Bonn, November 11, 2010

Postbank Investor Relations Release
Results as of September 30, 2010

Positive earnings trend continued

(comments refer to 9M 2010 versus the adjusted figures for 9M 2009 unless otherwise stated)

Profit before tax in the first nine months 2010 is €296 million following a loss of €129 million in 9M 2009

Q3 earnings contribution stood at €71 million pre-tax

Strong performance in net interest income continues: it increased by almost 16 % and was at a record level in Q3 2010

Clear progress in shrinking financial markets related positions and risks: reduction in our structured credit portfolio of app. 20 % vs. year-end 2009

Tier 1 ratio again clearly increased: 8% vs. 6.6 % at year-end 2009 and 7.3% on June 30, 2010

• **Profit before tax in Q3 2010**	€71 million (Q3 09: €-29 million; Q2 10: €94 million) Negative effects from risk portfolios: €-95 million (Q3 09: €-185 million, Q2 10: €-76 million); first time consolidation of 277 branches with a burden on administrative expenses of € 13 million
• **Profit before tax as of September 30, 2010**	€296 million (9M 09: €-129 million) Clearly declining negative effects from risk portfolios to €-269 million (9M 09: €-627 million)
• **Consolidated net profit:**	€218 million in 9M 10 and €65 million in Q3 10 (9M 09: €175 million, Q2 10: €57 million)
• **Net interest income**	€2.067 million (9M 09: €1,784 million, Q3 10: €721 million); positive effects from growth in the customer business and margin improvement; Q3 vs. Q2 10 benefited from positive one-off effects; normalisation expected for Q4
• **Net fee and commission income**	€977 million (9M 09: €993 million and Q3 10: €318 million); net fee and commission as expected showed a slight slow-down due to lower income from postal business and investments into the checking businesses
• **Net trading income**	€-215 million (9M 09: €-349 million and Q3 10: €-92 million); negative effects from our structured credit portfolio (SCP) of €-218 million (Q3 10: €-98 million, Q2 10: €-38 million) significantly below 9M 09 at €-472 million;
• **Net income from investment securities**	€54 million (9M 09: €-103 million, Q3 10: €0 million) negative effects from SCPs: €-32 million, thereof €+15 million in Q3 10; Impairment losses of €12 million were charged on other fixed-income securities and on retail funds and investments held in our portfolio

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• **Administrative expenses**	€2,146 million (9M 09: €2,099 million, Q3 10: €738 million); structural increase by €60-70 million p.a due to 277 new branches as of July 1, 2010; staff related provisions for future efficiency gains of €28 million in 9M 10; Q4 is likely to increase further due to project costs and seasonal effects
• **Allowance for losses on loans and advances**	€449 million (9M 09: €370 million, Q3 10: €134 million); annualized net addition ratio of 54 basis points (bp) in line with guidance of 50-60 bp; level of Q3 10 is below previous quarter (€175 million) and Q3 09 (€142 million); continuation of the positive trend is likely
• **Earnings per share**	€1.00 (9M 2009: €0.80), based on 218.8 million shares outstanding
• **Tier 1 ratio**	8.0% (6.6 % at year-end, 2009); Q2 10: 7.3%; Improvement is due to reduction in risk weighted assets, earnings retention and positive currency effects in Q2 10
• **Results from customer businesses**	- pre-tax profit retail banking +33% vs. 9M 09, to €616 million - pre-tax profit corporate banking +€181 million to €277 million - improvents mainly due to strong net interest income from interest bearing customer business

Income statement

Postbank generated a profit before tax of €296 million in the first nine months of 2010. In the prior-year period it recorded a loss before tax of €129 million due to the negative effects of the Bank's risk positions. The third quarter of 2010, which saw a profit before tax of €71 million (previous year: €–29 million) contributed to this generally encouraging development. The positive year-on-year trend is primarily due to very good growth in net interest income and largely stable administrative expenses, despite a number of extraordinary expenses and the acquisition of 277 former Deutsche Post retail outlets. The clear decline in the negative effects from the Bank's risk positions also contribute to this.

Postbank's customer business performed positively overall in the first nine months of the current year. This can be seen in particular from the encouraging growth in portfolio volumes. At €113.9 billion, customer deposits were up €4.5 billion in a year-on-year comparison. As expected, the strong growth in volumes seen in the second half of 2009 did not continue in 2010. Customer loans expanded by €1.2 billion as against September 30 of the previous year to €108.4 billion. Our customer lending business focuses on private mortgage loans, most of which are extended in Germany and which were up €400 million as against September 2009 to €73.9 billion.

These developments are reflected in the operating earnings lines. Net interest income benefited increasingly from the expansion in volumes – particularly in the deposits business – and the ongoing adjustment of the interest expense in line with the current low level of interest rates. Net fee and commission income was down slightly year-on-year, impacted in particular by declines in the revenues generated by the postal business. Taken together, net trading income and net income from investment securities improved significantly as against the previous year, due to a decline in the negative effects from our risk positions. As we had forecasted, the allowance for losses on loans and advances in the lending business rose compared with the figure for the prior-year period.

Unless otherwise stated, the following comments on individual income items represent a comparison with the restated figures for the first three quarters of 2009 or, in the case of balance sheet disclosures, December 31, 2009.

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At €2,067 million as of September 30, 2010, net interest income rose by 15.9% year-on-year. This positive trend was in excess of our expectations and was due among other things to good volume growth in our customer business and the adjustments made to interest expense in line with market levels. We also benefited from the steeper yield curve year-on-year, which provides scope to generate additional income due, for example, to the natural maturity structure of our customer business with its long-term assets and comparatively short-term liabilities. The ongoing pressure on demand deposit margins due to the overall low interest rate levels and the planned reduction in our investment securities portfolios had an offsetting effect.

Net interest income in the third quarter of 2010, which made a significant contribution to the positive nine-month results, was up 7.5% compared with the second quarter of 2010 at €721 million. This represents a year-on-year increase of 24.7%. In addition to the reasons already mentioned earlier, extraordinary factors relating to interest income on impaired assets (unwinding in accordance with IAS 39) and a significant increase in gains on hedges contributed to this very positive development. We are forecasting that this earnings line will be well below the Q3 2010 level again in the fourth quarter, as we expect the contribution these positions make to net interest income to return to normal.

Net trading income was €–215 million in the first nine months of 2010, after €–349 million in the prior-year period. The loss of €92 million recorded in the third quarter contributed to this (prior-year quarter: loss of €139 million). Losses on the remeasurement of embedded derivatives in the structured credit substitution business that were recognized in net trading income totaled €218 million in the first nine months of 2010 (previous year: losses of €472 million). €98 million of this figure is attributable to Q3 2010.

Net income from investment securities improved by €157 million year-on-year in the first nine months of 2010, to €54 million. The figure for the third quarter of 2010 was neutral, following a positive contribution of €15 million in the prior-year quarter. Net income from investment securities from the first nine months of 2010 contains total impairment losses and disposal losses in our structured credit substitution business of €32 million (of which gains of €15 million are attributable to Q3 2010). The relevant loss for the prior-year period was €49 million. Impairment losses of €12 million were charged on other fixed-income securities and on retail funds and investments still held in our portfolio (previous year: loss of €106 million). The disposal loss from other risk positions amounted to €7 million.

All in all, the negative effects from risk positions on net trading income and net income from investment securities fell from €627 million in the first nine months of 2009 to €269 million in the current year.

Total net fee and commission income amounted to €977 million as of September 30, 2010, 1.6% down on the prior-year period. The decline in income from the sale of postal services and from the sale of new services at our branches had a negative impact. At €510 million, net fee and commission income from the banking business remained at the prior-year level, due in particular to the positive performance seen in the first quarter.

Total income increased significantly by 24.0% and amounted to €2,883 million in the first nine months of 2010, following €2,325 million in the prior-year period.

The allowance for losses on loans and advances in the lending business as of September 30, 2010 was €449 million, up €79 million on the figure for the first three quarters of 2009. As before, the year-on-year rise is in line with our expectations and is due to the deterioration in the macroeconomic situation that occurred at the beginning of 2009, plus ongoing difficulties on the international real estate markets. Postbank is making allowance for this development by increasing net additions to its allowance for losses on loans and advances. The trend in the third quarter shows a decline in the allowance for losses on loans and advances in the corporate banking business in particular. The allowance for losses on loans and advances amounted to €134 million in the third quarter, following €175 million in the second quarter of 2010.

The annualized net additions ratio (based on the results for the first nine months of 2010) for the customer loan portfolio is 54 basis points, within the 50 to 60 basis point range we forecasted for the year as a whole. Due to the high

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proportion of highly collateralized German private mortgage loans, Postbank's allowance for losses on loans and advances is well below the average for European banks.

Administrative expenses rose only slightly, climbing by €47 million or 2.2% as against the first nine months of the previous year to €2,146 million. In this context, it should be noted that the higher structural expenses resulting from the acquisition of 277 former Deutsche Post retail outlets at the beginning of the third quarter and staff-related provisions amounting to €28 million (of which €7 million relate to the third quarter) have already been included in this figure. As expected, administrative costs in the third quarter increased slightly compared with the previous quarters, due among other things to the acquisition of the retail outlets, and amounted to €738 million (after €716 million in Q2 2010 and €692 million in Q1).
The overall stable trend in administrative expenses demonstrates the success of Postbank's ongoing strict cost management, which is a key focus of our Postbank4Future strategy program.

Net other income and expenses amounted to €8 million, following €15 million in the first nine months of the previous year.

Profit before tax in the first nine months of 2010 was €296 million, after a loss of €129 million in the prior-year period.

After adjustment for income taxes of €-77 million (previous year: tax income of €305 million) and minority interest, consolidated net profit amounted to €218 million, following €175 million in the previous year.

Earnings per share were €1.00 (previous year: €0.80). The return on equity before tax amounted to 7.2%, compared to –3.4% in the prior-year period. The cost/income ratio was 74.4% (90.3% in the first nine months of 2009).

Segment Reporting

Postbank is currently engaged in a fundamental review of its segment reporting with the aim of further increasing transparency, particularly with regard to a more detailed breakdown of the results in the Others segment. The new segment reporting is due to be introduced in 2011.

The following comments relate to the restated figures for the first nine months of 2009.

Retail Banking

Profit before tax in the Retail Banking segment rose significantly in the first nine months of 2010 as against the prior-year period, climbing 33.0% to €616 million. This was mainly due to the rise in net interest income and a slight decrease in administrative costs.

The strong performance by net interest income in this segment is due in particular to the substantial volume expansion in the deposit business, the simultaneous adjustment in the interest expense for these positions in line with market levels, and the positive trend in the profitability of new lending. As a result, net interest income rose by 11.1% or €177 million to €1,767 million.

Net trading income – which is generated exclusively by BHW Bausparkasse AG, part of this segment – remained unchanged at €–30 million. This is mainly due to measurement effects under the fair value option, which we apply to interest rate risk hedges of our mortgage loan portfolio.

Net fee and commission income fell by €14 million year-on-year in the first nine months of 2010 to €803 million. This is primarily attributable to the decline in income from the postal services business and the new services, as well as to the reduction made in the minimum incoming payment threshold for our free checking account in order to expand the target group. The third quarter recorded a slight improvement compared to the second quarter, in the form of a €5 million increase to €267 million. This is mainly due to the positive contribution made by the acquisition of 277 former Deutsche Post retail outlets as of July 1, 2010.

Overall, total income for the segment increased by 6.6% or €158 million year-on-year in the first three quarters to €2,536 million.

Thanks to Postbank's sustained strict cost discipline, administrative expenses dropped by €12 million to €1,657 million, despite the acquisition of 277 additional former Deutsche Post retail outlets at the beginning of the third quarter of 2010 mentioned earlier. This figure also contains non-recurring charges from staff-related provisions of €24 million (of which €7 million relate to Q3).

At €266 million, the allowance for losses on loans and advances remained virtually stable year-on-year due to the comparatively high quality of the loans in our extremely granular and highly collateralized private mortgage lending business (previous year: €256 million).

Net other income and expenses amounted to €3 million, following €10 million in the previous year.

We thus improved our cost/income ratio significantly in the first nine months of 2010 from 70.2% to 65.3%. The return on equity before taxes rose from 28.0% to 36.1%.

Corporate Banking

Profit before tax in the Corporate Banking segment also rose by a significant €181 million as against the first nine months of the previous year to €277 million. In addition to the positive trend in operating income, this was also due to the steady decline in the impact of the structured credit product portfolio that is partially allocated to this segment.

At €529 million, the segment's net interest income clearly exceeded the prior-year level (€390 million) due to the higher business volume and continuing strong margins. Another factor in this increase is interest income from impaired assets (unwinding in accordance with IAS 39).

Taken together, net trading income and net income from investment securities climbed to €–19 million, a year-on-year improvement of €101 million. The significant decline in the impact of structured credit products can be seen here. Specifically, net income from investment securities remained unchanged at €–12 million, while net trading income improved by €101 million to €–7 million. The effects of our structured credit portfolio contained in the two items fell from €–127 million in the first nine months of 2009 to €–25 million. €–4 million of this figure relates to the third quarter of 2010. Value adjustments on other fixed-income securities in the Corporate Banking segment amounted to €+1 million in the first nine months of 2010 (previous year: €–15 million).

In the first nine months of 2010, net fee and commission income fell by €8 million year-on-year to €79 million. In line with this, the segment's total income rose by €232 million to €589 million.

Compared with the same period of 2009, the allowance for losses on loans and advances in the lending business increased by €77 million in the first nine months of 2010 to €194 million. This was within the range we expected. The third-quarter allowance for losses on loans and advances of €42 million represented an encouraging decline as against the previous two quarters. The year-on-year increase in the allowance for losses on loans and advances reflected the ongoing tight situation in the international real estate markets.

Administrative expenses fell by 14.3% or €21 million as against the first three quarters of 2009 to €126 million, making a significant contribution to the very encouraging improvement in profit before tax.

The return on equity before taxes for the segment rose to 64.5%, following 23.9% in the first nine months of 2009. The cost/income ratio almost halved to 21.4%.

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Transaction Banking

Profit before tax in the Transaction Banking segment increased by €3 million year-on-year to €39 million. Net fee and commission income remained virtually stable at €258 million (previous year: €257 million). Administrative expenses dropped by €6 million to €224 million. This figure contains non-recurring charges from staff-related provisions of €4 million recognized in Q2 2010. Net other income and expenses fell by €4 million to €4 million. The cost/income ratio in Transaction Banking improved slightly from 89.1% to 86.5%.

In this segment, we expect the integration of HSH Nordbank – a new customer acquired in 2009 – to generate positive momentum for net fee and commission income over time. At the same time, it is to be expected that the integration within Commerzbank of the payment transactions that we previously handled for Dresdner Bank will result in the loss of a customer relationship by 2011. According to current estimates, the two effects taken together will probably lead to a decline in net fee and commission income in this segment. Steps to reduce the associated cost pool are already being taken.

Financial Markets

Profit before tax in the Financial Markets segment dropped by €32 million in the first nine months of 2010 to €66 million as compared to the previous year.

This fall is mainly the result of a €44 million decline in net interest income to €62 million. A drop in the contribution by our PBI Luxembourg subsidiary, which is partially allocated to the Financial Markets segment, was the main driver for this development. Due to the sharp drop in money market interest rates, this company generated a high level of net interest income in the first quarter of 2009 in particular that then returned to normal as of the second quarter of 2009.

Net trading income remained virtually stable at €39 million (previous year: €41 million), while net income from investment securities improved by €5 million to €–5 million owing to a decline in the negative effects of the financial market crisis. Net fee and commission income increased slightly by €1 million to €23 million.

The profit reported by the segment includes effects from our structured credit portfolio of €–6 million, of which €–2 million relates to Q3 (previous year: €–23 million). €–5 million of these effects (previous year: €–16 million) relates to net trading income, of which €–3 million was incurred in Q3. €–1 million (previous year: €–7 million) relates to net income from investment securities, with positive effects of €1 million being incurred in Q3.

Taking administrative expenses into account, which remained unchanged at €65 million, the cost/income ratio for the segment was 54.6% as of September 30, 2010, following 40.9% in the previous year. The return on equity before tax fell from 18.3% to 11.0%.

Others

The loss in the Others segment improved in the first nine months of 2010 by €120 million to €702 million, following a loss of €822 million in the prior-year period. This segment contains items not directly attributable to the other business divisions, unallocated central function costs, and the result of Postbank's own-account transactions.

At €–295 million, net interest income for the segment was up €9 million on the prior-year level. The figure, which is negative for structural reasons, is due among other things to disposals of banking book and trading book assets, contributions from asset/liability management, and the transfer pricing system in place up to and including 2004, as well as to the acquisition of the BHW Group and Postbank Filialvertrieb AG in 2006. The reduction in investment securities in line with Postbank's strategy also led to a decline.

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Net trading income improved slightly to €–215 million after €–252 million in the prior-year period. Less severe losses on the measurement of embedded derivatives contained in structured credit products of €194 million (previous year: €-330 million) had a positive effect.
€-90 million of this figure was incurred in Q3 2010.

The segment's net income from investment securities rose by €157 million year-on-year to €75 million. The losses on structured credit product holdings of €25 million included in this item (of which a positive figure of €13 million is attributable to Q3 2010) fell by €16 million compared with the prior-year period. In addition, impairment losses of €10 million (previous year: €-79 million) were realized on other debt instruments and retail funds, of which €5 million was incurred in Q3 2010. In addition, disposal losses of €8 million were incurred due to the reduction of other risk positions.

Net fee and commission income for the segment rose by €17 million to €–12 million. As a result, total income rose by €220 million to €–447 million.

Administrative expenses increased to €656 million in the first nine months of 2010, after €572 million in the prior-year period. This rise is due, among other things, to increased staff costs and higher project costs such as the cost of implementing the many and varied regulatory changes in the cost centers.

Moreover, administrative expenses in the Others segment include corporate function costs of €204 million (previous year: €171 million) that cannot be directly attributed to the operating segments. In addition, they comprise IT and other service expenses of €302 million (previous year: €313 million), some of which are allocated to the operating segments and credited to other income in the Others segment. Net other income and expenses fell by €16 million to €401 million.

Consolidation

This segment encompasses the internal transactions between the Postbank Group's consolidated companies. It therefore generally reports a neutral result.

Key consolidation adjustments are made within net fee and commission income and primarily comprise adjustments to payments for the provision of payment services for Postbank that are recognized in income for the Transaction Banking segment. Consolidation adjustments amounted to €–174 million in the first nine months of 2010 compared with €–161 million in the previous year.

Additionally, consolidation adjustments made within administrative expenses amounted to €582 million (previous year: €584 million). This is primarily attributable to the cost allocation of IT and Transaction Banking services provided within the Group. Net income and expenses (€–409 million, following €–424 million in the previous year) primarily eliminates income from internally invoiced IT services which is reported as other income in the item of the same name in the Others segment.

Total Assets

Postbank’s total assets amounted to €231.5 billion as of September 30, 2010, following €241.7 billion as of June 30, 2010 and €226.6 billion at the end of the last fiscal year.

The assets side is dominated by a reduction in investment securities in line with Postbank’s strategy. Technical effects arising from the pronounced decline in interest rates represented the main offsetting effects in the period under review; this led to an increase in the positive fair values of derivatives held for trading on the assets side and a corresponding rise in the negative fair values of trading liabilities. Amounts due to customers continued to rise due to noticeably higher demand deposits in particular.

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Specifically, loans and advances to customers, which include securitized assets such as promissory note loans, increased by €0.2 billion as against the year-end to €111.2 billion. Low-margin public-sector receivables fell by €0.1 billion to €1.5 billion.

Loans and advances to other banks amounted to €18.6 billion as of September 30, 2010, approximately €4 billion above the figure at the end of the previous year. However, we reduced this position by €6.3 billion as against the last quarter-end.

Holdings of investment securities were reduced significantly from €72.4 billion to €60.7 billion in line with Postbank's strategy. We also reduced the notional volume of our structured credit portfolio in line with this from €5.8 billion as of December 31, 2009 to €4.6 billion as of September 30, 2010. We mainly achieved this significant fall by allowing positions to expire without reinvestment as well as by their active reduction, which took advantage of the favorable conditions in Q2 2010 in particular. These steps have helped us to make good progress towards our goal of reducing the volume of our investment securities by up to 45% in the period up to 2013 (as against September 30, 2008).

The decline in interest rates compared with the end of 2009 resulted in a tangible increase in the positive fair values of trading book derivatives. This technical measurement gain caused trading assets, which totaled €36.1 billion on the reporting date, to increase by €15.6 billion as against the figure for December 31, 2009. In contrast, the volume of our trading assets in securities remained largely unchanged at a very low level.

On the liabilities side, amounts due to customers totaled €134.5 billion, following €132.0 billion at year-end 2009. This is due, among other things, to an expansion in the volume of savings and home savings deposits. These customer deposits rose by a cumulative €1.9 billion to €67.3 billion. The volume of demand deposits also increased, amounting to €35.6 billion following €33.6 billion at the end of 2009.

Debt securities in issue fell moderately to €15.5 billion (December 31, 2009: €16.7 billion). A more pronounced decline was recorded in our deposits from other banks. These decreased by €12.4 billion to €27.0 billion as against year-end 2009.

Equity

Recognized capital rose to €5,718 million as of September 30, 2010, compared with €5,251 million at the end of 2009. This encouraging increase was mainly due to the consolidated net profit of €218 million and a €245 million improvement in the revaluation reserve to €–257 million.

The Tier 1 ratio (excluding market risk positions) was 8.5% as of September 30, 2010, following 7.6% at year-end 2009 and 7.9% as of June 30, 2010. Taking market risk positions into account, the Tier 1 ratio was 8.0%, following 6.6% as of December 31, 2009 and 7.3% as of June 30, 2010. The significant rise in the Tier 1 ratio including the market risk positions in the course of the year is mainly due to the preprocessing to net out economically offsetting interest rate positions, which was implemented in the first quarter of 2010 to measure market risk positions more exactly. In addition, progress in reducing the Bank's risk positions, the quarter-on-quarter decline in the market risk position in the third quarter of 2010, and currency effects contributed to this development.

Overall, the action taken by Postbank during the course of the financial market crisis to strengthen its capital position and improve its risk profile has played an important role in stabilizing and increasing the Tier 1 capital ratio.

Postbank will continue with its 2008 program to reduce capital market risk and portfolios and in particular with its reduction of its investment securities, an area in which it has already made substantial progress. In addition, we are driving forward the implementation of advanced measurement models for risk-weighted assets and as before, intend to use the profits we generate up to and including 2012 to strengthen our capital base. These measures should contribute significantly to further improving Postbank's Tier 1 capital ratio.

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In conjunction with the voluntary takeover offer made by Deutsche Bank to Postbank's shareholders, Deutsche Bank has announced that it intends to consolidate the Postbank Group, possibly starting in 2010. Postbank is expecting that consolidation will be both for supervisory law purposes and for accounting purposes. Consolidation for supervisory law purposes would mean that Postbank would become part of the bidder's consolidated group for supervisory law purposes. Consequently, the Bank would no longer be the parent of a group of institutions for supervisory law purposes, but the bidder's subordinate institution or subsidiary; as a result, the Postbank Group would no longer constitute a group of institutions for supervisory law purposes by itself. To date, Postbank and BHW Bausparkasse AG have made use of the waiver in accordance with section 2a(1) and (6) of the Kreditwesengesetz (KWG – German Banking Act) (non-application of section 10 of the KWG (capital requirements at the level of the relevant institution) and section 13/13a of the KWG (large exposure reporting at the level of the individual institution)). Insofar as the preconditions for applying the waiver in accordance with section 2a(1) of the KWG are not met in the context of the Deutsche Bank Group, Deutsche Postbank AG and BHW Bausparkasse AG, as subsidiaries of the bidder, would each have to meet the capital requirements and the large exposure rules. As compliance with these rules has not to date been part of the management procedures at the level of the individual institutions, the institutions belonging to the group have different levels of own funds; this could make it necessary to implement measures to ensure compliance with the regulatory requirements.

Goals of Postbank

We anticipate that the world's economy will recover in 2010 and 2011. As part of this, we expect Germany's economy to perform better than we believed it would in past reports. Conditions on capital markets will probably remain fragile in future quarters – as indicated by third-quarter trends. Particularly outside Germany, we believe that an above-average number of companies will file for bankruptcy and that conditions on real-estate markets will remain challenging. For this reason, we continue to envision a higher – albeit decreasing – need for allowances for losses on loans and advances throughout the banking sector. The following expectations for the possible direction of Postbank's business for the rest of this year and 2011 are based on the outlook we issued in our Annual Report 2009 and draw on a base scenario according to the economic projections we made in this report. The possible impact of potentially severe setbacks and disruptions in international capital and real estate markets presented above in the sector outlook section should also be considered. This outlook does not address the potential effect of the effort by Deutsche Bank AG to consolidate and integrate the Postbank Group.
The earnings performance of the first nine months of this fiscal year demonstrate that Postbank has a solid business model with stable, sustainable revenue streams from its customer business and a good refinancing base. We will systematically continue the effort initiated in our "Postbank4Future" strategy program to focus on retail, business and corporate customers. Furthermore, the bank will continue to scale back our capital market investments and exposure to the associated risks.

Based on our projection of our private-customer business and external conditions, we continue to believe that in 2010 the core operating earnings components of net interest income and net fee and commission income will rise markedly year on year. The primary growth momentum will likely be generated by net interest income – as was the case in the first nine months of 2010. The very positive third-quarter trends in net interest income that were driven by several extraordinary factors are unlikely to continue in the fourth quarter of 2010. We currently believe that net fee and commission income will dip slightly in 2010 as a result of declining income, particularly in the postal service business and among new services. For 2011, we expect that total net interest income and net fee and commission income will move sideways – following a steep rise in 2010.
As part of our "Postbank4Future" strategy program, we are continuing to intensely concentrate on cost management. For 2010 and 2011, however, we believe that administrative costs will rise slightly compared with the respective prior years. This increase will result from the acquisition of 277 retail outlets from Deutsche Post, which will lead to a structural increase of administrative costs totaling about €60 million to €70 million a year. To tap further efficiency potential in some areas of the bank, we are systematically investing in personnel-related programs. We expect positive

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effects in personnel costs from these programs to be created beginning in 2012. Furthermore, administrative costs will temporarily increase as a result of the implementation of many regulatory changes.

The bank levy will also have a negative impact on the bank's results in 2011.

The trends in net trading income and net income from investment securities will be influenced to a great degree by events on the money and capital markets – as discussed in previous reports. Future global economic developments and the number of company bankruptcies are key factors in terms of the negative effects from our structured loan portfolio reported in these earnings lines. Provided that macroeconomic trends do not measurably deviate from our expectations, the overall negative impact on net trading income and net income from investment securities in 2010 and later should be less than the previous year. Even during an otherwise intact market situation, this trend could experience broadscale disruption by such events as defaults or downgrades of individual issuers.

Taken together, we expect negative, albeit slightly improving contributions to earnings for net trading income and net income from investment securities in 2011 and in future years. In addition to previously discussed negative effects, this will result from our clear strategy to reduce our portfolio of investment securities, which restricts our options for generating additional positive income.
In terms of the allowance for losses on loans and advances, we still expect a higher level than pre-crisis totals – particularly as a result of the continuing difficult conditions on international real-estate markets. For 2010 as a whole, we currently think that the allowance for losses on loans and advances will finish at the lower end of our expected range of 50 to 60 base points for the customer loan business. It should remain at a similar level in 2011.

In summary, we expect, on the basis of the previous discussion about the direction of individual earnings lines, that Postank will generate positive results both for the whole of 2010 as well as 2011 following significant losses in previous years. However, the satisfying development of earnings contributions from the customer business that we foresee will still be affected in both periods by the negative impact of risk positions and an increased allowance for losses on loans and advances. This will mean that the bank's full operating strength may not be reflected in the annual results.

For the fourth quarter of 2010, we expect, on the basis of current estimates, a result that will be considerably below the good performance of previous quarters. This estimation is based on an anticipated, seasonally related rise in administrative costs in the final quarter of the year and normalized net interest income – particularly compared with a third quarter characterized by extraordinary factors. As a result of the expected positive annual results in the single-entity financial statements of Deutsche Postbank AG according to the Handelsgesetzbuch (HGB—German Commercial Code), the reduced liabilities for silent partnerships and certain profit-participation rights arising from participation in loss will increase once again: interest payments which were deferred due to the earnings' situation in 2008 and 2009 will be payed out in 2010, which will result in corresponding interest and other expenses in consolidated net profit.

A long-range forecast for a sustainably achievable return on equity is generally difficult for banks to issue at the moment as a result of the existing uncertainties and continuing discussions about the future regulation of the banking market – including the reform of deposit protection and the toughening of capital requirements. For Postbank, it remains unclear what effect the consolidation and integration effort by Deutsche Bank AG will have on the mid- and long-range earnings situation. Postbank is responding to this situation and will not issue any mid- and long-range forecasts about achievable return on equity until further notice. We are determined to further strengthen Postbank's position in the German market, and we are confident that we are making progress on the path of profitable growth.

Please refer to our interim report as of September 30, 2010 and the presentations slides for further information, available on the investor relations website on www.postbank.com/ir.

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Postbank Group in figures

			01/01/-30/09/ 2010	01/01/-30/09/ 2009 [1]
Consolidated income statement				
	Total income	€m	2,883	2,325
	Administrative expenses	€m	-2,146	-2,099
	Profit before tax	€m	296	-129
	Consolidated net profit	€m	218	175
Cost Income Ratio		%	74.4	90.3
Return on equity				
	before tax	%	7.2	-3.4
	after tax	%	5.3	4.7
Earnings per share [2]		€	1.00	0.80
			30/09/2010	**31/12/2009**
Consolidated balance sheet				
	Total assets	€m	231,457	226,609
	Customer deposits	€m	113,913	111,067
	Customer loans	€m	108,427	108,971
	Allowance for losses on loans and advances	€m	1,819	1,641
	Equity	€m	5,718	5,251
Tier 1 ratio excluding market risk		%	8.5	7.6
Tier 1 ratio including market risk		%	8.0	6.6
Headcount (full time equivalent)		Tsd	20.70	20.86
Long-term ratings				
	Moody's		A1	Aa3
		Outlook	negative	Rating under Review
	Standard & Poor's		A-	A-
		Outlook	Credit Watch positive	positive
	Fitch		A+	A+
		Outlook	stable	stable
			30/09/2010	**30/09/2009**
Information on Postbank shares				
	Share price at the balance sheet date	€	24.97	24.17
	Share price (Jan 01 to June 30)	high €	27.80	26.86
		low €	21.16	6.81
	Market capitalization on the balance sheet date	€ m	5,463	5,288
	Number of shares	million	218.8	218.8

1 Prior year figures adjusted
2 based on 218.8 million shares

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Consolidated income statement

	01/01/-30/09/ 2010	01/01/-30/09/ 2009 [1]
	€m	€m
Interest income	5,273	6,119
Interest expense	-3,206	-4,335
Net interest income	2,067	1,784
Allowance for losses on loans and advances	-449	-370
Net interest income after allowance for losses on loans and advances	1,618	1,414
Fee and commission income	1,177	1,205
Fee and commission expense	-200	-212
Net fee and commission income	977	993
Net trading income	-215	-349
Net income from investment securities	54	-103
Administrative expenses	-2,146	-2,099
Other income	105	97
Other expenses	-97	-82
Profit before tax	296	-129
Income tax expense	-77	305
Profit from ordinary activities after tax	219	176
Minority interest	-1	-1
Net profit for the period	**218**	**175**

1 Prior-year figures restated

		01/01/-30/09/ 2010	01/01/-30/09/ 2009 [1]
		€m	€m
Profit from ordinary activities after tax		219	176
Other comprehensive income after tax		249	147
	Change in revaluation reserve	357	197
	thereof remeasurement gains/losses	292	141
	tereof disposals and impairment	65	56
	Change in currency translation reserve	4	-5
	Income tax relating to other comprehensive income	-112	-45
Total comprehensive income for the period attributable to minority interest		-1	-1
Total comprehensive income		**467**	**322**

1 Prior year figures adjusted

Earnings per share increased from €0.80 in first nine month of 2009 to €1.00 in first nine month of 2010 based on 218.8 million shares.

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Consolidated income statement quarterly overview

	2010			2009 [1]			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	€m	€m	€m	€m	€m	€m	€m
Interest income	1,740	1,735	1,798	1,868	1,901	2,009	2209
Interest expense	-1,019	-1,064	-1,123	-1,247	-1,323	-1,440	-1572
Net interest income	721	671	675	621	578	569	637
Allowance for losses on loans and advances	-134	-175	-140	-308	-142	-120	-108
Net interest income after allowance for losses on loans and advances	587	496	535	313	436	449	529
Fee and commission income	385	381	411	418	414	405	386
Fee and commission expense	-67	-65	-68	-73	-70	-65	-77
Net fee and commission income	318	316	343	345	344	340	309
Net trading income	-92	-40	-83	-149	-139	-103	-107
Net income from investment securities	0	26	28	-45	15	-14	-104
Administrative expenses	-738	-716	-692	-765	-696	-719	-684
Other income	26	50	29	81	34	35	28
Other expenses	-30	-38	-29	-49	-23	-17	-42
Profit before tax	71	94	131	-269	-29	-29	-71
Income tax expense	-6	-37	-34	170	91	44	170
Profit from ordinary activities after tax	65	57	97	-99	62	15	99
Minority interest	0	0	-1	0	0	0	-1
Net profit for the period	**65**	**57**	**96**	**-99**	**62**	**15**	**98**

	2010			2009 [1]			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	€m	€m	€m	€m	€m	€m	€m
Profit/loss form ordinary activities after tax	65	57	97	-99	62	15	99
Other comprehensive income after tax	188	-25	86	75	241	37	-131
change in revaluation reserve	293	-51	115	108	343	49	-195
thereof remeasurement gains/losses	286	-103	109	-35	344	34	-237
tereof disposals and impairment	7	52	6	143	-1	15	42
Change in currency translation reserve	-15	11	8	5	-6	-7	8
Income tax relating to other comprehensive income	-90	15	-37	-38	-96	-5	56
Total comprehensive income for the period attributable to minority interest	0	0	-1	0	0	0	-1
Total comprehensive income	**253**	**32**	**182**	**-24**	**303**	**52**	**-33**

1 Prior year figures adjusted

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Segment reporting

	Retail Banking [1]		Corporate Banking [1]		Transaction Banking [1]		Financial Markets		Others [1]		Consolidation [1]		Group [1]	
	01/01/-30/09/		01/01/-30/09/		01/01/-30/09/		01/01/-30/09/		01/01/-30/09/		01/01/-30/09/		01/01/-30/09/	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Net interest income	1,767	1,590	529	390	1	1	62	106	-295	-304	3	1	2,067	1,784
Net trading income	-30	-30	-7	-108	-	-	39	41	-215	-252	-2	-	-215	-349
Net income from investment securities	-4	1	-12	-12	-	-	-5	-10	75	-82	-	-	54	-103
Net fee and commission income	803	817	79	87	258	257	23	22	-12	-29	-174	-161	977	993
Total income	**2,536**	**2,378**	**589**	**357**	**259**	**258**	**119**	**159**	**-447**	**-667**	**-173**	**-160**	**2,883**	**2,325**
Administrative expenses	-1,657	-1,669	-126	-147	-224	-230	-65	-65	-656	-572	582	584	-2,146	-2,099
Allowance for losses on loans and advances	-266	-256	-194	-117	-	-	11	3	-	-	-	-	-449	-370
Other income/expense	3	10	8	3	4	8	1	1	401	417	-409	-424	8	15
Profit before tax	**616**	**463**	**277**	**96**	**39**	**36**	**66**	**98**	**-702**	**-822**	**0**	**0**	**296**	**-129**
Revenues from external customers	2,533	2,366	587	355	112	114	118	158	-447	-658				
Intersegmental revenues	3	12	2	2	147	144	1	1	0	-9				
Depreciation and amortization	-14	-14	-1	-1	-4	-4	-1	-1	-82	-83				
Impairment losses	-14	-14	-1	-1	-4	-4	-1	-1	-87	-83				
Reversal of impairment losses	0	0	0	0	0	0	0	0	0	0				
Cost/income ratio (CIR)	**65.3%**	**70.2%**	**21.4%**	**41.2%**	**86.5%**	**89.1%**	**54.6%**	**40.9%**	**-**	**-**			**74.4%**	**90.3%**
Return on equity														
before taxes (RoE)	**36.1%**	**28.0%**	**64.5%**	**23.9%**	**-**	**-**	**11.0%**	**18.3%**	**-51.4%**	**-72.4%**			**7.2%**	**-3.4%**
	30/09/2010	31/12/2009	30/09/2010	31/12/2009	30/09/2010	31/12/2009	30/09/2010	31/12/2009	30/09/2010	31/12/2009	30/09/2010	31/12/2009	30/09/2010	31/12/2009
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Segment assets	89,637	89,882	34,273	34,679	443	399	46,861	30,710	88,600	101,506	-28,357	-30,567	231,457	226,609
Segment liabilities	118,724	119,754	32,286	29,684	443	399	42,920	28,379	65,441	78,960	-28,357	-30,567	231,457	226,609

1 Prior year figures adjusted

Since the settlement of payment transactions is not banking business in the traditional sense, we do not report return on equity in our Transaction Banking business segment.

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Balance sheet

Assets	30/09/2010	31/12/2009
	€m	€m
Cash reserve	962	4,534
Loans and advances to other banks	18,607	14,467
Loans and advances to customers	111,226	111,043
Allowance for losses on loans and advances	-1,819	-1,641
Trading assets	36,056	20,471
Hedging derivatives	759	520
Investment securities	60,653	72,359
Intangible assets	2,346	2,368
Property and equipment	826	838
Property held as financial investment	73	73
Income tax assets	423	280
Deferred tax assets	490	552
Other assets	855	745
Total assets	**231,457**	**226,609**

Liabilities	30/09/2010	31/12/2009
	€m	€m
Deposits from other banks	26,956	39,318
Due to customers	134,500	131,988
Securitized liabilities	15,521	16,722
Trading liabilities	37,993	22,434
Hedging derivatives	1,880	2,051
Provisions	2,261	2,148
Income tax liabilities	113	174
Deferred tax liabilities	354	305
Other liabilities	530	711
Subordinated debt	5,631	5,507
Shareholders' equity	5,718	5,251
a) Issued capital	547	547
b) Share premium	2,010	2,010
c) Retained earnings	2,939	2,614
d) Consolidated net profit	218	76
Minority interest	4	4
Total liabilities and shareholders' equity	**231,457**	**226,609**

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