies the full range of capital raising options, from private equity financing right up to IPOs. And finally, in our third "Private Clients" Division, we will continue making a constant contribution to earnings with a little capital commitment.

7. Risk Report

Corporate Strategy

All of our company's resources and activities are geared to sustainably securing our success. Therefore all of the decisions concerning mwb's business policy are taken under strict observance of the income to risk ratio.

Our risk management focuses on top-level corporate targets of securing the assets entrusted to us and increasing our enterprise value based on conscious management of entrepreneurial risks. Our strong equity ratio, the integrated risk management system, a real proximity to the market, and our strong knowledge of risk means that we can operate flexibly across our divisions and can deal innovatively with the challenges of the future. In the strategic management of our company, monetary aspects play a major role as do non-financial indicators such as process efficiency, increasing transparency, the best possible support for our customers, employee satisfaction, and bolstering the position of securities companies in general.

mwb Wertpapierhandelsbank AG's group management is engaged in a constructive, ongoing exchange with the managing directors of MWB Baden GmbH on the company's economic development. Strategic decisions to secure the company's continued existence are taken jointly.

Risk Strategy

The aim of our risk strategy is to safeguard our company's targets by taking suitable measures against disturbing events. As part of its value-oriented group management, the company has put in place an end-to-end risk management system to identify risks and optimize risk positions. The company's risk control is structured in a way that emphasizes the prevention of unavoidable risks. We constantly review whether our risk policy provisions are sufficient to perceptibly reduce the potential danger. If necessary, further measures are then taken to reduce the risk.

In implementing the requirements resulting from the so-called MaRisk (Minimum Risk Management Requirements), mwb has put into place an end-to-end concept for its ability to bear risks as part of its business strategy. This entails – in addition to defining the risk-coverage assets, the maximum loss threshold for the entire bank, and the determination of the risk potential – a comparison of the aggregate risk potential with the maximum loss threshold. As a result of the risks entered into in the divisions operated by the company, mwb takes a conservative approach in structuring its ability to bear risks. The company has therefore ascertained that the maximum risk at the close of each business day must not exceed 20 % of the available risk-coverage assets. The remainder is available as a risk buffer. In addition to market price risks from equities, fixed-income securities, and option transactions, the company has included operating risks as material risks for mwb in its concept for its ability to bear risks. mwb identifies the risk potential that exists for these risks on a daily basis, whereby the company uses the basic indicator approach pursuant to Sections 270 and 271 of the SolvV (Solvability Directive) in identifying operating risk. In ascertaining whether it is able to bear risks, mwb compares the aggregated risk potential to the maximum loss threshold set by the Managing Board; this is carried out each day. If this ratio is less than 100 %, the ability to bear risks is ensured.

Risk management is operated centrally for all branches of mwb Wertpapierhandelsbank AG from the company's headquarters in Gräfelfing and is subject to an annual review by our auditors to determine if this complies with the requirements of the KonTraG (Act on Control and Transparency in Business).

MWB Baden GmbH is included in risk control, whereby risks resulting directly from customer business are being monitored directly by MWB Baden GmbH.

Internal Audit

In order to establish efficient internal auditing given the company's relatively small size, mwb Wertpapierhandelsbank AG's Managing Board has decided to outsource its internal auditing to a firm of auditors. The audits primarily focus on the fields of investment and contracts, proprietary trading, liquidity control, accounting, data processing, human resources, reporting, compliance, money laundering, minimum requirements for the operating of trading activities, risk management, and earnings control. Operating processes that are subject to particular risk are audited annually, other operating processes are audited every three years.

Internal auditing at MWB Baden GmbH is conducted directly by the managing directors of MWB Baden GmbH in Offenburg.

Risk Control

Effective risk control demands an independent identification of the risks entered into, which must be reviewed separate from trading activities. To this end, the company has appointed a risk manager who is not connected with trading activities. The risk manager's tasks include identifying, analyzing, evaluating risks, and especially sensitizing employees for risk recognition and avoidance. The risk manager also monitors adherence to large loan limits and the company's internal guidelines for risk avoidance, thereby continually developing methods and systems to manage risk. The basis for dealing permanently and systematically with risks is found in the guidelines and decisions on risk tolerance prepared by the Managing Board, which are derived from the risk strategy and risk policy and geared to the company's capitalization and liquidity.

Given the company's large number of transactions, an efficient risk control must be able to rely on a highly developed computer system. For this purpose, the company uses innovative applications created by XCOM AG. This is a software company specializing in solutions for financial service providers and banks, which mwb holds a participating interest in.

Via XCOM AG, the company calculates, on a daily basis, risk assets, net equities positions and counterparty default items, liable equity, and allocable equity, which results in the Principle I equity ratio and the Principle I overall ratio. Any amounts in excess of the large loan limits are also monitored several times daily, as are the total and individual items from own-account transactions and the unrealized profits and losses associated with this. In addition, monthly in-depth evaluations of market risk items and foreign currency risk are prepared in line with Principle I. Finally, the liquidity status is prepared daily by adding the available funds and the monthly calculation of the liquidity ratio from Principle II.

As part of the management-related monitoring, the Managing Board also reviews the income and expenses from the company's core business on a daily basis. After subjecting the monthly figures to a feasibility check, the CFO then issues a written, monthly opinion on general growth, select P&L items, and the liquidity situation. The report is circulated amongst the members of the Managing Board and is presented to the members of the Supervisory Board for their attention.

In the area of operational risks – which can stem from workflows, persons, technology, or external events – existing risks are consistently being reduced by a multi-faceted, cause-related risk management system.

It is also extremely important to the company to keep abreast of any changes to the stock-market environment, to investor behaviour, and to any statutory modifications, and to do this as early as possible. The company participates in Germany's key investor fairs several times a year. This not only allows the company to generate important contacts, but it also enables it to acquire vital information on the mood swings of the investors and to inform itself on any changes in investor behaviour.

With regard to the descriptions of the individual risks, we refer to the information in the Annual Report to December 31, 2006.

Gräfelfing, July 2007
The Managing Board

Consolidated Balance Sheet according to International Financial Reporting Standards

as of June 30, 2007

Assets

	06/30/2007 EUR	06/30/2006 EUR
Cash reserve	2,915.07	2,345.55
Receivables from banks	19,347,691.97	14,507,643.99
Assets held for dealing purposes	3,153,691.29	1,460,762.91
Financial assets	3,968,306.82	3,945,416.41
Intangible assets	133,861.54	155,213.54
Property, plant and equipment	359,194.49	389,164.66
Income tax assets	2,437,739.26	2,407,256.59
Other assets	905,431.11	630,317.04
Total assets	30,308,831.55	23,498,120.69

Liabilities

	06/30/2007 EUR	06/30/2006 EUR
Liabilities to banks	7,935,867.44	2,704,320.84
Liabilities from dealing activities	42,914.62	20,820.93
Provisions	0.00	0.00
Income tax liabilities	139,467.77	104,459.87
Other liabilities	1,559,236.16	1,915,760.51
Equity	20,631,345.56	18,752,758.54
Subscribed capital	4,982,700.00	4,982,700.00
Capital reserves	3,945,101.02	3,945,101.02
Retained earnings	8,746,871.28	8,587,058.85
Revaluation surplus	-9,846.67	-10,214.78
Depreciation of own shares	-2,196,030.38	-2,127,981.09
Unappropriated profit	4,966,289.21	3,201,665.98
Minority interest	196,261.10	174,428.56
Total liabilities and equity	30,308,831.55	23,498,120.69

Consolidated Profit and Loss Account according to International Financial Reporting Standards

for the Period from January 1 to June 30, 2007

	01/01/-06/30/2007 EUR	01/01/-06/30/2006 EUR
Interest income	313,450.47	226,242.24
Interest expenses	-6,744.17	-10,733.69
Net interest income	306,706.30	215,508.55
Commission income	3,492,409.51	3,559,015.23
Commission expenses	-1,285,674.36	-1,488,620.96
Net commission income	2,206,735.15	2,070,394.27
Trading income	8,041,872.73	10,746,219.81
Trading expenses	-4,291,454.13	-5,919,685.03
Trading profit	3,750,418.60	4,826,534.78
Net income from financial assets	478,602.00	2,971.64
Administrative expenses	-4,692,959.64	-4,873,787.13
Balance of other income / expenses	56,173.92	15,316.27
Profit from ordinary activities	2,105,676.33	2,256,938.38
Income taxes on profit from ordinary activities	-159,408.13	-245,863.10
Net profit	1,946,268.20	2,011,075.28
Minority interest of net profit	-21,832.54	-25,119.25
Net profit without minority interest	1,924,435.66	1,985,956.03
Profit carried forward from previous year	3,201,665.98	1,319,628.43
Withdrawal from capital reserves	0.00	0.00
Transfer to retained earnings	-159,812.43	-33,777.36
Unappropriated profit	4,966,289.21	3,271,807.10
Earnings per share		
Diluted earnings per share	0.39	0.40
Basic earnings per share	0.39	0.40

Consolidated Profit and Loss Account according to International Financial Reporting Standards

Quarter-by-quarter comparison

	2nd Quarter 2007 EUR	2nd Quarter 2006 EUR
Interest income	173,413.49	116,906.16
Interest expenses	-782.40	-1,814.70
Net interest income	172,631.09	115,091.46
Commission income	1,873,939.57	1,186,493.25
Commission expenses	-663,601.17	-356,176.23
Net commission income	1,210,338.40	830,317.02
Trading income	3,828,677.71	4,982,064.89
Trading expenses	-2,331,450.43	-2,996,118.60
Trading profit	1,497,227.28	1,985,946.29
Net income from financial assets	478,602.00	2,971.64
Administrative expenses	-2,400,493.60	-2,324,599.88
Balance of other income / expenses	38,594.88	14,135.01
Profit from ordinary activities	996,900.05	623,861.54
Income taxes on profit from ordinary activities	-94,214.17	-93,160.80
Net profit	902,685.88	530,700.74
Minority interest of net profit	-1,395.16	-15,897.10
Net profit without minority interest	901,290.72	514,803.64
Profit carried forward from previous year	0.00	0.00
Withdrawal from capital reserves	-3,667.09	58,811.93
Unappropriated profit	897,623.63	573,615.57

Statement of Changes in Equity

for the Period from January 1 to June 30, 2007

	2007 TEUR	2006 TEUR
Equity as of January 1	18,753	16,855
Subscribed capital		
As of January 1	4,983	4,983
As of June 30	4,983	4,983
Capital reserves		
As of January 1	3,945	3,945
As of June 30	3,945	3,945
Retained earnings		
As of January 1	8,587	8,506
Change	160	34
As of June 30	8,747	8,540
Revaluation surplus		
As of January 1	-10	0
Change	1	0
As of June 30	-9	0
Own shares		
As of January 1	-2,128	-2,042
Change	-68	6
As of June 30	-2,196	-2,036
Consolidated profit		
As of January 1	3,202	1,320
Change in unappropriated profit	1,764	1,952
As of June 30	4,966	3,272
Minority interest		
As of January 1	175	144
Change	21	25
As of June 30	196	169
Equity as of June 30	20,631	18,872

Consolidated Cash Flow

for the Period from January 1 to June 30, 2007

	01/01/-06/30/2007 TEUR	01/01/-06/30/2006 TEUR
Consolidated net profit	1,924	1,986
Adjustment to the reconciliation of the consolidated net profit to the cash flow from operating activities		
Depreciation, write-downs and write-ups on receivables, intangible assets, property, plant and equipment and financial assets	119	156
Change in long-term provisions	0	19
Loss from disposal of financial assets	0	0
Change in minority interest	21	25
Other adjustments (balance)	-434	-102
	1,630	2,084
Change in assets and liabilities from operating activities		
Change in receivables from customers	-33	39
Change in trading position	-1,671	-368
Change in other assets from operating activities	-272	-258
Change in other liabilities from operating activities	-321	530
Interest received	403	154
Interest paid	-114	-11
Received income tax	-364	-51
Cash flow from operating activities	-742	2,119
Proceeds from disposal of financial assets	0	102
Investments in property, plant and equipment	-2	-31
Investment in tangible fixed assets	-45	-138
Investment in financial assets	-22	-1,331
Change in cash flow from other investing activities	479	0
Cash flow from investing activities	410	-1,398
Net-change in purchases and sales of own shares	-59	6
Dividends paid	0	0
Cash flow from financing activities	-59	6
Change in cash and cash equivalents	-391	727
Cash and cash equivalents at beginning of the period	8,056	9,101
Cash flow from operating activities	-742	2,119
Cash flow from investing activities	410	-1,398
Cash flow from financing activities	-59	6
Cash and cash equivalents at end of period	7,665	9,828

Notes

Notes to the Consolidated Quarterly Financial Statements

The mwb Group has prepared its consolidated financial statements for the first half of 2007 in line with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) in order to provide its shareholders and all interested parties with an internationally comparable basis to evaluate the mwb Group and its results of operations, and at the same time to meet the requirements of Deutsche Börse AG for the Prime Standard market segment. The interim report is in line with the requirements of IAS 34.8 and IAS 34.11 for quarterly financial statements.

Accounting and Valuation Policies

The single-entity financial statements of the companies included in consolidation are included in the consolidated financial statements of mwb Wertpapierhandelsbank AG. Uniform accounting and valuation principles are applied. The consolidated financial statements as of June 30, 2007 include mwb Wertpapierhandelsbank AG as the parent company, the wholly-owned subsidiary mwb Wertpapierhandelsbank GmbH and MWB Baden GmbH in which a 60 % interest is held. We consistently apply accounting, valuation, and disclosure methods in line with the IFRS framework concept. The same accounting and valuation principles that were applied to our IFRS financial statements as of December 31, 2006 were applied to these quarterly financial statements. In particular, all of our assets held for dealing purposes are carried at their fair value on the balance sheet, and treasury shares within the meaning of IAS 32.33 are deducted from equity.

Own Shares

On the balance sheet date, the company held 27,616 own shares. A total of 46,884 shares were bought and 38,068 shares were sold in the first half year 2007. The average acquisition price totaled EUR 5.76, the average selling price totaled EUR 5.53.

This corresponds to a nominal value of EUR 27,616 and a 0.55 % interest in the share capital.

Segment Reporting

as of June 30, 2007

	06/30/2007 TEUR	06/30/2006 TEUR
Securities Trading		
Net interest income		
Net commission income	1,338	855
Trading profit	3,382	4,535
Net income from financial assets	0	0
Personnel expenses	1,188	1,407
Scheduled depreciation of property, plant and equipment and intangible assets	75	87
Other administrative expenses	2,476	2,334
Balance of other operating income / expenses	0	0
Net income for the year	1,367	1,956
Assets	24,386	19,550
Institutional Clients		
Net interest income		
Net commission income	587	954
Trading profit	137	208
Net income from financial assets	0	0
Personnel expenses	244	294
Scheduled depreciation of property, plant and equipment and intangible assets	17	18
Other administrative expenses	475	493
Balance of other operating income / expenses	0	0
Net income for the year	462	11
Assets	5,462	4,048
Private Clients		
Net interest income	19	11
Net commission income	282	272
Trading profit	0	0
Net income from financial assets	0	0
Personnel expenses	124	122
Scheduled depreciation of property, plant and equipment and intangible assets	2	5
Other administrative expenses	81	59
Balance of other operating income / expenses	1	1
Net income for the year	64	67
Assets	1,352	1,223
Consolidation / Other		
Net interest income	288	207
Net commission income	0	-11
Trading profit	231	84
Net income from financial assets	479	3
Personnel expenses	9	-5
Scheduled depreciation of property, plant and equipment and intangible assets	0	0
Other administrative expenses	95	170
Balance of other operating income / expenses	55	14
Net income for the year	53	-23
Assets	-891	-2,342
Group		
Net interest income	307	218
Net commission income	2,207	2,070
Trading profit	3,750	4,827
Net income from financial assets	479	3
Personnel expenses	1,565	1,818
Scheduled depreciation of property, plant and equipment and intangible assets	94	110
Other administrative expenses	3,127	3,056
Balance of other operating income / expenses	56	15
Net income for the year	1,946	2,011
Assets	30,309	22,479

The business segment "bond trading" shown in the figures as of 06/30/2006 is added up in the securities trading division in fiscal year 2007 after the merger of C.J. Diederich Wertpapierhandelsgesellschaft mbH with mwb Wertpapierhandelsbank AG. In the second quarter of 2007 all profits from capital markets business were shown as commission result within the institutional clients division. Previous year's values were reclassified.

Notes

Contingent and Other Liabilities

The mwb AG has come to the conclusion that, with regard to potential recourse against mwb AG by the Entschädigungs-einrichtung für Wertpapierhandelsunternehmen (EDW) in the Phoenix compensation case, the requirements for the formation of a provision according to IAS 37.14 are not met. We refer here to the statements made on this in the Consolidated Financial Statements to December 31, 2006.

No other financial obligations existed on the balance sheet (closing) date.

Notification of Lack of Review by the Auditors

The intermediate financial statements and the intermediate management report were neither audited pursuant to Section 317 HGB (German Commercial Code) nor subject to a review by the auditors.

Statement by the Legal Representatives

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

Gräfelfing, July 2007
The Managing Board

Thomas Posovatz Herbert Schuster



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