Bonn, May 11, 2010

# Postbank Investor Relations Release
# Results as of March 31, 2011

## Positive earnings trend confirmed – consistent reduction of risk continued

(Comments refer to the adjusted figures for Q1 2010 unless otherwise stated)

**Profit before tax at €142 million after €131 million in Q1 of the previous year**

**Very good operating business diluted by on balance negative extraordinary factors: clean profit before tax: €238 million**

**Again strong net interest income from customer business**

**Another decline in risk provisions and slightly positive contribution from structured credit portfolio**

**Consistent risk reduction: structured credit portfolio declined by app. €600 million to €3.1 billion and financial investment came down by €3.5 billion to €55.5 billion vs. year-end 2010**

**Tier 1 ratio increased to 8.7% after 8.1% at the end of 2010**

- **Profit before tax Q1 2011:** **€142 million** (Q1 10: €131 million; Q4 10: €19 million)
  Total extraordinary factors: €-96 million
  of which disposal gain from sale of Indian subsidiary: €55 million
  of which recognition of staff-related provisions and harmonization of accounting treatment of obligations under partial early retirement programs: €-155 million
  of which income from risk portfolios: €4 million (Q1 10: €-98 million)
- **Adjusted profit before tax** **€238 million** (Q1 10: €229 million)
- **Consolidated net profit 2010:** **€105 million** (Q1 10: €96 million; Q4 10: €-80 million)
- **Net interest income:** **€726 million** (Q1 10: €675 million; Q4 10: €664 million)
  increase of 7.6 % mainly due to sustainable good customer business
- **Net fee and commission income:** **€323 million** (Q1 10: €343 million; Q4 10: €339 million)
- **Net trading income:** **€-2 million** (Q1 10: €-83 million; Q4 10: €-26 million)
  positive contribution from structured credit portfolio (SCPs) €4 million (Q1 10: €-82 million; Q4 10: €-104 million)
- **Net income from investment securities:** **€82 million** (Q1 10: €28 million; Q4 10: €-55 million)
  Income from SCP €9 million (Q1 10: €-16 million; Q4 10: €-52 million)
  disposal gain from sale of Indian subsidiary €55 million

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- **Administrative expenses** — **€891 million** (Q1 10: €692 million; Q4 10: €788 million)
  Increase due to extraordinary factors in the amount of €155 million
  - recognition of staff-related provisions of €52 million (Q4 10: €30 million)
  - harmonization of accounting treatment of obligations under partial early retirement programs : €-103 million
- **Allowance for losses on loans and advances:** — **€95 million** (Q1 10: €140 million; Q4 10: €112 million); net addition ratio at 34 basis points (FY 2010: 50 basis points)
- **Earnings per share:** — **€0.48** (Q1 10: €0.44)
- **Tier 1 ratio:** — **8.7 %** (year-end 2010: 8.1%)
  Increase due to reduction in risk-weighted assets and profit retention
- **Results of customer business related segments**
  - Profit before tax Retail Banking segment +47.0% year-on-year to €319 million
  - Profit before tax Corporate Banking segment + 40.5 % to €104 million

# Income statement

Postbank continued its encouraging earnings trend of previous quarters in the first quarter of 2011, generating profit before tax of €142 million. Once again, its strong customer business provided significant momentum. Total net interest income and net fee and commission income again rose significantly quarter-on-quarter, with net interest income being the key driver, as in 2010.

In addition, Q1 2011 earnings were affected by a number of positive and negative non-recurring factors, whereby expenses clearly predominated. Our earnings figures after adjustment for these factors underscore Postbank's positive operating performance. The sale of our Indian subsidiary resulted in a disposal gain before tax of €55 million. The recognition of staff-related provisions and the harmonization of the accounting treatment of partial early retirement programs in the total amount of €155 million had the opposite effect, resulting in a significant increase in staff costs in the first quarter of 2011. The negative effects from the Bank's risk positions declined tangibly. We reported positive overall measurement and disposal effects in our structured credit portfolio in net trading income and net income from investment securities for the first time since the start of the financial market crisis. In the process, we managed to further clearly reduce in our holdings of structured credits and investment securities. The allowance for losses on loans and advances also continued to decline, contributing to the positive earnings trend.

Unless otherwise stated, the following comments on individual income items represent a comparison with the first quarter of 2010 or, in the case of balance sheet disclosures, with December 31, 2010.

**Net interest income** as of March 31, 2011 amounted to €726 million, €51 million or 7.6% higher than the strong, comparable prior-year figure and €62 million or 9.3% up on the fourth quarter of 2010. This encouraging development is due among other things to the continued strong customer business. In the savings business, we benefited from relatively stable volumes and adjustments to the interest expense to market levels. In addition, the contribution made by the home savings business rose significantly year-on-year. However, the continued low level of interest rates represents a challenge for deposit-rich banks such as Postbank that could not be offset by the relatively steep yield curve. As a result, pressure on margins continued, particularly in the area of demand deposits.

In the first quarter of 2011, **net trading income** amounted to €–2 million, up €81 million year-on-year. This significant improvement was primarily due to the contribution to net trading income made by the remeasurement of embedded derivatives (including the elimination of currency risks) in the structured credit substitution business. This had a positive effect of €4 million in the first quarter of 2011, up €86 million compared with the previous year.

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**Net income from investment securities** in the first quarter of 2011 benefited from the recognition of the proceeds of the sale of Deutsche Postbank Home Finance Ltd. in India (€55 million). In line with this, the item rose significantly to €82 million, after €28 million in the previous year. Net income from investment securities in the first quarter of 2011 contains the positive balance of impairment losses and disposal gains on our structured credit substitution business of €9 million. The corresponding figure for the prior-year period was €–16 million. Impairment losses/reversals on other fixed-income securities and on retail funds and investments still held in our portfolio amounted to €+1 million (previous year: €0 million). The disposal loss on other risk positions amounted to €–10 million (previous year: €0 million).

The aggregate contribution made by our risk portfolios to **net trading income and net income from investment securities** amounted to €+13 million, the first positive figure since the start of the financial market crisis. In the prior-year quarter, these items produced a negative effect of €–98 million. However, as we wrote in the outlook to our 2010 Annual Report, we expect that our investment securities portfolio may produce additional negative effects in the rest of the year.

**Net fee and commission income** as of March 31, 2011 amounted to €323 million, down on the figure for the prior-year period of €343 million as expected. Performance was clearly more muted than the average for all quarters in 2010 (€329 million). The decline as against the first quarter of 2010 is mainly the result of the lower contribution made by commission income from the traditional banking business, which profited in the previous year from a number of non-recurring factors. Income from the non-life insurance business was particularly affected. Net fee and commission income from the banking business is influenced among other things by the investment we made in our free checking account, where we reduced the minimum limit for incoming payments last year to further boost its attractiveness. We expect this to result in a tangible increase in the frequency with which this product is used.

**Total income** increased significantly by 17.2% to €1,129 million.

The **allowance for losses on loans and advances** amounted to €95 million, down €45 million on the figure for the previous year and €17 million on that for the fourth quarter of 2010. This means that the annualized net additions ratio for the customer loan portfolio based on the first quarter of 2011 is 34 basis points. The trend in Postbank's allowance for losses on loans and advances was positively influenced by the large proportion of highly collateralized private mortgage loans, which require a comparatively low level of risk provisioning, and a year-on-year reduction in the cost of risk in the area of international commercial real estate finance.

**Administrative expenses** amounted to €891 million in the first quarter of 2011 (previous year: €692 million). Other administrative expenses rose by €29 million to €334 million, while staff costs increased significantly, climbing €168 million to €521 million. This development is due to two non-recurring factors with an aggregate volume of €155 million. Firstly, we recognized staff-related provisions of €52 million in the course of our efficiency initiatives. Secondly, we harmonized our accounting treatment of obligations under partial early retirement programs. Both effects will help reduce staff costs in subsequent periods. When interpreting the change in other administrative expenses, it should be borne in mind that this figure includes additional expenses relating to the acquisition of 277 additional retail outlets from Deutsche Post at the start of the third quarter of 2010. We expect this to result in additional annual expenses of €60 million to €70 million.

**Net other income and expenses** amounted to €–1 million, following €0 million in the first quarter of the previous year.

As a result, **profit before tax** amounted to €142 million, compared with €131 million in the equivalent prior-year period.

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After adjustment for income taxes of €–37 million (previous year: €–34 million) and for non-controlling interests, **consolidated net profit** amounted to €105 million, following €96 million in the previous year.

**Earnings per share** were €0.48 (previous year: €0.44). The return on equity before tax amounted to 9.9% compared with 9.7% in the prior-year period, while the cost/income ratio was 78.9% (71.9% in the first quarter of 2010).

# Segment reporting

As announced in previous reports, Postbank has thoroughly revised its segment reporting with the aim of further increasing transparency, and has implemented the changes as of the first quarter of 2011. The main change is the clear allocation of the banking and trading books to the Financial Markets segment, coupled with the recognition of the corresponding net income there. In the course of this change, the previous Others segment was discontinued and a new segment, "Cost Centers/Consolidation", was introduced.

The changes are explained in detail in Note 1 of the interim report. The prior-year figures that follow have been adjusted accordingly.

## Retail Banking

Profit before tax in the Retail Banking segment grew by a substantial 47.0% to €319 million. This was due above all to a further clear rise in net interest income. At €639 million, this item was up €76 million on the figure for the equivalent prior-year period. The change was the result, among other things, of the continued strong customer business. For example, the savings business benefited from relatively stable volumes and adjustments to the interest expense in line with market levels. In addition, the contribution made by the home savings business increased substantially in comparison to the prior-year period.

Net trading income – which is generated exclusively by BHW Bausparkasse AG, part of this segment – amounted to €20 million, up €33 million year-on-year. This is mainly due to measurement effects under the fair value option, which we apply to interest rate risk hedges of mortgage loans.

Net fee and commission income declined by 7.3% to €255 million. The main driver for this was the reduction in the minimum limit for incoming payments for our free checking account in 2010 – an additional investment made to boost its attractiveness. In addition, the surplus generated by the insurance business declined as against the prior-year quarter, which was dominated by non-recurring factors.

As a result, total income amounted to €914 million, following €825 million in the equivalent prior-year period.

Administrative expenses rose by only €8 million (1.5%) to €535 million, despite the acquisition of 277 additional retail outlets at the beginning of the third quarter of 2010. This demonstrates Postbank's continuing strict cost discipline.

The allowance for losses on loans and advances put in a strong performance thanks to the continuing positive development of the economy as a whole and the comparatively high quality of the loans in our very granular and highly collateralized mortgage lending business, declining by €17 million or 21.8% to €61 million.

Net other income and expenses amounted to €1 million, following €–3 million in the previous year.

As a result, the cost/income ratio for the segment improved substantially, from 63.9% to 58.5%. The return on equity before tax amounted to 80.8% following 54.8% in the previous year.

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## Corporate Banking

The Corporate Banking segment improved its profit before tax by €30 million or 40.5% compared with the first three months of the previous year, to €104 million. This was due in particular to the clear decline in the allowance for losses on loans and advances.

At €146 million, net interest income for the segment declined by a moderate 3.3% year-on-year. This decrease is due, among other things, to lower interest income from impaired assets (unwinding in accordance with IAS 39). We currently expect this effect to continue to decline. Net trading income and net income from investment securities broke even in the period under review. In the previous year, net income from investment securities amounted to €–6 million, whereas net trading income also broke even. Net fee and commission income increased by €4 million to €30 million.

As a result, total income rose to €176 million, following €171 million in the equivalent prior-year period.

Administrative expenses increased moderately by €3 million as against the previous year, to €39 million. The allowance for losses on loans and advances amounted to €34 million, down €27 million as against the prior-year figure. As in the fourth quarter of 2010, we are benefiting in this area from Germany's strong economic performance and from a tangible reduction in risk provisioning in international commercial real estate finance.

The return on equity before taxes for the segment rose to 112.4%, following 104.8% in the first quarter of 2010. The cost/income ratio was 22.2%, up from 21.1% in the first three months of 2010.

## Transaction Banking

Profit before tax in the Transaction Banking segment increased by €5 million year-on-year to €19 million.

At €90 million, net fee and commission income matched the prior-year level. The positive earnings trend is largely due to the development of administrative expenses. These decreased by €4 million as against the equivalent prior-year quarter to €74 million.

The integration of HSH Nordbank, a client acquired in 2009, is expected to gradually generate positive momentum for the earnings situation in the following years as well. At the same time, it is to be expected that the reintegration of payment transactions into Commerzbank that to date we have handled for Dresdner Bank will have a negative impact on net fee and commission income in 2011. In total, we expect net fee and commission income to decrease.

Net other income and expenses amounted to €3 million, following €2 million in the previous year. As a result, the cost/income ratio in Transaction Banking improved from 86.7% to 82.2%.

## Financial Markets

The loss before tax in the Financial Markets segment narrowed by €15 million year-on-year in the first quarter of 2011 to €–85 million. In this context, it should be borne in mind that under the new segment reporting system this segment reports the results of all Postbank's trading and banking books.

Net interest expense deteriorated by €22 million to €–60 million, largely as a result of a declining hedge result.

The improved result by the Bank's risk portfolios is reflected in the net trading loss for this segment, which narrowed from €–70 million in the first quarter of 2010 to €–22 million. Net income from investment securities declined by a slight €7 million overall to €27 million, mainly as a result of the reduction of risk positions.

The profit reported by the segment includes positive effects from our structured credit portfolio including associated currency hedging transactions of €13 million (previous year: €–98 million). €4 million of this amount (previous year:

€–82 million) is attributable to net trading income and €9 million (previous year: €–16 million) to net income from investment securities.

Net fee and commission income declined by €5 million to €–4 million. Administrative expenses increased slightly by €1 million to €27 million.

As a result, the cost/income ratio for the segment amounted to –45.8% as of March 31, 2011 (previous year: –35.6%), while the return on equity before tax amounted to –9.1% (2010: –11.5%).

### Cost Centers/Consolidation

This newly created segment combines the items of the former Others segment remaining after the reallocation of the banking and trading books (i.e., primarily unallocated costs of the central functions) and the previous "Consolidation" segment.

The segment's loss before tax widened by €141 million to €–215 million. The decline in income is due primarily to the non-recurring effects in staff costs (€155 million) that were mentioned earlier, which are reported in this segment.

Net income from investment securities amounted to €55 million, following €0 million in the previous year. This figure represents the result of the sale of our Indian subsidiary.

Net fee and commission income amounted to €–48 million, following €–49 million in the previous year. This item is mainly used to consolidate payments for the provision of payment services for Postbank that are recognized in income for the Transaction Banking segment.

Net other income and expenses amounted to €–7 million, following €1 million in the equivalent prior-year period.

## Total Assets

Postbank's **total assets** amounted to €211.2 billion as of March 31, 2011, following €239.4 billion as of March 31, 2010 and €214.7 billion at the end of the last fiscal year.

On the assets side, the reduction in investment securities in line with Postbank's strategy continues to be matched by increases in loans and advances to other banks. There was a clear reduction in the positive fair values of the derivatives in the banking book compared with year-end 2010. A matching trend can be seen in the negative fair values under equity and liabilities. In addition, the issue of another Jumbo Hypothekenpfandbrief led to an expansion in debt securities in issue here.

Specifically, **loans and advances to customers**, which include securitized assets such as promissory note loans, declined slightly by €1.7 billion as against the 2010 year-end to €110.1 billion. This is mainly due to a slight reduction in the commercial real estate finance business.

**Loans and advances to other banks** amounted to €19.4 billion as of March 31, 2011, approximately €7.3 billion above the figure at the end of the previous year, primarily as the result of an increase in securities-backed transactions.

Holdings of **investment securities** were reduced by a further €3.5 billion as against year-end 2010 to €55.5 billion, in line with Postbank's strategy. In this context, we also reduced the notional volume of our structured credit portfolio from €3.7 billion as of December 31, 2010 to €3.1 billion as of March 31, 2011. This reduction in investment securities was mainly achieved by allowing positions to expire rather than reinvesting them, as well as by actively reducing them as market opportunities presented themselves. These steps have helped us once again to make good progress towards our goal of reducing the volume of our investment securities by up to 45% (measured as against the figure for September 30, 2008) in the period up to 2013.

**Trading assets** decreased by €6.8 billion as against the year-end, to €17.3 billion. This development was due to a decline in the positive fair values of derivatives following the significant increase in interest rates in the first quarter of 2011. In contrast, the volume of our trading portfolios in securities remained largely unchanged at a very low level. In view of the de-risking strategy that has been adopted and the resulting decline in trading turnover, a decision was made in the first quarter of 2011 to close Deutsche Postbank AG's trading operations in Frankfurt and to bundle the remaining core functions at the head office in Bonn.

On the liabilities side, **amounts due to customers** reached €136.1 billion after €136.5 billion at the 2010 year-end. Trading liabilities declined tangibly in line with trading assets and amounted to €18.6 billion, down from €26.2 billion.

**Debt securities in issue** rose to €14.9 billion (December 31, 2010: €12.9 billion). At the beginning of February 2011, Postbank issued a further Jumbo Hypothekenpfandbrief with a volume of €1 billion and a 10-year term. Deposits from other banks also rose as against the 2010 year-end, climbing €3.6 billion to €26.0 billion.

### Equity

**Recognized capital** rose to €5,720 million as of March 31, 2011, compared with €5,627 million at the end of 2010. The key factor contributing to this development was the consolidated net profit of €105 million.

We recorded a further clear increase in the Tier 1 capital ratio to 8.7%, following 8.1% at the 2010 year-end.

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. In the current year, we will continue to revise and improve our models. In particular, we see additional potential for increasing our Tier 1 capital ratio in 2011 above the current level by a dedicated reduction of risk positions. Next year, the second phase of the introduction of advanced models scheduled under our project plan should have an additional positive effect.

## Goals of Postbank

For 2011 and 2012, we expect the world economy will continue to recover. In Germany, the growth momentum should continue in 2011. We foresee a slowdown beginning in 2012. Business conditions in capital markets will likely remain fragile – as trends showed during the last quarters.

During the past fiscal year and in years to come – as was already described in the 2010 Annual Report – it can be expected that the acquisition of a majority interest and the anticipated closer relationship and integration of Postbank into the Deutsche Bank Group will have an impact on the Bank's future business performance and, as a result, on the mid- and long-term earnings situation of the Postbank Group and its business divisions. This could result in the possible assumption of Group-wide balance sheet and evaluation standards as well as measurement options and integration expenses. It can also be assumed that a potentially closer relationship of the companies could have an impact on the earnings situation in the operating business. Since it is not yet possible to provide a comprehensive evaluation of this impact given information available at the moment, the topic is not addressed in this outlook.

It must be borne in mind that estimations about Postbank's likely course of business in the current fiscal year and in 2012 are founded on a basis scenario of our economic expectations described in the 2010 Annual Report. Some possible effects of potentially severe setbacks and disruptions in international capital and real estate markets may also have to be taken into account. Furthermore, the continuing discussion about stricter regulations for the banking sector – such as

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deposit protection reform as well as a possible acceleration in the reduction of risk positions exceeding today's planning – could have a significant impact on Postbank's net assets, financial position, and results of operations.

The fiscal year 2010 earnings performance and the continuation of the positive trends in the first quarter of 2011 demonstrate that Postbank has a solid business model characterized by stable, sustainable income streams from its customer business as well as a good refinancing base. We remain firmly committed to the focus on private, corporate and business customers that we initiated in our strategy program Postbank4Future. The Bank will also continue to reduce its capital market related portfolios and risks.

On the basis of this, our expectations are unchanged from the assessment made in the Outlook section of the 2010 Annual Report: we expect Postbank will be able to continue the good performance of 2010 in 2011 and 2012 and, as a result, return to the profit zone on a long-term basis. During 2011 in particular, the positive trends in earnings contributions that we expected in the customer business will be hurt by negative trends in risk positions and a still elevated allowance for losses on loans and advances, meaning that the full operational strength of the Bank may be seen only gradually. Assessments of trends in the individual earnings lines that were presented in the 2010 Annual Report also apply in this prognosis. Given the development in operational administrative costs – i.e. costs before non-recurring effects – we assume that there will be a slight increase over the level in 2010, as was described in the Annual Report. With a view to the extraordinary effects already recognized in the first quarter, among other things, the overall cost base vis-à-vis 2010 will noticeably but temporarily increase, according to current estimates.

On the basis of our current understanding, we anticipate for the performance of the segments that the Retail Banking and Corporate Banking operating segments in particular should develop better than we originally expected for 2011, whereas the Financial Markets segment may perform worse.

We are determined to further expand the Postbank's strong position on the German market, and we are confident that we will move forward in our drive to generate profitable growth.

Please refer to our investor relations website on www.postbank.com/ir for the presentations slides, the interim report and further information on Postbank.

Your Postbank Investor Relations Team

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# Postbank Group in figures

| | | | 01/01/-31/03/ 2011 | 01/01/-31/03/ 2010 |
|---|---|---|---|---|
| **Consolidated income statement** | | | | |
| | Total income | €m | 1,129 | 963 |
| | Administrative expenses | €m | -891 | -692 |
| | Profit before tax | €m | 142 | 131 |
| | Consolidated net profit | €m | 105 | 96 |
| | | | | |
| **Cost Income Ratio** | | % | 78.9 | 71.9 |
| | | | | |
| **Return on equity** | | | | |
| | before tax | % | 9.9 | 9.7 |
| | after tax | % | 7.4 | 7.2 |
| | | | | |
| **Earnings per share** | | € | 0.48 | 0.44 |
| | | | | |
| | | | **31/03/2011** | **31/12/2010** |
| **Consolidated balance sheet** | | | | |
| | Total assets | €m | 211,249 | 214,684 |
| | Customer deposits | €m | 116,206 | 116,201 |
| | Customer loans | €m | 107,797 | 109,303 |
| | Allowance for losses on loans and advances | €m | 1,753 | 1,764 |
| | Equity | €m | 5,720 | 5,627 |
| | | | | |
| **Tier 1 ratio** | | % | 8.7 | 8.1 |
| | | | | |
| | | | | |
| **Headcount (full time equivalent)** | | k | 20.09 | 20.36 |
| | | | | |
| Long-term ratings | | | | |
| | Moody's | | A1 | Aa3 |
| | | Outlook | negative | negative |
| | Standard & Poor's | | A | A |
| | | Outlook | stable | stable |
| | Fitch | | A+ | A+ |
| | | Outlook | stable | stable |
| | | | | |
| | | | **31/03/2011** | **31/12/2010** |
| Information on Postbank shares | | | | |
| | Share price at the balance sheet date | € | 21.45 | 23.76 |
| | Share price (Jan 01 to March 31) | high € | 21.99 | 25.44 |
| | | low € | 20.22 | 21.16 |
| | Market capitalization on the balance sheet date | € m | 4,693 | 5,198 |
| | Number of shares | million | 218.8 | 218.8 |

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# Consolidated income statement

| | 01/01/-31/03/ 2011 | 01/01/-31/03/ 2010 |
|---|---|---|
| | €m | €m |
| Interest income | 1,708 | 1,798 |
| Interest expense | -982 | -1,123 |
| Net interest income | 726 | 675 |
| Allowance for losses on loans and advances | -95 | -140 |
| Net interest income after allowance for losses on loans and advances | 631 | 535 |
| Fee and commission income | 385 | 411 |
| Fee and commission expense | -62 | -68 |
| Net fee and commission income | 323 | 343 |
| Net trading income | -2 | -83 |
| Net income from investment securities | 82 | 28 |
| Administrative expenses | -891 | -692 |
| Other income | 22 | 29 |
| Other expenses | -23 | -29 |
| Profit before tax | 142 | 131 |
| Income tax expense | -37 | -34 |
| Profit from ordinary activities after tax | 105 | 97 |
| Minority interest | 0 | -1 |
| **Net profit for the period** | **105** | **96** |

1 Prior-year figures restated

| | | 01/01/-31/03/ 2011 | 01/01/-31/03/ 2010 [1] |
|---|---|---|---|
| | | €m | €m |
| Profit from ordinary activities after tax | | 105 | 97 |
| Other comprehensive income after tax | | -12 | 86 |
| | Change in revaluation reserve | -19 | 115 |
| | thereof remeasurement gains /losses | -16 | 109 |
| | tereof disposals and impairment | -3 | 6 |
| | Change in currency translation reserve | 1 | 8 |
| | Income tax relating to other comprehensive income | 6 | -37 |
| Total comprehensive income for the period attributable to minority interest | | 0 | -1 |
| **Total comprehensive income** | | **93** | **182** |

Earnings per share increased from €0.44 in first quarter of 2010 to €0.48 in first quarter of 2011 based on 218.8 million shares.

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# Consolidated income statement quarterly overview

| | 2011 | | 2010 | | |
|---|---|---|---|---|---|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| | €m | €m | €m | €m | €m |
| Interest income | 1,708 | 1,705 | 1,740 | 1,735 | 1798 |
| Interest expense | -982 | -1,041 | -1,019 | -1,064 | -1123 |
| Net interest income | 726 | 664 | 721 | 671 | 675 |
| Allowance for losses on loans and advances | -95 | -112 | -134 | -175 | -140 |
| Net interest income after allowance for losses on loans and advances | 631 | 552 | 587 | 496 | 535 |
| Fee and commission income | 385 | 409 | 385 | 381 | 411 |
| Fee and commission expense | -62 | -70 | -67 | -65 | -68 |
| Net fee and commission income | 323 | 339 | 318 | 316 | 343 |
| Net trading income | -2 | -26 | -92 | -40 | -83 |
| Net income from investment securities | 82 | -55 | 0 | 26 | 28 |
| Administrative expenses | -891 | -788 | -738 | -716 | -692 |
| Other income | 22 | 70 | 26 | 50 | 29 |
| Other expenses | -23 | -73 | -30 | -38 | -29 |
| Profit before tax | 142 | 19 | 71 | 94 | 131 |
| Income tax expense | -37 | -99 | -6 | -37 | -34 |
| Profit from ordinary activities after tax | 105 | -80 | 65 | 57 | 97 |
| Minority interest | 0 | 0 | 0 | 0 | -1 |
| **Net profit for the period** | **105** | **-80** | **65** | **57** | **96** |

| | 2011 | | 2010 [1] | | |
|---|---|---|---|---|---|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| | €m | €m | €m | €m | €m |
| Profit/loss form ordinary activities after tax | 105 | -80 | 65 | 57 | 97 |
| Other comprehensive income after tax | -12 | -11 | 188 | -25 | 86 |
| change in revaluation reserve | -19 | -17 | 293 | -51 | 115 |
| thereof remeasurement gains/losses | -16 | -53 | 286 | -103 | 109 |
| tereof disposals and impairment | -3 | 36 | 7 | 52 | 6 |
| | | | | | |
| Change in currency translation reserve | 1 | 5 | -15 | 11 | 8 |
| Income tax relating to other comprehensive income | 6 | 1 | -90 | 15 | -37 |
| Total comprehensive income for the period attributable to minority interest | 0 | 0 | 0 | 0 | -1 |
| **Total comprehensive income** | **93** | **-91** | **253** | **32** | **182** |

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## Segment reporting

| | Retail Banking [1] | | Corporate Banking [1] | | Transaction Banking [1] | | Financial Markets [1] | | Cost Center / Consolidation [1] | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 01/01/-31/03/ | | 01/01/-31/03/ | | 01/01/-31/03/ | | 01/01/-31/03/ | | 01/01/-31/03/ | | 01/01/-31/03/ | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | €m | €m | €m | €m | €m | €m | €m | €m | €m | €m | €m | €m |
| Net interest income | 639 | 563 | 146 | 151 | - | - | -60 | -38 | 1 | -1 | 726 | 675 |
| Net trading income | 20 | -13 | - | - | - | - | -22 | -70 | - | - | -2 | -83 |
| Net income from investment securities | - | - | - | -6 | - | - | 27 | 34 | 55 | - | 82 | 28 |
| Net fee and commission income | 255 | 275 | 30 | 26 | 90 | 90 | -4 | 1 | -48 | -49 | 323 | 343 |
| **Total income** | **914** | **825** | **176** | **171** | **90** | **90** | **-59** | **-73** | **8** | **-50** | **1,129** | **963** |
| Administrative expenses | -535 | -527 | -39 | -36 | -74 | -78 | -27 | -26 | -216 | -25 | -891 | -692 |
| Allowance for losses on loans and advances | -61 | -78 | -34 | -61 | - | - | - | -1 | - | - | -95 | -140 |
| Other income/expense | 1 | -3 | 1 | - | 3 | 2 | 1 | - | -7 | 1 | -1 | - |
| **Profit before tax** | **319** | **217** | **104** | **74** | **19** | **14** | **-85** | **-100** | **-215** | **-74** | **142** | **131** |
| | | | | | | | | | | | | |
| Revenues from external customers | 908 | 818 | 175 | 170 | 43 | 42 | -60 | -73 | 63 | 6 | 1,129 | 963 |
| Intersegmental revenues | 6 | 7 | 1 | 1 | 47 | 48 | 1 | 0 | -55 | -56 | 0 | 0 |
| | | | | | | | | | | | | |
| Depreciation and amortization | -7 | -4 | 0 | 0 | -2 | -2 | 0 | 0 | -27 | -28 | -36 | -34 |
| | | | | | | | | | | | | |
| Impairment losses | -7 | -4 | 0 | 0 | -2 | -2 | 0 | 0 | -27 | -28 | -36 | -34 |
| Reversal of impairment losses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | |
| **Cost/income ratio (CIR)** | **58.5%** | **63.9%** | **22.2%** | **21.1%** | **82.2%** | **86.7%** | **-45.8%** | **-35.6%** | | | **78.9%** | **71.9%** |
| **Return on equity before taxes (RoE)** | **80.8%** | **54.8%** | **112.4%** | **104.8%** | **-** | **-** | **-9.1%** | **-11.5%** | | | **9.9%** | **9.7%** |

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.

# Postbank Investor Relations Release
# Results for Q1 2011

## Balance sheet

| Assets | 31/03/2011 | 31/12/2010 |
|---|---|---|
| | €m | €m |
| Cash reserve | 5,519 | 3,248 |
| Loans and advances to other banks | 19,379 | 12,140 |
| Loans and advances to customers | 110,112 | 111,783 |
| Allowance for losses on loans and advances | -1,753 | -1,764 |
| Trading assets | 17,349 | 24,150 |
| Hedging derivatives | 608 | 664 |
| Investment securities | 55,462 | 58,980 |
| Intangible assets | 2,314 | 2,339 |
| Property and equipment | 817 | 826 |
| Property held as financial investment | 73 | 73 |
| Income tax assets | 316 | 321 |
| Deferred tax assets | 274 | 347 |
| Other assets | 779 | 695 |
| Assets held for sale | 0 | 882 |
| **Total assets** | **211,249** | **214,684** |

| Liabilities | 31/03/2011 | 31/12/2010 |
|---|---|---|
| | €m | €m |
| Deposits from other banks | 25,984 | 22,419 |
| Due to customers | 136,139 | 136,476 |
| Securitized liabilities | 14,899 | 12,860 |
| Trading liabilities | 18,584 | 26,174 |
| Hedging derivatives | 1,112 | 1,451 |
| Provisions | 2,462 | 2,287 |
| Income tax liabilities | 90 | 77 |
| Deferred tax liabilities | 207 | 284 |
| Other liabilities | 540 | 665 |
| Subordinated debt | 5,512 | 5,577 |
| Liabilities directly related to assets held for sale | - | 787 |
| Shareholders' equity | 5,720 | 5,627 |
| a) Issued capital | 547 | 547 |
| b) Share premium | 2,010 | 2,010 |
| c) Retained earnings | 3,054 | 2,928 |
| d) Consolidated net profit | 105 | 138 |
| Minority interest | 4 | 4 |
| **Total liabilities and shareholders' equity** | **211,249** | **214,684** |



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