Deutsche Postbank Group

Interim Report as of March 31, 2009

1/09

Postbank

Postbank Group in figures

		Jan. 1 – March 31, 2009	Jan. 1 – March 31, 2008[1]
Consolidated income statement			
Total income	€m	730	929
Administrative expenses	€m	–684	–702
Profit/loss before tax	€m	–91	168
Consolidated net profit/loss	€m	84	117
Total cost/income ratio	%	93.7	75.6
Cost/income ratio in traditional banking business	%	93.5	73.7
Return on equity			
before tax	%	–7.3	13.5
after tax	%	6.7	9.4
Earnings per share[2]	€	0.38	0.71

		March 31, 2009	Dec. 31, 2008
Consolidated balance sheet			
Total assets	€m	240,551	231,282
Customer deposits	€m	102,478	95,077
Customer loans	€m	102,893	101,228
Allowance for losses on loans and advances	€m	1,313	1,232
Equity	€m	4,972	5,019
Tier 1 ratio in accordance with Basel II	%	7.2	7.4
Headcount (FTEs)	thousand	21.15	21.13
Long-term ratings			
Moody's		Aa3 / outlook rating under review	Aa2 / outlook stable
Standard & Poor's		A– / outlook positive	A– / outlook positive
Fitch		A– / outlook stable	A / outlook negative
Information on Postbank shares		March 31, 2009	March 31, 2008
Share price at the balance sheet date	€	11.95	60.47
Share price (Jan. 1 – March 31)	high €	15.98	67.10
	low €	6.81	46.64
Market capitalization on March 31	€m	2,615	9,917
Number of shares	million	218.8	164.0

[1] Prior-year figures restated (see Note 4)
[2] Based on 218.8 million shares outstanding in the first quarter of 2009 and 164 million shares in the first quarter of 2008

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Ladies and Gentlemen,

The first three months of 2009 were characterized by the continuing difficult situation on the capital markets and the slide of most major economies into deep recessions. Economic research institutes and our own economists currently predict a fall in German GDP of almost 5 % for the coming year – the sharpest decline since the end of the Second World War. These conditions mean that most banks here in Germany – as expected – will have a problematical year.

In these difficult conditions, Postbank closed the first three months of 2009 with a consolidated net profit of €84 million due to an extraordinary tax gain. In this quarter, which was characterized by both positive and negative extraordinary factors, we have also had to cope with continually noticeable negative effects from the financial market crisis, but they have been significantly less severe than those of the previous quarter. The first quarter was also a success for our operating customer business, which continued the positive development it saw in 2008. We generated further clear growth in the savings business in particular, and increased our savings deposits to well over €50 billion.

This development confirms our belief that Postbank already has something decisive that others are still trying to define for themselves: the right business model. The financial market crisis will have a tangible effect on the basis principles underlying the banking business. We will see a return to a simple philosophy of banking that will affect all areas – products, advisory services, prices, etc. The fact that international banks are currently withdrawing from the German market is proof of this. Banks will have to draw closer to their customers again in the most literal sense of the term – among other things to win back lost trust. We shall experience a search for the banking model that should be applied once the crisis is over. Postbank already has this model. It has everything that a bank of the future needs. We do not need to reinvent ourselves.

We will therefore continue our systematic efforts to implement the action plan we introduced in 2008 to optimize our earnings quality and risk profile. We will continue to systematically reduce our capital market risk positions in 2009. However, in contrast to 2008, this will not have significant implications for our income statement. These measures will help to place even more emphasis on the operating earning lines from our customer business in the future.

In regard to the earnings situation, we are confident that we saw the worst effects of the financial market crisis in Q4 2008 and that the trend is now slowly reversing. According to current assessments, the impact will mainly affect the first half of the year. In addition, the spill-over of the financial market crisis onto the real economy will pose new challenges to the banking system. Thus, on the one hand, the historically low current interest rates will help support economic development; on the other, it puts the margins of banks with high deposit volumes under pressure. Moreover, the ratings adjustments typical for a recession will lead, due to the system, to a greater capital depreciation among banks. An increasing number of insolvencies may also lead to more loan defaults and thus to a significantly increased need for allowances for losses on loans and advances. We believe, however, that Postbank may be significantly less affected than the market thanks to its granular portfolio that is focused on the highly collateralized German retail customer business.

Our strong customer base, our powerful sales channels, and our dedicated employees provide the foundation for future growth and success. I am convinced that once the international financial markets have calmed down, we shall regain our previous earnings power and achieve our goal of a return on equity after taxes of 13 to 15 %. I would therefore ask you to continue to reserve us your trust and to accompany us along this road.

Bonn, May 5, 2009

Sincerely,

Wolfgang Klein
Chairman of the Management Board

Shareholders and Stock:
Volatile performance of Postbank stock in the first quarter

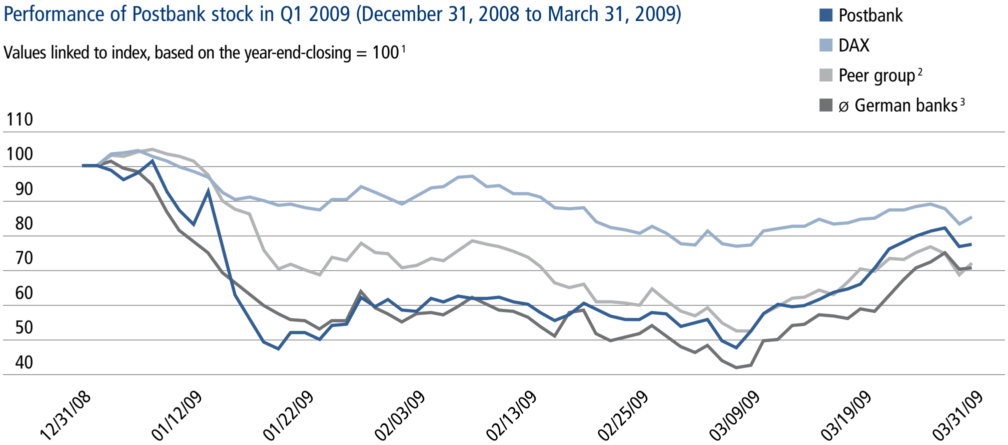
The crisis on the international financial markets and its effects on the real economy will continue to dominate stock market performance. Companies from all sectors continued to revise their earnings forecasts downwards in view of the worsening recession. The DAX fell by 15 % in Q1 2009. As in the previous year, international equity markets were hit by steep losses in the first three months of 2009.

Postbank's shares closed the quarter at €11.95, down approximately 23 % on the year-end closing price, but then rallied again significantly in April 2009. Its peer group of eight European retail banks performed somewhat worse, racking up a loss of 29 %.

Towards the end of the first quarter, financial stocks profited from investors' expectations that removing structured credit portfolios from banks' balance sheets would lessen the risk of impairment losses. The idea was triggered by the U.S. government's decision to acquire investment securities in the amount of up to US$1 trillion. The hope that similar solutions would be found in other countries led to bank shares also in Europe outperforming the market as a whole in March. Whereas the DAX rose by 10 % in March, our peer group improved by 27 % and Postbank in fact recorded a 46 % rise during the same period.

Performance of Postbank stock in Q1 2009 (December 31, 2008 to March 31, 2009)

Values linked to index, based on the year-end-closing = 100[1]



Source: Bloomberg, Postbank

[1] Performance of Postbank stock, peer group and stocks of German banks excluding dividend
[2] Banco Popular, Banco Popolare, Swedbank, Svenska Handelsbanken, Banco Espirito Santo, Erste Bank, Unicredito, Royal Bank of Scotland
[3] Commerzbank, Deutsche Bank, Hypo Real Estate

In line with a decision by Deutsche Börse, Postbank stocks have been listed on the MDAX rather than the DAX since March 23, 2009. The decision was preceded by modifications to the Deutsche Börse's criteria for membership in the DAX, Germany's blue-chip index. Moreover, the market valuation had reached its low point precisely during the period when the decision was made. Since Deutsche Börse, however, only considers a weighted market capitalization when deciding membership in Germany's blue-chip index, the free float capital – weighted only 35 % in the course of the capital increase and the acquisition of shares by Deutsche Bank – affected the relevant market capitalization to such an extent that Postbank no longer met the criteria for remaining in the DAX.

Postbank successfully issued its third *Hypothekenpfandbrief* with a volume of €1.0 billion at the beginning of February. This was the first *Jumbo Hypothekenpfandbrief* to be issued on the market since the capital market crisis deteriorated in the fall of 2008. This again underscores Postbank's strong position on the *Pfandbrief* market.

Our stock data		Q1 2009	Q1 2008[1]
Closing price	€	11.95	60.47
High	€	15.98	67.10
Low	€	6.81	46.64
Q1 earnings per share[2]	€	0.38	0.71
Number of shares	million	218.8	164.0
Market capitalization as of March 31	€m	2,615	9,917
Beta factor (relative to the DAX)		1.03	1.14
Equity including revaluation reserve	€m	4,972	4,686
Return on equity before taxes	%	–7.3	13.5
Total cost/income ratio	%	93.7	75.6
Cost/income ratio in traditional banking business	%	93.5	73.7

[1] Prior-year figures restated.
[2] Based on 218.8 million shares outstanding in Q1 2009 and 164 million shares in Q1 2008.

Developments in Q1 2009:
Customer business dominated by trend towards simple and transparent forms of investment

In the first quarter, the retail banking business on the German banking market was dominated above all by customers' need for security – with savings deposits being the preferred form of investment. As a leading provider in the savings and checking account business, Postbank profited from this trend in terms of volume. In the future, we will continue to drive forward our focus on the retail banking business and accommodate customers' desire for simple and transparent products, which the financial crisis has increased.

The key components of our "Next Step" strategic program, launched at the end of 2007, are in line with this principle. We have further expanded our core customer concept – which now covers 4.9 million customers (4.6 million as of March 31, 2008) – with numerous individual measures designed to optimize customer service. This expansion includes increasing the intensity of customer care using automatic reminders that prompt advisers to make contact with customers as well as the implementation of manager incentive systems that are more closely aligned with customer needs.

Savings business up considerably

Increasing customer demand for simple and transparent banking products led to a boom in gross new business in our savings deposits: This amounted to €5.3 billion on March 31, 2009, after €2.2 billion in Q1 2008. A large proportion of the newly acquired savings volume was accounted for by the "Postbank Gewinn-Sparen" product, which we re-activated at the beginning of 2009. Savings customers receive a bonus that is tied to the winning numbers in Germany's Aktion Mensch charity lottery, in addition to a basic rate of interest that is appropriate to the market.

In particular, our 856 branches recorded extremely successful sales of savings products. We attach great importance to supporting our savings accounts customers. This can be seen, among other things, from the fact that branches have been given responsibility for the savings contracts signed there, and that this has also been incorporated in executives' target agreements.

As a result of the strong new business, overall volumes of savings deposits rose very significantly – by almost 19 % in comparison with Q1 2008 – and by 7.3 % as against the end of 2008, for a total of €52.7 billion. As a result, Postbank was also able to further expand its market share. With €553.4 billion at the end of February, the volume for the market as a whole was approximately 1.7 % up over year-end 2008.

Postbank's total retail deposit volume, including checking account deposits (€16.8 billion) and home savings deposits (€15.9 billion), amounted to €85.4 billion on March 31, 2009. This strong customer deposit base means that Postbank is largely independent of long-term refinancing on the capital markets.

Number of private checking accounts unchanged at around the 5 million mark

The number of newly acquired private checking accounts fell slightly as against the strong first quarter of 2008. In total, we sold 116,700 new accounts. With 5.0 million private checking account holders as of March 31, 2009, Postbank continues to be the market leader in this product area.

We work continuously to improve product features and related services so as to ensure that the importance of this anchor product is also reflected in customer acquisition. For example, we will soon be offering the opportunity to withdraw cash free of charge at German Shell gas stations, an additional attractive service that is expected to start operation by mid-2009.

Campaigns in the coming quarters will be designed to continue to support new business.

Customer caution in the securities and insurance business

Gross cash inflows into investment funds fell by almost 60 % to €278 million as against the prior-year quarter as a result of our customers' hesitancy to spend. This development corresponds to the overall market trend for fund products, which are currently far less popular than savings products among consumers, for example, following the past turbulent months on the capital markets. Only sales of real estate funds remained, by comparison, relatively stabile. The weak securities business, however, was cushioned to a limited extent by our "DWS RiesterRente Premium", a fund-based pension provision product launched extremely successfully with our customers. In total, we have expanded our range of funds to include nine new DWS funds belonging to Deutsche Bank. More additions to the product range are planned for the coming months. With their help, we intend to further increase the use of securities products among our customers, despite the difficult market environment. The volume of securities and funds managed in Postbank securities accounts fell by a good €0.6 billion as against the end of 2008 to €8.9 billion.

In the insurance business, we focused on DWS pension provision products not included in converted new business and the BHW Riester savings plan in the first quarter. Thus, converted new business in the insurance area, at a volume of €286 million, was noticeably lower than Q1 2008, a quarter that was also positively influenced by the fourth and final stage of the Riester products.

The brokerage of non-life insurance appeared to be unaffected by the financial and economic crisis. In Q1 2009, over 16,000 contracts across all offered insurance classes were negotiated for HUK-COBURG. The core products here are automotive insurance and liability insurance.

Changes in management of new mortgage lending business are having an effect

In the market as a whole, the new private mortgage lending business, including extensions in Germany, increased slightly by 7.6 % in January and February 2009 compared with the prior-year period. The total volume of outstanding residential construction loans to private customers was €955.9 billion, after €959.8 billion on December 31, 2008.

This development looked somewhat different at Postbank, since we were working within the context of changes in management and thus in part less aggressive than the competition in defining terms. Thus, new mortgage loans under the DSL brand fell by 22 % as against Q1 2008. However, mobile sales of new mortgage loans under the BHW brand were slightly above the prior-year level (including paid home savings loans). In the first quarter this sales channel focused on modernization loans with a relatively low average volume of approximately €40,000. In this way, new business under the BHW brand reached an unchanged volume of €1.0 billion. Postbank's total new mortgage lending business, at €2.1 billion, was 12.5% below the previous year's level of €2.4 billion. Overall, the profitability of our new business has risen noticeably with the launch of the modified management concept.

Private mortgage lending rose by more than 6 % and amounted to €73.0 billion as of March 31, 2009 (previous year: €68.6 billion).

Increased market share for new home savings business

As government-subsidized amounts saved under home loan and savings contracts can only be used for housing-related purposes since January 2009, 2008 saw strong pull-forward effects in the new home savings business throughout the entire market. As a result, the home savings business written fell by 12.7 % in Q1 2009 year-on-year. Postbank's business clearly outperformed the market, declining by approximately 11.4% to €2.5 billion. Strong sales of subsidized "Wohn-Riester" contracts were recorded in our 856 branches in particular. Additional training measures in the second quarter will provide support here. Total paid home savings loans increased again and amounted to €365 million in Q1 2009 – around one third more than the prior-year figure.

Installment loan business further expanded

The installment loan business significantly expanded by €0.8 billion to €3.3 billion since Q1 2008.

The criteria for granting loans in this business area were modified due to the changes in the economic environment. By doing so, we registered a slight decrease of around 1 % in new business for a total of €375 million.

Branch Sales under the Postbank brand continues to be the most important sales channel in this product area, with an increase of some 9 % over the previous year's new business. Loans made under the DSL brand, that are being transacted in third-party sales in particular, increased significantly by 41 %. This is mainly due to the sale of loans to German civil servants, which are collateralized via the notarized assignment of the civil servants' salaries and which are only offered by a small number of institutions. New business in the telephone and internet direct channels sank by a total of 31%.

The consumer loans business was also strengthened by our cooperations with Tchibo and AutoScout24. It got off to a very encouraging start in the first quarter of 2009.

Sound Corporate Banking operations

As announced in earlier reports, we intend to become one of the five core banks for 3,000 of our approximately 30,000 corporate customers in the medium term – and we have already achieved this goal with around 2,000 customers. The expansion of our customer care facilities in terms of both quality and quantity has had a very positive effect on productivity at Corporate Banking: On March 31, 2009, this amounted to 164 % (base year 2005 = 100 %), significantly higher than the prior-year figure of 117 %.

Operating business in Corporate Banking was also encouraging despite difficult market conditions and rose further in Q1 2009. SME loans included in loans to corporate customers amounting to €25.3 billion rose by €2.1 billion to €5.5 billion as against the previous year's figure. In commercial real estate finance, we only took on highly selective new exposures. The total volume here increased from €15.9 billion to €16.6 billion.

The investment volume attributable to our corporate customers climbed from €13.3 billion at the end of 2008 to approximately €17.1 billion. In addition to attractive investment opportunities, we also offer our corporate customers comprehensive consulting services to help them optimize their balance sheet structures.

Transaction Banking

The Postbank subsidiary BCB AG processed almost 2 billion payment transactions in Q1 2009 – unchanged as against the comparable figure for the previous year. Given the macroeconomic situation, a decline in volumes is expected for BCB AG's business in 2009 as a whole.

Productivity and quality at Postbank's Credit Services remain on a very high level. In view of the difficult economic situation, proactive and reactive customer contact in the dunning and collection business was intensified in order to minimize potential default risks.

Number of employees stable

Despite the current difficult macroeconomic conditions, Deutsche Postbank AG is weathering the economic crisis as planned with a stable workforce. The number of employees is likely to be approximately 20,800 at the end of 2009 due to economies of scale in our volume-driven businesses and normal workforce fluctuations. On March 31, 2009, approximately 21,100 full-time equivalents were employed in the Postbank Group.

Employees

	March 31, 2009	March 31, 2008
Number of employees (full-time equivalents)	21,146	21,589
Part-time employees	5,490	5,604
Percentage of female FTEs	58 %	58 %
Percentage of male FTEs	42 %	42 %
Percentage of civil servants	34 %	34 %

Additional Retail Banking information

New business		Q1 2009	Q1 2008	2008
New customers	thousand	174	196	781
New checking accounts	thousand	117	133	572
New mortgage lending business incl. portfolio acquisitions	€bn	2.1	2.4	12.2
New private lending business	€bn	0.375	0.380	1.62
Total home savings – written	€bn	2.5	2.8	12.4
New securities business	€bn	0.278	0.687	2.5

Book		Q1 2009	Q1 2009	2008
Total customers	million	14.0	14.4	14.1
Number of core customers	million	4.9	4.6	4.9
Checking accounts	million	5.0	4.9	5.0
Savings deposits	€bn	52.7	44.4	49.1
Home savings deposits	€bn	15.9	16.7	15.9
Private mortgage lending book incl. portfolio acquisitions	€bn	73.0	68.6	72.7
Private loan book	€bn	3.3	2.5	3.0
Volume of securities accounts	€bn	8.9	10.7	9.5

Interim Management Report

Business Environment

Economic environment

The global economy was in the throes of a severe recession at the beginning of 2009. Global demand plummeted as a result of the deterioration in the financial market crisis in the period since September 2008. In addition, international trade was hampered by serious problems in the area of export finance. Taken together, these factors led to a sharp slump in world trade. In the U.S.A., the decline in economic output continued in the first quarter. Companies cut back drastically on investments in the face of weak domestic demand, the global recession, and increasing difficulty in obtaining loans. By contrast, consumer spending stabilized. Foreign trade even ended up bolstering the economy due to the sharp decline in imports, despite the fact that exports also dropped substantially. The Asian economies also became caught up in the turbulence caused by the global economic crisis. Japan was particularly hard hit due to the central importance of its export sector. In China, a slump in exports led to GDP growth in Q1 2009 falling to the lowest figure in the current decade, at +6.1 % year-on-year. In the euro zone, which already saw a sharp drop in GDP in Q4 2008, the severe recession continued at the beginning of the year. Exports plummeted again, while companies slashed investments. Germany was even more severely hit by the slump in world trade than was the euro zone as a whole. Incoming orders from abroad were down by more than 40 % year-on-year at the beginning of the year. Industrial production was cut drastically, while the effects of the weak economy were eventually felt on the labor market as well. Unemployment rose clearly at the beginning of the year. Nevertheless, consumer spending still turned in a relatively positive performance thanks to the scrapping bonus for private automobiles. All in all, the economic downturn in the above-mentioned regions was even stronger in the first quarter than we had anticipated in our last report.

In view of the severe recession and the ongoing financial market crisis, the Federal Reserve left its key rate at the historically low rate of 0 – 0.25 % in the first quarter, as we had expected. By contrast, the European Central Bank further cut its key rate from 2.50 % to 1.50 % in the first quarter in order to bolster the economy. Then, in April, it cut the rate to 1.25 %, and in doing so adopted a somewhat more expansionary monetary policy than we had forecast. Nevertheless, the long-term capital market yield in the euro zone rose slightly in the first quarter, thus steepening the yield curve. Both developments were in line with our expectations.

Sector situation

The global financial market crisis appeared to be easing slightly in Q1 2009. Total writedowns on distressed assets amounted to $359 billion in Q4 2008 and $258 billion in Q3 2008. Credit institutions raised a good $200 billion in fresh capital in the first quarter to strengthen their equity base, with the money coming in some cases from the relevant government bailout funds. In Germany, key news items relating to the global financial market crisis in the first months of 2009 were as follows: The passing of the *Rettungsübernahmegesetz* (Rescue Takeover Act), which provides the legal basis for nationalizing financial institutions. The acquisition by the Financial Market Stabilization Fund SoFFin of a stake of 25 % plus one share in Commerzbank in return for a capital injection of €10 billion. The prolongation by the SoFFin of a number of temporary billion euro guarantees extended to Hypo Real Estate (HRE). The SoFFin's acquisition of €60 million worth of new shares in HRE. Following this move, the SoFFin holds 8.7 % of the bank's equity. A takeover offer of €1.39 per outstanding share, which was extended by the SoFFin to the remaining HRE shareholders.

Four of the five banks listed in Deutsche Börse's Prime Standard had published audited financial statements for 2008 by the middle of April 2009. Only these four banks have been included in the comparison of business developments. The profitability of the institutions concerned declined significantly between 2007 and 2008. Three of the banks generated an operating loss and two of the four banks also generated a loss after tax. At the two institutions that still managed to report positive returns on equity, the unweighted average figure for this declined from a good 20 % in 2007 to a mere 2.3 %. The cost/income ratio at the four banks deteriorated during the same period from an average of 61.7 % to 99.5 %. The share prices of the four institutions turned in a significantly better performance in comparison to the DAX in Q1 2009 than in full-year 2008. Although the four bank stocks clearly underperformed the DAX in 2008, the unweighted average decline in their share prices during the period was just under 12 %, better than the DAX, which lost 15 %.

Significant events at Postbank in the first quarter of 2009

On February 5, Postbank launched its third *Jumbo Hypothekenpfandbrief* with a volume of €1 billion and a 5-year maturity.

On February 19, Postbank announced its preliminary annual results for 2008. The Annual Report was published on March 9, 2009.

Deutsche Bank announced on March 9 that it holds a 25% stake + 1 share in Postbank. The shares were primarily purchased in the initial part of the transaction with Deutsche Post AG.

Also on March 9, 2009, this year's Annual General Meeting was convened. It was held in Frankfurt/Main on April 22, 2009.

Postbank's investment focuses

In the first quarter of 2009, Postbank focused on projects for introducing even more refined models for measuring risk, achieving SEPA compliance and further professionalizing its consulting processes in terms of quality and quantity. In addition, Postbank invested in optimizing its liquidity management system as well as pressing ahead with actions to meet the legal and regulatory requirements for such things as Basel II and the flat tax. In the current year, we also intend to invest in the design of the branch network in particular and the refinement of Postbank's multi-channel architecture.

Net Assets, Financial Position, and Results of Operations

Income statement

Earnings in the first quarter of 2009 were again impacted by special factors. The effects of severe and prolonged market turmoil in the wake of financial market upheaval and the economic crisis weighed down results. In particular the continued widening of credit spreads and further significant downgrades by the rating agencies – primarily with regard to structured credit products – had a negative effect on Postbank's net trading income and net income from investment securities. However, the overall impact of this was considerably lighter than in the previous two quarters. In particular the reversal of deferred taxes resulting from the clarification of the underlying tax situation had a positive effect on earnings.

Postbank was once again able to record a consolidated net profit in Q1 of €84 million (previous year: €117 million). At €–91 million, profit before tax improved considerably in comparison to the previous quarter (€–866 million) although it was below the Q1 2008 figure of €168 million.

Customer business continued to develop positively in the first quarter of 2009 despite the competitive environment, which remained fierce. Development in all key product areas was satisfactory, making it possible to further cement Postbank's good market position. Deposits in the contested savings business even increased considerably, while the securities and funds business suffered from unfavorable general conditions, as did the overall market.

Operating income items developed in line with this trend. While net interest income was up significantly year-on-year, net fee and commission income was noticeably lower. The strict management of administrative costs resulted in yet another decline as compared to the low figure recorded in the previous year.

Unless otherwise stated, the following comments represent a comparison with the restated figures for the first quarter of 2008 (see also Note 4) and, for comments on the balance sheet, December 31, 2008.

In Q1, net interest income rose considerably year-on-year, by €76 million or 13.6% to €633 million.

The massive cut in interest rates resulted in declining interest income and interest expense, but the decline in interest income was relatively moderate year-on-year due to the good volume performance.

Interest expense, particularly from liabilities, more clearly reflects the sustained decline in interest rates. For example, short-term interest rate trends in particular had a positive effect on short-term refinancing costs and on net gains from faster repricing of short-term liabilities than of the respective assets.

Our strategy in the savings business resulted in an increase in interest expense from this product area due to a considerable increase in volume as compared with Q1 2008. The sharp drop in interest rates generally poses a challenge to banks with high deposit volumes in terms of generating net interest income from this product area and demand deposits. It is our assumption that this pressure on margins will continue to mount in subsequent quarters.

Net trading income and net income from investment securities declined year-on-year by €224 million to total €–211 million. However, compared with the last two quarters of 2008, the capital market-induced losses recorded for these income items have improved significantly.

The market environment, which remained difficult in the first three months of 2009, impacted net trading income. While the Bank's underlying net trading income benefited from gains from our swap positions, which we used for hedging and for managing the banking book as part of our asset/liability management, a loss on the measurement of embedded derivatives from the structured credit substitution business was recognized.

The net loss on derivatives in the trading portfolio and the banking book includes income from asset/liability management amounting to €40 million (previous year: €136 million). The further widening of credit spreads and ratings migrations resulted in a loss on embedded derivatives in structured credit products of €186. In contrast, the loss had amounted to €388 million in Q4 2008. Net trading income also includes a net loss from the application of the fair value option which has been used at our subsidiary BHW Bausparkasse to hedge our mortgage loan portfolio. The unusually sharp interest rate cut resulted in a measurement loss of €30 million.

Overall, net trading income as of March 31, 2009 amounted to €–107 million following €12 million in the prior-year period.

Net income from investment securities was €–104 million, following €1 million in Q1 2008 and €–700 million in Q4 2008. This item includes €35 million in impairments on our structured credit substitution business. In addition, we recognized a total of €58 million in impairments on other fixed-income securities and on retail funds still held in our portfolio.

Net fee and commission income amounted to €308 million in Q1 2009, and thus fell €51 million short of the results recorded in the previous year. In addition to the expected decline in income from the sale of postal services, new services at our branches, and in the area of transaction banking for a cumulative total of €11 million, net fee and commission income from the banking business also declined. This is attributable primarily to the difficult market environment for the securities and insurance business, as reflected in the noticeable buying reluctance on the part of customers and the associated drop in fee and commission income. We believe that this consumer behavior will initially persist into the coming quarters due to continued insecurity and the trend towards making more conservative investments.

Total income in Q1 2009 amounted to €730 million, as compared to €929 million in the first three months of 2008. This development is primarily attributable to the impact of capital market disruptions on net trading income and net income from investment securities. By contrast, the operating earnings components – net interest income and net fee and commission income – rose by a cumulative €25 million to €941 million.

At €124 million in the reporting period, allowances for losses on loans and advances increased by €49 million as against the same period of 2008. The increase amounted to a moderate €20 million as compared to Q4 2008. This development is a consequence of the macroeconomic slowdown and is in line with our expectations. The increase by €49 million to €139 million in additions to specific valuation allowances was primarily attributable to commercial real estate finance and to collective specific valuation allowances that were recognized in Retail Banking. Moreover, we increased the additions to portfolio-based valuation allowances by €7 million to €23 million.

Administrative expenses again developed encouragingly in Q1 2009. We are profiting from the effects of the efficiency initiatives that we implemented over the past years coupled with a pronounced cost culture. We intensified our expenditure management efforts even further owing to current economic pressure on our earnings situation. This made it possible for us to reduce administrative expenses by 2.6 % or €18 million to €684 million, despite the continued increase in customer volumes.

Net other income and expenses amounted to €–13 million, following €16 million in the first quarter of the previous year.

In Q1 2009, loss before tax amounted to €91 million as compared to a profit of €168 million in Q1 of the previous year.

The income taxes item amounted to a positive figure of €176 million due to a special factor resulting from the reversal of deferred taxes, based on the clarification of the underlying tax situation, and from the pre-tax loss recognized. Consolidated net profit thus amounted to €84 million after €117 million in the previous year, corresponding to €0.38 in earnings per share (previous year: €0.71). It should be noted here that the reference base has increased to 218.8 million shares outstanding following 164 million shares in the same prior-year quarter.

The return on equity after tax amounted to 6.7 % as compared to 9.4 % in the previous year. The cost/income ratio amounted to 93.7 % (75.6 % in Q1 2008).

Segment Reporting

In the interest of greater transparency in reporting internal revenues and expenses between Postbank segments which had previously been reported in the Others segment, the Consolidation segment was introduced for the first time in Q1 2009.

Additionally, some minor adjustments were made with respect to the allocation of income and expense across the Others, Retail Banking and Corporate Banking segments. There were no changes to the Transaction Banking and Financial Markets segments.

We have restated the first quarter of 2008 accordingly in order to ensure comparability for the following comments. For an overview of the modifications made to segment reporting, we also refer to Note 1.

Retail Banking

Profit before tax for the Retail Banking segment amounted to €125 million in the first quarter of 2009, corresponding to a €143 million year-on-year decline. This development can be traced back to a variety of factors, some of which do not relate to customer business. The segment's net interest income declined year-on-year by €28 million to €534 million. Among other factors, this was due to the considerable reduction in interest rates, which generally erodes net interest income from the deposit business.

Net trading income – generated exclusively by BHW Bausparkasse, which is part of the Retail Banking segment – contributed €–37 million to this segment's result. This amount was positive in the previous year, at €4 million. This development was caused by the negative result occurring from the use of the fair value option to hedge our mortgage loan portfolio.

Net fee and commission income fell by €29 million to €260 million. In addition to the long-term decline in income from our business with postal services and new services at our branches, net fee and commission income suffered in particular from the reluctance on the part of our retail customers to purchase products in our securities and insurance business.

Total income for the segment thus declined by €94 million to €761 million.

Administrative expenses increased only slightly by €3 million to €554 million. This is attributable to our renewed efforts to manage costs despite increasing customer volumes. Allowances for losses on loans and advances increased year-on-year by €28 million to €80 million. This result corresponds to a €4 million decline as compared to Q4 2008. The primary reason for the increase as compared to Q1 2008 is the recognition of collective specific valuation allowances and portfolio-based valuation allowances from the second half of 2008 onwards.

Net other income and expenses fell by €18 million to €–2 million. This is primarily attributable to effects from provisions recognized by subsidiaries included in this segment.

The cost/income ratio rose from 64.4 % to 72.8 % with the return on equity before tax amounting to 22.2 % as compared to 43.1 % in Q1 of the previous year.

Corporate Banking

In the first quarter of 2009, loss in the Corporate Banking segment amounted to €28 million, after €10 million in the comparable prior-year period. The reason for yet another negative earnings situation for this segment lies in the effects of the financial market crisis, despite an encouraging overall development of the operating business.

Net interest income rose noticeably by 38.1 % to €116 million due to the significant increase in business volume and more attractive margins for new business.

Net trading income and net income from investment securities again suffered the effects of the financial market crisis, recording a total decline by €22 million to €–80 million. Net income from investment securities amounted to €-15 million following €–18 million in the previous year. Net trading income amounted to €–65 million following €-40 million in the previous year. These items include a loss of €72 million from our structured credit portfolio (previous year: €56 million). In addition, a loss of €13 million from other fixed-income securities was recognized.

At €27 million, net fee and commission income was down by €2 million year-on-year. Total income therefore grew by €8 million to €63 million.

Administrative expenses grew by €4 million to €45 million. The increase in allowances for losses on loans and advances by €22 million to €46 million was primarily attributable to the recognition of specific valuation allowances on positions held in commercial real estate finance.

Accordingly, the cost/income ratio was 71.4 % after 74.5 % in the first quarter of 2008, and the return on equity before tax fell to –22.0 % from –9.7 % in the first quarter of the prior year.

Transaction Banking

The Transaction Banking segment's profit before tax remained unchanged at €10 million. Transaction volumes were down slightly year-on-year, particularly in the paper-based area, resulting in a 5.7 % decrease in net fee and commission income to €82 million. By contrast, administrative expenses improved, declining by 3.7 % to €79 million. Net other income and expenses increased by €2 million to €6 million. As a consequence, the cost/income ratio rose slightly from 93.2 % in the first quarter of the previous year to 95.2 %.

Financial Markets

The Financial Markets segment's profit before tax rose encouragingly year-on-year, amounting to €92 million as of March 31, 2009 (previous year: €56 million).

The primary reason for this growth is the 87 % increase in net interest income to €56 million. This development was mainly attributable to the increase in net interest income generated by PBI Luxembourg consolidated in this segment. PBI Luxembourg benefited predominantly from the sharp decline in money market rates seen in the first quarter of 2009. Net trading income grew by €16 million to €49 million, while at €–3 million, net income from investment securities was weaker (previous year: 0). This figure includes a loss of €10 million from our structured credit portfolio, €7 million of which was attributable to net trading income. With administrative expenses remaining unchanged, this segment improved its cost/income ratio from 29.1 % to 20.4 %. The return on equity before tax amounted to 53.5 % (32.0 % in Q1 2008).

Consolidation

As explained above, this new segment encompasses the internal transactions between the Postbank Group's consolidated companies. It therefore generally reports a balanced result.

Key consolidations were made within net fee and commission income, which primarily comprises corrections of payments for the provision of payment services for Postbank that are recognized in the income statement for the Transaction Banking segment. Consolidations amounted to €53 million in Q1 2009 as compared to €52 million in the previous year.

Additionally, consolidations relating to administrative expenses amounted to €202 million (previous year: €194 million). This is primarily attributable to intersegmental cost allocation for IT and Transaction Banking services provided within the Group. Net income and expenses primarily deconsolidates income from internally invoiced IT services which is contained in the Others segment as other income in the same item.

Others

The loss before tax in the Others segment grew from €156 million in Q1 2008 to €290 million. This development is due to the impacts of the financial market crisis on the banking book positions reported in this segment. These impacts included impairment losses (€31 million) and fluctuations in value from embedded derivatives (€–108 million) in the structured credit business on the one hand, and impairment losses of €45 million from other fixed-income securities and retail funds on the other. These losses of €184 million affected net income from investment securities and net trading income, which together fell by €171 million to €–139 million. €62 million of that amount relates to net trading income, which dropped to €–49 million. Net income from investment securities fell by €109 million to €–90 million.

The Others segment's net interest income climbed by €38 million to €–80 million. This was due in particular to the year-on-year decline in short-term interest rates, which led to a reduction in refinancing costs for these maturities, among other things. Net fee and commission income fell by €9 million to €–19 million, while administrative expenses improved from €199 million to €185 million.

By contrast, net other income and expenses fell by €6 million to €133 million.

Total Assets

Total assets

Total assets increased from €231.3 billion at the end of 2008 to €240.6 billion as of March 31, 2009. This increase in total assets is primarily attributable to the interest rate environment, which led to a considerable increase in the fair value of derivatives held for trading, both on the assets and on the liabilities side. The almost evenly balanced portfolio meant that the Bank's risk exposure did not increase.

Furthermore, the development on the assets side was dominated by the reduction in investment securities announced as part of our program to enhance earnings quality. We also recorded an increase in loans and advances to other banks.

On the liabilities side, amounts due to customers increased significantly, which is due primarily to the encouraging increase in our savings deposit volumes. At the same time, we reduced deposits from other banks. Now that Postbank has reduced its historical deposit surplus, the balance sheet structure in its customer business is balanced.

Loans and advances to customers increased only moderately by approximately 0.5 % as against the end of 2008 to €105.8 billion. We continued to reduce our portfolios of low-margin public-sector receivables in the period under review by €0.5 billion to €1.7 billion.

Loans and advances to other banks increased by €5.6 billion to €24.3 billion as compared to December 31, 2008.

Despite the positive market performance fueled by a reduction in interest rates, investment securities fell by €1.7 billion to €81.3 billion, meaning that we continued with the systematic implementation of the program to enhance earnings quality as unveiled in 2008.

Trading assets increased by €6.8 billion (40.7%) to €23.3 billion in the first three months of 2009. As was already the case in Q4 2008, this growth is attributable in particular to a sharp increase in the positive fair values of derivatives in the trading book. The derivatives appreciated in value thanks to the steep interest rate cuts in Q1. The almost evenly balanced trading portfolio from an economical standpoint meant that the Bank's risk exposure did not increase.

On the liabilities side, amounts due to customers increased significantly by €6.8 billion to €124.2 billion. Traditional savings deposits provided the growth impulse here, as these increased by €2.6 billion to €37.7 billion. In keeping with their long-term nature, home savings deposits remained stable at €16.1 billion (€16.2 billion at the end of 2008). Total retail deposits, recognized under Amounts due to customers, increased in Q1 by €3.6 billion to €85.4 billion on the basis of our sales activities focused on the deposit business. Moreover, term deposits in the Corporate Banking business increased considerably.

Deposits from other banks were reduced in connection with the aforementioned reduction in investment securities by €3.8 billion to €59 billion.

We used the *Pfandbrief* license we were granted in December 2007 to refinance our customer business in the first quarter of 2009 by issuing a *Jumbo Hypothekenpfandbrief* with a total volume of €1 billion. At the same time, other debt instruments outstanding declined by €1.6 billion, resulting in a €0.6 billion overall reduction in securitized liabilities, which amounted to €15.8 billion.

Trading liabilities rose significantly by €6.9 billion to €23.9 billion. Derivatives in the trading portfolio reported as liabilities increased proportionately to trading assets.

Equity

As of March 31, 2009, equity amounted to €4,972 million as compared with €5,019 million at the end of 2008. The revaluation reserve included therein totaled €-863 million following €-724 million as of December 31, 2008.

The measures taken in Q4 2008 in order to reduce volatility in the revaluation reserve have thus clearly proven effective. On the one hand, thanks to the liquidation of our equity holdings, the continued stock market decline since the end of 2008 has had no negative impact on Postbank's capital position. On the other, the application of a discounted cash flow (DCF) model for the first time in the fourth quarter to determine the fair values of investment grade rated securities affected by the illiquidity of the markets helped to underpin the revaluation reserve's stability, as did the reclassification in 2008 of interest-bearing, non-structured securities in the banking book from available for sale to loans and receivables (LaR). In Q1 2009, an additional €385 million (nominal volume) in securities affected by the illiquidity of the markets was reclassified as LaR in accordance with a change in the intention to hold these securities.

Further fluctuations in the revaluation reserve of some €100 million after taxes resulted in Q1 in relation to securities in our structured credit portfolio. This is attributable to the further significant widening of the illiquidity spread during this period and to additional ratings downgrades for these structures.

The Tier 1 ratio in accordance with Basel II was 7.2 % as of March 31, 2009, following 7.4 % at the end of 2008. In calculating this ratio, Postbank deducted in full from equity the relevant negative components of the revaluation reserve in accordance with the Regulation Governing the Procedure for Calculating the Own Funds of Groups of Institutions and Financial Holding Groups when using Consolidated or Interim Financial Statements at Group Level (*Konzernabschlussüberleitungsverordnung*, „KonÜV").

It is our assumption that the measures taken by us in 2008 have laid the appropriate foundations for significantly reducing the sensitivity of our Tier 1 ratio to the extreme fluctuations associated with the capital market crisis. Furthermore, we expect the Tier 1 ratio to benefit from the anticipated pull-to-par effects from our portfolios and, in the medium term, from the introduction of more sophisticated risk measurement models using the advanced IRB approach in accordance with Basel II.

Report on Post-Balance Sheet Date Events

There were no events subject to reporting requirements from March 31, 2009 until the adoption of the financial statements for the first quarter of 2009 by the Management Board on April 29, 2009.

Risk Report

Financial market crisis
The first quarter of 2009 was again dominated by the financial market crisis. The crisis, which began in the mortgage sector in the United States, has now spilled over to the global real economy. The following section provides a detailed description of the effects of the crisis on the risk situation and risk management at the Postbank Group.

Organization of risk management
The Postbank Group has established a risk management organization as the basis for risk- and earnings-oriented overall bank management. The risk management system aims to accept normal banking risk within a defined framework strictly reflecting the Bank's risk-bearing capacity, so as to leverage the resulting opportunities for generating returns.

For a detailed description of our risk management organization, see the relevant section in the 2008 Annual Report.

The organizational framework of risk management has not changed in principle as against the management report published in the 2008 Annual Report.

For 2009, Postbank plans to systematically anchor the CRO (Chief Risk Officer) structure established in the previous year in the Bank's risk processes. In addition, the focuses of the Postbank Group's risk management system mentioned in the Annual Report continue to apply. The methods, systems, and processes described here and in the 2008 Annual Report – in particular in view of the financial crisis – are subject to continuous review and enhancement in order to adequately reflect market, business, and regulatory requirements.

Risk types
The Postbank Group distinguishes between the following risk types:

- Market risk
  Potential losses from financial transactions that may be triggered by changes in interest rates, spreads, volatility, commodity prices, foreign exchange rates, and equity prices.

- Credit risk
  Potential losses that may be caused by a deterioration in the creditworthiness of, or default by, a counterparty (e.g., as a result of insolvency).

- Liquidity risk
  Illiquidity risk is the risk of being unable to meet current or future payment obligations in the full amount due or as they fall due.

  Liquidity maturity transformation (LMT) risk describes the risk of increased refinancing costs due to a change in the Bank's refinancing curve.

- Operational risk
  The risk of loss resulting from inadequate or failed internal processes and systems, people, or external events. This also includes legal risk.

- Investment risk
  Investment risk comprises potential losses due to fluctuations in the fair value of equity investments, to the extent that these are not already included in other types of risk.

- Real estate risk
  Real estate risk relates to the real estate holdings of the Postbank Group and comprises the risk of loss of rental income, writedowns to the going concern value, and losses on sales.

- Collective risk
  A specific business risk resulting from the home savings business of BHW Bausparkasse AG, comprising the negative impact of (non interest-related) deviations in the actual behavior of home savings customers from their forecast behavior.

- Business risk
  The risk of a decline in earnings due to unexpected changes in business volumes and/or margins and corresponding costs. This concept also includes model risk, which arises from modeling customer products with unknown capital and interest rate commitment periods (primarily savings and checking account products), as well as strategic and reputational risk.

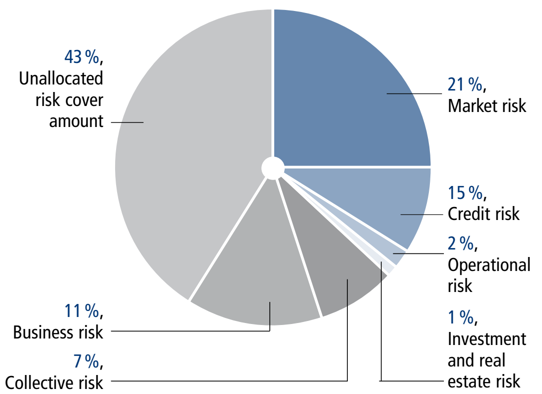
This risk report discusses in detail the market, credit, and liquidity risks that are directly manageable in the day-to-day business. Compared with the situation presented in the 2008 Annual Report, there have been no significant changes in the estimation of the other types of risk (operational risk, investment and real estate risk, collective risk, and business risk).

Risk capital and risk limiting
The Bank's risk-bearing capacity is assessed from the perspective of investor protection and serves as the foundation for the system used to limit material risks. In addition, a concept that focuses on safeguarding a defined Tier 1 ratio is taken into consideration as part of internal management.

Aided by the fall in interest rates in the money and capital markets in the first quarter, the economic risk cover amount rose by €1.8 billion. At the same time, risk capital allocated to credit risk was increased by €1 billion in the period under review. The utilization of the risk cover amount by the risk capital allocated decreased by 2 percentage points as against December 31, 2008. The risk-bearing capacity of the Postbank Group was assured at all times.

The percentage allocation of the Postbank Group's risk cover amount by risk type after factoring in correlation effects is as follows for the first quarter of 2009 (calculated as of March 31, 2009):

Breakdown of the Postbank Group's risk cover amount by risk types (authorized risk capital)



Risk capital is available for risk taking. Utilization is measured using value at risk measurements at a 99.93 % confidence level and a holding period generally of one year.

Operational limits are established for the market and credit risk backed by risk capital that is directly manageable in the day-to-day business. Market risk for both the core business and for own-account transactions is managed by allocating limits for the relevant portfolios. For loans to banks, companies, and sovereigns (central and regional governments and local authorities), credit risk is managed by investing in a target portfolio that has been optimized to reflect risk and earnings aspects, in addition to risk limitation at portfolio level. Operational limits are not used to manage the remaining risk types, but rather the risk capital attributed to the risk types is deducted from the risk cover amount. Here too Postbank calculates the adequacy of the deductible amount on an ongoing basis.

Risks are only assumed within limits that are in line with the Bank's risk-bearing capacity. This aims to ensure that risks that could jeopardize the Bank's existence are avoided. As of March 31, 2009, 64 % of the market risk limits were utilized, in particular as a result of the sharp increase in the volatility of the risk parameters due to the financial market crisis. With regard to credit risk, the limit utilization after adjustment for losses that reduced the unallocated risk cover amount was 68 %.

Regulatory requirements

Postbank has calculated capital requirements for counterparty risk using internal ratings for a large proportion of its portfolio. Since January 1, 2008, the Bank has exceeded the relevant regulatory threshold, i.e., the coverage ratio calculated pursuant to section 67 of the *Solvabilitätsverordnung* (SolvV – German Solvency Regulation) for the portfolios calculated on the basis of internal ratings clearly exceeded 80 % of the exposure values and risk-weighted exposure values. In order to reach the exit threshold (i.e., a coverage ratio of 92 % of the exposure values or risk-weighted exposure values), measures are underway to convert in particular the "insurers", "financial service provider subsidiaries" and "foreign local authorities", as well as the portfolios held by Postbank Home Finance Ltd., Gurgaon, India, to the IRB approach. For late 2009 (Step 1) and December 31, 2010 (Step 2), Postbank is aiming to obtain approval to calculate capital requirements for counterparty risk using internal estimates of expected loss rates also in the case of non-retail portfolios based on the advanced IRB approach.

As part of its program to introduce advanced risk models, Postbank is also preparing to deploy the internal market risk model that is used to measure and manage market risk in order to determine the capital requirements for market risk in accordance with the SolvV. In addition, the implementation of the advanced measurement approach (AMA) for calculating capital requirements for operational risk is being developed. Regulatory approval of these models is scheduled for mid-2010.

On March 31, 2009, Postbank published its third Disclosure Report (Pillar III Report pursuant to Basel II) on its website in accordance with the SolvV.

Market risk

Market risk management

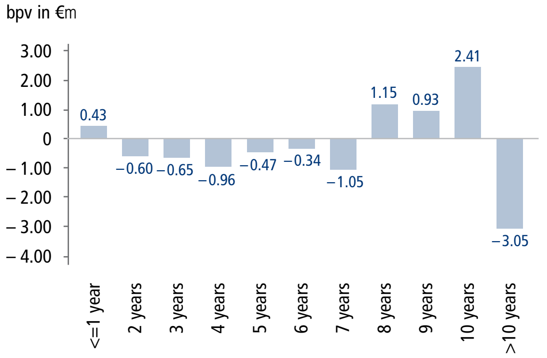
Postbank makes use of a combination of risk, earnings, and other parameters to manage its market risk. Changes in the value of market risk are derived from daily marking to market, independently of their measurement for financial accounting purposes. In the case of inactive market segments, a special process has been instituted to regularly review whether the market data available still enable adequate valuations to be made. As a result, prices derived from valuation models are used for specific portfolios. The management of market risk positions from an earnings perspective focuses both on specific periods and on the present value. All market risk is measured on a value at risk basis. Risks from potential changes in spread have been fully integrated in risk measurement. Sensitivity indicators and gap structures are included as further management parameters.

In addition, market risk positions are subjected to regular scenario analyses and stress tests, which analyze the impact of unusual market movements on present values and on the income statement and balance sheet items.

Against the backdrop of the financial market crisis, Postbank actively reduced its risk positions in the interest rate and equities areas in fiscal year 2008. It systematically continued this cautious risk strategy in the first quarter of 2009. To reduce the Bank's capital market dependency, it also plans to cut its holdings of investment securities by up to 10 % in 2009 and by up to 45% by 2013.

Interest rate risk – a significant component of market risk – is the term used to denote the changes in the fair value of interest-sensitive financial instruments resulting from a change in market rates of interest. The following chart presents the Postbank Group's open interest rate positions as of March 31, 2009 in the form of a basis point value (bpv) graph. Positions with a negative value represent an asset-side interest rate risk, which means that there is a surplus of assets. In the same way, positive values indicate a surplus of liabilities.

The Postbank Group's interest rate positions (bpv) as of March 31, 2009



The chart shows that the surplus of assets as of March 31, 2009 is primarily concentrated in the medium maturity range and the long-term maturity range (>10 years). The surplus of liabilities in the 8 to 10-year bucket can be attributed essentially to the long-term positions in BHW Bausparkasse AG's home savings collective. Interest sensitivity, which was clearly reduced in 2008, was maintained at the low level of the previous quarter in Q1 2009. In particular, the risk sensitivity of the AfS positions was managed extremely closely in order to limit the additional potential impact on the revaluation reserve and hence on the capital ratios.

Monitoring market risk

In the Postbank Group, market risk is monitored using a system of risk limits based on the value at risk methodology. Operational management is based on a confidence level of 99 % and a holding period of 10 days (banking book) or 1 day (trading books). The risk factors taken into account in the VaR include yield curves, equity prices, commodity prices, foreign exchange rates, and volatilities, along with risks arising from changes in credit spreads. Correlation effects between the risk factors are derived from historical data. End-of-day risk measurement and monitoring is performed for the whole Bank; additional intraday monitoring is carried out for the trading portfolios. The aggregate limits are set by the Group Management Board and allocated by the Market Risk Committee to the individual operating units as sublimits. These are dynamic outcome-based limits; any losses incurred reduce the limit, while gains replenish it, at a maximum, to the originally defined level. In Q1 2009, the declines in fair values coupled with the continued sharp rises in VaR figures in individual subportfolios led to limits being exceeded temporarily. These limit exceedances were escalated in all cases in line with the defined procedures and remedied by Board decisions following an analysis of the action options.

For a detailed description of the methods used to compute VaR, see the section entitled "Monitoring and managing market risk" in the Risk Report of the 2008 Annual Report.

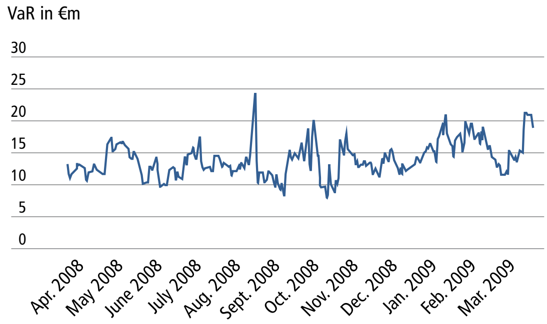
Risk indicators

The following value at risk figures for the trading book were calculated for the Postbank Group for the first quarter of fiscal year 2009 as well as for the previous quarter (confidence level of 99 %, holding period of 10 days):

Value at risk, trading portfolio	Q1 2009 €m	Q4 2008 €m
VaR at end of quarter	18.9	13.8
Minimum VaR	11.1	7.7
Maximum VaR	21.0	23.9
Average VaR	16.1	12.9

The following chart illustrates the development of value at risk for Postbank's trading portfolio over the last 12 months:

Value at risk (trading portfolio) for the period April 1, 2008 to March 31, 2009



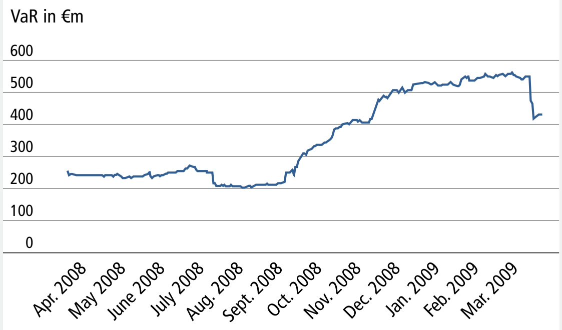
In the first quarter of 2009, the pronounced volatility in the trading book was used successfully for active positioning on the interest rate market in particular. The VaR in the trading book fluctuated and was slightly higher than in 2008.

The value at risk for the banking book (confidence level of 99 %, holding period of 10 days), which accounts for by far the largest portion of market risk, amounted to a total of €430.7 million as of March 31, 2009 (for comparative purposes: €532.0 million as of December 31, 2008).

Value at risk, banking book	Q1 2009 €m	Q4 2008 €m
VaR at end of quarter	430.7	532.0
Minimum VaR	421.2	194.3
Maximum VaR	565.0	533.1
Average VaR	534.8	281.2

The calculation incorporates all risk-bearing positions in the banking book.

Value at risk (banking book) for the period April 1, 2008 to March 31, 2009



The further increase in the average VaR as against Q4 2008 reflects in particular the sharp rise in volatility following the collapse of Lehman Brothers in September 2008, which led to higher VaR figures despite a largely unchanged portfolio. This effect was intensified by general VaR add-ons that were introduced temporarily in November 2008 due to an increase in backtesting outliers for individual portfolios in order to avoid the potential underreporting of risk potential. These add-ons were discontinued in March 2009 due to the significant improvement in backtesting results in recent months.

Credit risk

The Postbank Group defines credit risk (or counterparty risk) as risks arising from potential loss that may be caused by changes in the creditworthiness of, or a default by, a counterparty (e.g. as a result of insolvency).

Monitoring and managing credit risk

Monitoring of credit risk at the level of the individual borrower/individual commitment is discussed in detail in the section of the Risk Report entitled "Risk management and risk control" in the 2008 Annual Report.

In addition to monitoring individual risks, the Postbank Group calculates the credit value at risk (CVaR) for all Group exposures subject to credit risk. The credit value at risk is the potential negative change in the present value of the total loan portfolio resulting from actual or potential losses based on credit risk that will not be exceeded within an interval of time of one year with a 99.93 % probability. Under Postbank's Group-wide risk-bearing capacity concept, CVaR, as a measure of the unexpected loss from credit risk, must be backed by risk capital.

In contrast, the expected loss indicated in the "Credit risk" table is the expected amount of losses from credit risk in Postbank's portfolio, expressed in terms of the default amount expected within a one-year period; this is calculated as the product of the default probability, the size of exposure, and the loss rate. The expected loss does not contribute to the Bank's overall risk, but is factored into margin calculations via the standard risk costs.

For a detailed description of the methods used to compute CVaR, see the section entitled "Managing credit risk at portfolio level" in the Risk Report of the 2008 Annual Report.

The most important parameters for describing the credit risks for the various profit centers as of March 31, 2009 (calculated on February 28, 2009) as compared to the end of 2008 are shown in the following table. The volume for the Group loan portfolio reported in this table deviates from the "maximum counterparty risk" shown further below due to two factors: firstly, the date used for calculating CVaR is the last day of the preceding month, and secondly, carrying amounts, fair values, or credit equivalent values are used to fully quantify the credit risk when calculating CVaR, depending on the item.

Credit risk	Volume		Expected loss		Credit VaR*	
	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m
Corporate Banking	26,517	25,860	101	77	226	205
Retail Banking	46,391	46,067	266	213	196	199
Financial Markets	140,576	142,903	376	210	1,436	848
Others (banks/local authorities)	5,247	6,056	4	4	115	108
BHW	41,802	41,622	101	66	74	63
Total (incl. portfolio effect)	260,533	262,508	848	570	1.496	877

* 99.93 % confidence level

The overall loan portfolio fell slightly by 0.8 % from €262.5 billion at the end of 2008 to €260.5 billion in the first quarter of 2009. Postbank adjusted the average default probability that is allocated to the individual rating levels on its master scale to the lower category limits due to the sharp deterioration in global economic developments. This is accompanied by a significant increase in the expected loss of 48.8 % and in the unexpected loss of 70.6 %. The increase in the expected and unexpected loss is primarily due to the adjustment of Postbank's master scale as well as rating deteriorations brought on by the capital market crisis and an additional rise in concentration risk. A further year-on-year decline in Group loans to banks and local authorities and an increase in loans to retail and corporate customers and in the Financial Markets portfolios can be observed. By contrast, the portfolio of investment securities at Financial Markets was reduced slightly due to maturities. In view of the planned growth in loan volumes, the expected loss and CVaR are expected to increase in line with this in the current fiscal year. In contrast, the Financial Markets portfolios will continue to be reduced.

As of March 31, 2009, the maximum exposure to credit risk was as follows (compared with December 31, 2008):

Maximum counterparty risk		
Risk-bearing financial instruments	Maximum counterparty risk exposure	
	March 31, 2009 €m	Dec. 31, 2008 €m
Trading assets	23,325	16,573
Held for trading	23,325	16,573
Hedging derivatives	515	474
Held for trading	515	474
Loans and advances to other banks	24,284	18,684
Loans and receivables	24,248	18,616
Available for sale	36	68
Loans to customers	105,794	105,318
Loans and receivables	96,605	96,373
Fair value option	8,886	8,605
Held to maturity	303	340
Investment securities	81,331	83,058
Loans and receivables	68,110	68,859
Held to maturity	97	186
Available for sale	13,124	14,013
Subtotal	235,249	224,107
Contingent liabilities from guarantees	1,158	1,296
Other liabilities (irrevocable loan commitments)	22,404	23,205
Total	258,811	248,608

In contrast to the "Credit risk" table, the "Maximum counterparty risk" table breaks down the maximum exposure to credit risk in accordance with IFRS 7.36 (a) into categories of risk-bearing financial instruments. This figure is reported as a gross amount, since risk-bearing financial instruments are recognized and measured without accounting for credit risk mitigation techniques, recognized transactions are recorded at their carrying amounts, and the maximum counterparty risk exposures resulting from the utilization of irrevocable loan commitments or other off-balance sheet items correspond to all externally approved lines. This representation contains no information on ratings or collateral as is the case with economic risk quantification in the "Credit risk" table. In addition, higher variances can be found between the two tables as of the reporting date of March 31, 2009.

Sector structure of the loan portfolio

The sector distribution of the credit-risk bearing instruments, measured in terms of volume, has a balanced structure and continues to present a stable picture. The following table illustrates the concentration of risk by sector and borrower group, broken down into risk category:

Risk concentration by sector and borrower group

Risk-bearing financial instruments	Retail customers		Banks/ insurance/ financial services		Sovereigns		Services/wholesale and retail		Industry		Other sectors		Total	
	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m
Trading assets	219	215	22,267	15,728	188	17	109	128	183	172	359	313	23,325	16,573
Held for trading	219	215	22,267	15,728	188	17	109	128	183	172	359	313	23,325	16,573
Hedging derivates	0	0	474	429	24	25	12	13	0	0	5	7	515	474
Held for trading	0	0	474	429	24	25	12	13	0	0	5	7	515	474
Loans and advances to other banks	0	0	24,282	18,684	2	0	0	0	0	0	0	0	24,284	18,684
Loans and receivables	0	0	24,246	18,616	2	0	0	0	0	0	0	0	24,248	18,616
Available for sale	0	0	36	68	0	0	0	0	0	0	0	0	36	68
Loans and advances to customers	75,931	75,127	9,326	9,575	3,573	3,755	5,632	5,926	5,293	4,738	6,039	6,197	105,794	105,318
Loans and receivables	67,045	66,522	9,322	9,570	3,451	3,607	5,583	5,874	5,173	4,611	6,031	6,189	96,605	96,373
Fair value option	8,886	8,605	0	0	0	0	0	0	0	0	0	0	8,886	8,605
Held to maturity	0	0	4	5	122	148	49	52	120	127	8	8	303	340
Investment securities	0	0	48,612	49,585	26,682	26,873	951	875	3,713	4,152	1,373	1,573	81,331	83,058
Loans and receivables	0	0	42,849	44,252	19,965	19,369	846	778	3,534	3,569	916	891	68,110	68,859
Held to maturity	0	0	97	186	0	0	0	0	0	0	0	0	97	186
Available for sale	0	0	5,666	5,147	6,717	7,504	105	97	179	583	457	682	13,124	14,013
Subtotal	76,150	75,342	104,961	94,001	30,469	30,670	6,704	6,942	9,189	9,062	7,776	8,090	235,249	224,107
Contingent liabilities	255	290	631	623	21	24	166	251	17	21	68	87	1,158	1,296
Other liabilities	19,996	19,021	19	481	38	32	620	575	741	589	990	2,507	22,404	23,205
Total	96,401	94,653	105,611	95,105	30,528	30,726	7,490	7,768	9,947	9,672	8,834	10,684	258,811	248,608

The Group's loan portfolio consists mainly of loans to retail customers with a focus on domestic private mortgage lending. It also includes loan exposures in the Corporate Banking division, predominantly in the German business customers segment, and in domestic and international commercial real estate finance. The broadly diversified holdings of investment securities are dominated by a portfolio of mainly German and European government bonds as well as bonds issued by banks (including covered bonds and *Pfandbriefe*), insurers and other financial service providers. A target portfolio has been defined as part of the credit risk strategy that has been optimized in terms of diversification and serves to manage investments in the non-retail area.

Regional distribution of the loan portfolio

Risk concentration by geographical region								
Risk-bearing financial instruments	Germany		Western Europe		Other regions		Total	
	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m
Trading assets	5,462	3,776	15,823	11,256	2,040	1,541	23,325	16,573
Held for trading	5,462	3,776	15,823	11,256	2,040	1,541	23,325	16,573
Hedging derivatives	141	128	220	183	154	163	515	474
Held for trading	141	128	220	183	154	163	515	474
Loans and advances to other banks	13,046	9,445	9,061	7,856	2,177	1,383	24,284	18,684
Loans and receivables	13,010	9,377	9,061	7,856	2,177	1,383	24,248	18,616
Available for sale	36	68	0	0	0	0	36	68
Loans and advances to customers	88,795	88,825	12,204	12,346	4,795	4,147	105,794	105,318
Loans and receivables	79,606	79,880	12,204	12,346	4,795	4,147	96,605	96,373
Fair value option	8,886	8,605	0	0	0	0	8,886	8,605
Held to maturity	303	340	0	0	0	0	303	340
Investment securities	31,256	31,713	41,431	42,159	8,644	9,186	81,331	83,058
Loans and receivables	23,173	24,034	37,483	37,648	7,454	7,177	68,110	68,859
Held to maturity	97	176	0	10	0	0	97	186
Available for sale	7,986	7,503	3,948	4,501	1,190	2,009	13,124	14,013
Subtotal	138,700	133,887	78,739	73,800	17,810	16,420	235,249	224,107
Contingent liabilities	1,024	1,143	56	76	78	77	1,158	1,296
Other liabilities	21,285	21,093	324	1,256	795	856	22,404	23,205
Total	161,009	156,123	79,119	75,132	18,683	17,353	258,811	248,608

The regional distribution of the credit volume indicates a concentration on the domestic German market in line with Postbank's strategy, as well as selected exposures in Western Europe and North America, some of which were entered into by our foreign subsidiaries and branches. These exposures relate primarily to commercial real estate finance with a total volume of €16.6 billion. Of this figure, some €3.2 billion is attributable to exposures in the U.S.A. and €2.6 billion to exposures in the United Kingdom.

Credit structure of the loan portfolio

The breakdown of rating categories in the Group loan portfolio demonstrates the conservative orientation of the Postbank Group. The following table shows the credit quality of the risk-bearing financial instruments for Postbank's non-retail business that were neither past due nor for which impairment losses had been recognized as of the March 31, 2009 reporting date (with the exception of "contingent liabilities" and "other amounts due"). The higher rating categories predominate: 96 % of the rated portfolio is classified as investment grade (rated BBB or higher).

Credit quality of financial instruments in the non-retail business that are neither past due nor impaired

Risk-bearing financial instruments	AAA		AA		A		BBB		< BBB		Not rated		Total	
	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m
Trading assets	528	417	17,553	12,337	3,563	2,419	300	300	159	167	1,003	718	23,106	16,358
Held for trading	528	417	17,553	12,337	3,563	2,419	300	300	159	167	1,003	718	23,106	16,358
Hedging derivatives	33	34	422	387	22	19	18	16	10	11	10	7	515	474
Held for trading	33	34	422	387	22	19	18	16	10	11	10	7	515	474
Loans and advances to other banks	1,316	643	2,825	3,570	17,794	12,877	1,633	1,212	131	270	491	18	24,190	18,590
Loans and receivables	1,316	643	2,789	3,502	17,794	12,887	1,633	1,212	131	270	491	18	24,154	18,522
Available for sale	0	0	36	68	0	0	0	0	0	0	0	0	36	68
Loans and advances to customers	2,435	513	4,983	2,818	5,975	5,843	8,302	10,754	3,883	6,877	1,561	642	27,139	27,447
Loans and receivables	2,385	472	4,913	2,715	5,899	5,764	8,226	10,711	3,869	6,803	1,544	642	26,836	27,107
Held to maturity	50	41	70	103	76	79	76	43	14	74	17	0	303	340
Investment securities	33,703	34,823	24,166	25,806	13,259	12,126	4,681	5,194	2,538	2,290	1,643	1,643	79,990	81,882
Loans and receivables	26,356	26,553	22,440	24,441	11,937	10,929	4,024	4,330	1,475	1,060	857	732	67,089	68,045
Held to maturity	97	186	0	0	0	0	0	0	0	0	0	0	97	186
Available for sale	7,250	8,084	1,726	1,365	1,322	1,197	657	864	1,063	1,230	786	911	12,804	13,651
Total	38,015	36,430	49,949	44,918	40,613	33,283	14,934	17,476	6,721	9,615	4,708	3,028	154,940	144,751

Compared with the 2008 year-end, the table shows an increase predominantly in the highest rating categories (AAA and AA), which is primarily to be explained by an improved IT connection of the position-keeping systems. The current rating distribution for loans and advances to banks, companies, and sovereigns is in excess of the target rating distribution in line with the credit risk strategy.

Similarly, the following table illustrates the credit quality of the risk-bearing financial instruments for Postbank's retail business that were neither past due nor for which impairment losses had been recognized as of the March 31, 2009 reporting date (with the exception of "contingent liabilities" and "other liabilities"). Postbank's retail business shows a very favorable credit rating structure. Legacy retail business portfolios (mainly mortgage loans extended before August 2004) and purchased loans and advances are reported using pool ratings. In other words, homogeneous risk pools are established by segment and measured individually according to the relevant Basel II parameters. The proportion of portfolios covered by these pool ratings is declining gradually since each new transaction is rated on an individual basis.

Credit quality of financial instruments in the retail business that are neither past due nor impaired

Risk-bearing financial instruments	AAA		AA		A		BBB		< BBB		Basel II Pool rating/ not rated		Total	
	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m
Trading assets	1	0	12	15	58	68	69	55	71	74	8	3	219	215
Held for trading	1	0	12	15	58	68	69	55	71	74	8	3	219	215
Loans and advances to customers	2,758	2,611	6,332	5,590	8,105	6,625	13,528	11,972	14,962	16,996	30,246	31,333	75,931	75,127
Loans and receivables	2,714	2,609	6,007	5,539	7,164	6,300	11,394	10,517	12,920	14,241	26,846	27,316	67,045	66,522
Fair value option	44	2	325	51	941	325	2,134	1,455	2,042	2,755	3,400	4,017	8,886	8,605
Total	2,759	2,611	6,344	5,605	8,163	6,693	13,597	12,027	15,033	17,070	30,254	31,336	76,150	75,342

Loans past due but not impaired

The following table shows those risk-bearing financial instruments that were past due in an amount of at least €100 but not impaired as of March 31, 2009:

Time bands for financial instruments past due but not impaired

Risk-bearing financial instruments and collateral	Financial instruments past due but not impaired Past due ≤ 3 months		Past due > 3 months, ≤ 6 months		Past due > 6 months, ≤ 1 year		Past due > 1 year		Total		Fair value of the collateral for financial instruments past due but not impaired	
	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m
Loans and advances to customers	604	656	88	139	63	61	72	61	827	917	680	833
Loans and receivables	604	656	88	139	63	61	72	61	827	917	680	833
Total	604	656	88	139	63	61	72	61	827	917	680	833

The following table shows all impaired financial assets as of the March 31, 2009 and December 31, 2008 reporting dates, broken down into loans and advances to customers for which specific valuation allowances have been recognized and investment securities for which impairment losses have been recognized. The carrying amount after recognition of impairment losses is shown in the table as the difference between the carrying amount before impairment and the amount of the impairment loss.

Impaired financial instruments

Impaired risk-bearing financial instruments and collateral	Carrying amount before impairment		Amount of impairment loss		Carrying amount after impairment		Fair value of collateral for impaired instruments	
	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m
Loans and advances to other banks	94	94	54	52	40	42	–	–
Loans and receivables	94	94	54	52	40	42	–	–
Loans and advances to customers	1,897	1,827	1,259	1,180	638	647	1,033	949
Loans and receivables	1,897	1,827	1,259	1,180	638	647	1,033	949
Investment securities	1,341	1,176	824	624	517	552	–	–
Loans and receivables	1,021	814	698	488	323	326	–	–
Available for sale	320	362	126	136	194	226	–	–
Total	3,332	3,097	2,137	1,856	1,195	1,241	1,033	949

Securitization

Securitizing financial assets (asset securitization) makes it possible to transfer the underlying credit risk to third parties. Usually, entire exposure pools consisting of two or more subclasses of risk (tranches) entailing varying degrees of risk are transferred.

Postbank acts as both investor and originator in asset securitization transactions.

Investor

In the course of credit substitution transactions, Postbank has invested in structured credit products (SCPs), among other things. Specifically, these relate to asset-backed securities (ABSs), collateralized debt obligations (CDOs), collateralized loan obligations (CLOs), residential mortgage-backed securities (RMBSs), and commercial mortgage-backed securities (CMBSs). Investor positions in the banking book are classified and measured as one of the two IFRS categories "loans and receivables" or "available for sale", depending on the intention and structure of the investment. Securitization exposures are generally rated by at least one recognized rating agency (Standard & Poor's, Moody's, or FitchRatings) and generally have a rating of BBB- or higher at the time of acquisition. There is no internal rating model for these exposures. The portfolio is valued periodically using an internal valuation model that analyzes the individual portfolio components at underlying level.

As of March 31, 2009, the total volume of the portfolio amounted to €6.5 billion, up €198 million compared with December 31, 2008. In addition to exchange rate effects, this reflects portfolio optimization measures under which portions of a CDO structure were swapped for the underlying assets with a significantly better risk profile, thus increasing the size of the portfolio. SCP portfolios are very strictly monitored by Postbank and are subject to monthly impairment tests. Regular measurement of the portfolio resulted in the recognition of total impairment losses of €35 million in Q1 2009, as well as measurement losses on embedded derivatives amounting to €186 million. This brings the aggregate impairment losses recognized in income for affected portfolios since the beginning of the financial market crisis in mid-2007 to €303 million, and the aggregate measurement losses recognized on embedded derivatives to €1,057 million. In addition, fair value changes amounting to €698 million were recognized in the revaluation reserve and thus in the Tier 1 capital.

Postbank's securitization exposures as of March 31, 2009 were as follows:

Securitization exposures: volumes by rating category

Securitization exposures	AAA		AA		A		BBB		< BBB		Total	
	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m
CMBSs	162	86	93	124	45	46	14	14	0	0	314	269
RMBSs	456	448	150	91	128	120	44	41	42	12	820	712
Corporate CDOs	610	574	250	275	184	173	223	829	1,583	920	2,850	2,772
Non-corporate CDOs	61	208	93	149	97	270	260	204	1,300	991	1,811	1,822
Other ABSs	402	423	53	110	68	5	83	101	80	69	686	708
Total	1,691	1,739	639	747	522	615	624	1,190	3,005	1,993	6,481	6,283
thereof: in the trading book	14	45	14	13	–	–	–	–	–	–	28	58

As of the reporting date of March 31, 2009, only a small number of securitization exposures (total nominal value: approximately €31 million) were hedged with monoliners (December 31, 2008: €41 million).

The volume of Postbank's investor positions in fungible commercial real estate loans (CBMSs) amounted to €314 million as of the reporting date (December 31, 2008: €269 million). These positions consist almost exclusively of European CMBSs with a regional focus on the United Kingdom and Germany.

Originator

In addition to acting as an investor, Postbank is also on the market as an originator. The following synthetic securitization transactions involving the securitization of residential mortgage loans – relating to Germany and Italy – not only reduced regulatory capital requirements but also diversified risk. As of the reporting date, Postbank did not conduct securitization transactions relating to revolving counterparty risk.

PB Domicile	2006-1	€2,156 million	(Deutsche Postbank AG)
Provide Blue	2005-1	€973 million	(BHW Bausparkasse AG)
Provide Blue	2005-2	€2,419 million	(BHW Bausparkasse AG)
PB Domicilio	2007-1	€1,171 million	(BHW Bausparkasse AG)

In 2008, Postbank also structured the PB Consumer 2008-1 originator securitization as a traditional securitization; no significant transfer of risks had taken place as of the reporting date.

Liquidity risk

Despite the substantially tougher market conditions engendered by the financial market crisis, the liquidity position of the Postbank Group remains solid, thanks in particular to customer deposits, which are stable overall, and the Bank's extensive portfolio of ECB-eligible securities.

The following table shows the financial liabilities as of March 31, 2009 and December 31, 2008, broken down into residual maturity bands. The undiscounted contractual cash flows from on- and off-balance sheet liabilities have been assigned to the respective categories. In conformity with these requirements, the contractual cash flows of the financial liabilities are presented in accordance with the worst-case scenario, meaning that if the financial liabilities involve options or termination rights that could affect their maturity date, the most unfavorable case from a liquidity perspective is assumed. This is particularly relevant for demand deposits and savings deposits that are subject to call or have a short maturity of usually three months but that are available for the Bank for a longer period of time, statistically speaking.

Liabilities by remaining maturity

Liabilities	Payable on demand		≤ 3 months		> 3 months and ≤ 1 year		> 1 year and ≤ 5 years		> 5 years		Total	
	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m
Deposits from other banks	1,278	648	39,983	46,437	6,098	6,283	6,228	4,834	9,195	6,970	62,782	65,171
Due to customers	27,395	26,083	51,475	50,485	27,040	25,096	7,051	4,258	15,279	19,089	128,239	125,011
Securitized liabilities	0	0	6,694	9,415	3,545	3,813	2,676	4,785	3,582	1,533	16,498	19,547
Trading liabilities	0	0	592	80	6,124	3,046	14,263	12,411	3,533	4,763	24,512	20,300
Hedging derivatives	1	0	75	61	671	434	2,154	2,209	1,087	1,292	3,989	3,997
Subordinated debt	0	0	168	142	102	122	1,337	885	5,454	5,212	7,061	6,361
Other liabilities	1	2	442	700	30	20	70	57	66	48	609	826
Irrevocable loan commitments	22,404	23,205	0	0	0	0	0	0	0	0	22,404	23,205
Total	51,079	49,937	99,428	107,321	43,610	38,814	33,781	29,439	38,196	38,906	266,094	264,417

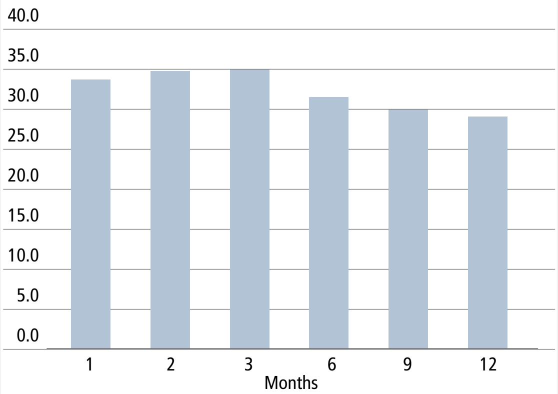
In contrast to the presentation of the contractual cash flows of the financial liabilities, the following overview of the liquidity status of the Postbank Group as of March 31, 2009 presents the expected cash inflows/outflows and the available liquidity sources on a cumulative basis in accordance with the principles of internal liquidity management within a one-year horizon.

The expected values for cash outflows from liabilities with no fixed capital commitment, such as savings and checking account deposits, the probability of utilization of irrevocable loan commitments, and the quality of the available fungible assets for ensuring liquidity are based in part on observed historical data and in part on assumptions.

These data and assumptions show that the Postbank Group has significant liquidity surpluses across all maturity bands, which underscores its solid cash position.

Liquidity status of the Postbank Group as of March 31, 2009

€bn



Presentation of risk position: Disclosures on types of risk with no material change, material new risks, and risks that could jeopardize the Group's continued existence

Besides the market, credit, and liquidity risks that are described in detail in this risk report and managed operationally, there are other risks (operational risk, real estate and investment risk, collective risk, and business risk) for the remaining months of fiscal year 2009 whose assessment has not changed significantly since the end of 2008. Macroeconomic developments mean that we must expect a further impact on our income statement in particular from structured credit products and from the traditional lending business. However, according to our current assessment we do not anticipate any significant changes in the other risks for the remaining months of fiscal year 2009.

The Bank will continue to place its strategic focus on its core business segments. The consistent implementation of this strategy will result in new earnings opportunities for the Postbank Group from the customer groups it considers relevant.

At present, no negative developments are known to the Bank that will lead to a shift in strategy in the remaining months of fiscal year 2009.

No risks that could impair the Postbank Group's development or even jeopardize its continued existence have been identified among the above-mentioned risk types.

Report on Expected Developments

Macroeconomic environment

The global economy is currently experiencing its most serious crisis since the Second World War. The International Monetary Fund (IMF) is predicting a decline in global economic output of up to 1 % for 2009. World trade is being hit more than average by the recession. The World Trade Organization is expecting the volume of trade to decline by 9 % as against last year. Economic output In the U.S.A. will decline tangibly in the first half of this year. The prospects for the rest of the year are extremely uncertain. Although the ongoing financial market crisis, the credit crunch, and high levels of household debt are all factors against a rapid recovery, the U.S. government's far-reaching stimulus program and the Federal Reserve's extremely expansionary monetary policy should increasingly have an effect in the second half of the year. We therefore expect to see a moderate recovery in the U.S. economy in the second half of the year. Nevertheless, U.S. GDP 2009 is likely to decline by a clear 2.2 % year-on-year. By contrast, China's economic prospects are considerably brighter. Growth is likely to accelerate again in the course of the year, due not least to the massive state infrastructure program.

Economic output in the euro zone will also contract significantly in 2009. We are predicting a decline in GDP of 3.2 %. In particular, foreign trade is likely to have a clearly negative impact. In addition, companies are expected to cut back drastically on investments. By contrast, the economic stimulus packages resolved in many countries should stabilize the situation and have an increasingly positive effect as from the middle of the year. German GDP is likely to decline even further in 2009, by almost 5 %. Exports, which are suffering massively from the slump in world trade, are the most important negative factor. Whereas investments in construction are likely to be flat overall due to the government investment program, capital expenditure on machinery and equipment is expected to drop by an unusually large amount. By contrast, consumer spending could remain stable or even increase slightly despite rising unemployment. It is profiting from robust increases in workforce incomes, the sharp drop in the rate of inflation, the tax breaks that will take effect mid-year, and the government incentives to buy new automobiles.

The U.S. Federal Reserve is expected to leave its key interest rate unchanged over the rest of the year at the current very low level due to the extreme weakness of the U.S. economy and the absence of inflationary pressure. As a result, our forecast remains unchanged as against the previous report. The European Central Bank is expected to reduce its key rate by a somewhat greater amount than we had originally anticipated due to the economic slump. We are expecting a further reduction in the key refinancing rate in the second quarter to 1.0 %. It should then remain at this level for the rest of the year. By contrast, we expect a moderate increase in market interest rates in both the U.S.A. and the euro zone over the rest of the year given the forecast for economic stabilization. This means that the yield curve in the euro zone will probably steepen somewhat in 2008.

Sector situation

The impacts of the global financial market crisis will continue to be felt in 2009. At present, a far-reaching solution to the problem of toxic securities is being debated for the German banks. As things are now, the German government plans to submit a revised draft by mid-May intended to govern the removal of these securities from banks' balance sheets. This would place banks in a position to transfer their toxic securities from their balance sheets to internal special purpose vehicles. A decentralized model is taking shape that, in contrast to a central bad bank, provides tailored solutions to individual banks and banking groups. This could represent a further major step towards freeing German banks from additional burdens stemming from the U.S. mortgage meltdown. However, it is not possible to provide a conclusive assessment of the model until its actual structure has been made known.

In Q1 2009, the boards of certain German banks announced improvements in their institutions' business in the first three months of the current year. This suggests that we may see bank profitability pick up again in 2009 in comparison to 2008. However, it should be borne in mind that this improvement is starting from a very low base. In addition, the situation on the capital markets remains difficult, and new issues and the M&A business are unlikely to recover soon. This means that uncertainty will continue to surround net trading income and net income from investment securities, as well as income from investment banking, especially since the global financial market crisis with its negative effects cannot be considered over as yet. Long-term earnings at many institutions are likely to remain below the levels seen in recent years.

We expect to see consolidation within the German banking sector in the course of the year, although this should not affect the industry's fundamental three-pillar structure. The focus here will probably be on the Landesbanken, where break-ups and mergers of individual institutions are conceivable.

Low interest rates could bring down the profits of banks with high deposit volumes in 2009. In spite of declining capital market rates, banks cannot or cannot sufficiently reduce the costs of their funding via customer deposits, since for example demand deposits usually bear zero interest. On the other hand, falling interest income for loans and investments in securities means that bank interest margins also have a tendency to fall. Additionally, competition for customer deposits will remain fierce due to the malfunctioning money market and the high liquidity requirements of banks. These factors will limit the ability of banks to lower the cost of funding through deposits.

Postbank's objectives

As described above, the capital market environment can be expected to remain difficult for the remainder of 2009, and macroeconomic development is likely to be marked by stark recessionary tendencies.

Given this environment, we will continue to focus our business model on our retail, business and corporate customers, as we began to do in 2008. In view of our solid operating performance, which continued through Q1 2009 – with stable revenue streams from our customer business and our sound refinancing base – we believe that we continue to hold a good position. However, as is usual for banks with high deposit volumes, the sharp cuts in interest rates could negatively impact the development of net interest income from our savings and checking account business. In addition, we are expecting retail customers to remain hesitant in purchasing fund and insurance products, which could impact our net fee and commission income.

We will maintain our current strategy of clearly cutting back on capital market risks and portfolios. The goal in the medium term is to strengthen the customer business earnings lines – net interest income and net fee and commission income – whereas the volatile net trading income and net income from investment securities should play a significantly smaller role. We will further increase our cost management measures despite the sustained successes that we have already achieved in this area. For a detailed overview of our expectations for the customer business, please refer to the full comments in our 2008 Annual Report.

It is to be expected that the tight situation on the markets and the economic downturn will continue to have a negative impact on our results of operations beyond the first quarter of 2009. In particular, we forecast a further impact on our net trading income and net income from investment securities. However, we currently estimate the intensity of the negative effects to peak in the first half of the year and then weaken.

Given the weak state of the overall economy, we expect an increase in allowances for losses on loans and advances – especially in the case of exposures outside our domestic market – although in the first quarter we only experienced a relatively slight worsening of credit quality. Since its credit business is predominantly focused on highly collateralized German private mortgage loans, Postbank should however be significantly less affected overall than the market.

In summary, assuming that there is no further macroeconomic deterioration over and above what is currently expected, we continue to believe that the total impact in 2009 will be significantly lower than in 2008.

Following a normalization of the macroeconomic environment, we continue to expect to generate a sustainable return on equity of at least 13 % to 15 % after tax in the medium term based on our clear strategic focus on our business with retail, business and corporate customers.

Interim Financial Statements

Consolidated Statement of Comprehensive Income for the Period January 1 to March 31, 2009

	Note	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008[1] €m
Interest income	(5)	2,205	2,317
Interest expense	(5)	–1,572	–1,760
Net interest income	(5)	633	557
Allowance for losses on loans and advances	(6)	–124	–75
Net interest income after allowance for losses on loans and advances		509	482
Fee and commission income	(7)	385	419
Fee and commission expense	(7)	–77	–60
Net fee and commission income	(7)	308	359
Net trading income	(8)	–107	12
Net income from investment securities	(9)	–104	1
Administrative expenses	(10)	–684	–702
Other income	(11)	29	42
Other expenses	(12)	–42	–26
Profit/loss before tax		–91	168
Income tax		176	–50
Profit from ordinary activities after tax		85	118
Minority interest		–1	–1
Consolidated net profit		84	117
Basic earnings per share (€)[2]		0.38	0.71
Diluted earnings per share (€)[2]		0.38	0.71

[1] Prior-year figures restated (see Note 4)

[2] The average number of shares outstanding in the first quarter of 2009 was 218,800,000 (Q1 2008: 164,000,000).

Condensed Statement of Comprehensive Income

	Jan. 1 – March 31, 2009	Jan. 1 – March 31, 2008[1]
Profit from ordinary activities after tax	85	118
Other comprehensive income after tax	–131	–657
Change in revaluation reserve	–195	–805
thereof remeasurement gains/losses	–237	–789
thereof disposals and impairment	42	–16
Change in currency translation reserve	8	–28
Income tax relating to other comprehensive income	56	176
Total comprehensive income for the period attributable to minority interest	–1	–1
Total comprehensive income	–47	–540

Deferred taxes arose exclusively in the revaluation reserve.

Consolidated Income Statement: Quarterly Overview

	2009	2008[1]			
	Q1 €m	Q4 €m	Q3 €m	Q2 €m	Q1 €m
Interest income	2,205	2,636	2,475	2,510	2,317
Interest expense	–1,572	–1,898	–1,897	–1,888	–1,760
Net interest income	633	738	578	622	557
Allowance for losses on loans and advances	–124	–104	–143	–86	–75
Net interest income after allowance for losses on loans and advances	509	634	435	536	482
Fee and commission income	385	425	421	418	419
Fee and commission expense	–77	–65	–59	–68	–60
Net fee and commission income	308	360	362	350	359
Net trading income	–107	–406	–56	61	12
Net income from investment securities	–104	–700	–470	–80	1
Administrative expenses	–684	–808	–741	–718	–702
Other income	29	93	39	44	42
Other expenses	–42	–39	–17	–21	–26
Profit/loss before tax	–91	–866	–448	172	168
Income tax	176	156	99	–51	–50
Profit/loss from ordinary activities after tax	85	–710	–349	121	118
Minority interest	–1	0	0	0	–1
Consolidated net profit/loss	84	–710	–349	121	117

Condensed Statement of Comprehensive Income: Quarterly Overview

	2009	2008[1]			
	Q1 €m	Q4 €m	Q3 €m	Q2 €m	Q1 €m
Profit/loss from ordinary activities after tax	85	–710	–349	121	118
Other comprehensive income after tax	–131	1,206	–301	–416	–657
Change in revaluation reserve	–195	1,580	–437	–540	–805
thereof remeasurement gains/losses	–237	914	–560	–552	–789
thereof disposals and impairment	42	666	123	12	–16
Change in currency translation reserve	8	3	27	–2	–28
Income tax relating to other comprehensive income	56	–377	109	126	176
Total comprehensive income for the period attributable to minority interest	–1	0	0	0	–1
Total comprehensive income	–47	496	–650	–295	–540

[1] Q1 to Q3 2008 restated (see Note 4)

Consolidated Balance Sheet as of March 31, 2009

Assets	Note	March 31, 2009 €m	Dec. 31, 2008 €m
Cash reserve		1,431	3,417
Loans and advances to other banks	(13)	24,284	18,684
Loans and advances to customers	(14)	105,794	105,318
Allowance for losses on loans and advances	(16)	–1,313	–1,232
Trading assets	(17)	23,325	16,573
Hedging derivatives		515	474
Investment securities	(18)	81,331	83,058
Intangible assets	(19)	2,376	2,371
Property and equipment	(20)	871	879
Investment property		73	73
Current tax assets		151	162
Deferred tax assets		952	835
Other assets	(21)	761	670
Total assets		240,551	231,282

Equity and Liabilities	Note	March 31, 2009 €m	Dec. 31, 2008 €m
Deposits from other banks	(22)	58,999	62,790
Due to customers	(23)	124,229	117,472
Securitized liabilities	(24)	15,761	16,342
Trading liabilities	(25)	23,864	16,987
Hedging derivatives		3,263	2,693
Provisions	(26)	2,157	2,138
Current tax liabilities		176	192
Deferred tax liabilities		957	1,087
Other liabilities	(27)	536	826
Subordinated debt	(28)	5,637	5,736
Equity		4,972	5,019
a) Issued capital		547	547
b) Share premium		2,010	2,010
c) Retained earnings		2,328	3,280
d) Consolidated net profit/loss		84	–821
Minority interest		3	3
Total equity and liabilities		240,551	231,282

Statement of Changes in Equity

	Issued capital €m	Share premium €m	Retained earnings €m	Currency translation reserve €m	Revaluation reserve €m	Consolidated net profit/ loss €m	Equity before minority interest €m	Minority interest €m	Total €m
Balance at Jan. 1, 2008	410	1,160	3,502	–149	–556	856	5,223	2	5,225
Dividend payment							–		–
Changes in retained earnings			856			–856	0		0
Total comprehensive income Jan. 1 – Mar. 31, 2008				–28	–629	116	–541	1	–540
IAS restatement						1	1		1
Treasury shares		1					1		1
Other changes							–	–1	–1
Balance at Mar. 31, 2008	410	1,161	4,358	–177	–1,185	117	4,684	2	4,686
Dividend payment			–205				–205		–205
Capital increase	137	850					987		987
Total comprehensive income April 1 – Dec. 31, 2008				28	461	–940	–451		–451
IAS restatement						2	2		2
Treasury shares		–1					–1		–1
Other changes							–	1	1
Balance at Dec. 31, 2008	547	2,010	4,153	–149	–724	–821	5,016	3	5,019
Dividend payment							–		–
Changes in retained earnings			–821			821	0		0
Total comprehensive income Jan. 1 – March 31, 2009				8	–139	84	–47	1	–46
Treasury shares							–		–
Other changes							–	–1	–1
Balance at March 31, 2009	547	2,010	3,332	–141	–863	84	4,969	3	4,972

Condensed Cash Flow Statement

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Cash and cash equivalents at start of period	3,417	3,352
Net cash from/used in operating activities	–3,927	8,433
Net cash from/used in investing activities	2,071	–9,372
Net cash from/used in financing activities	–129	–
Effects of exchange rate differences	–1	1
Cash and cash equivalents at end of period	1,431	2,414

Reported cash and cash equivalents correspond to the cash reserve.

Notes to the Interim Financial Statements

(1) Segment reporting

Segment reporting by business division
The Postbank Group manages its activities on the basis of a management information system whose core component is management accounting by business division. The business divisions correspond to the Group's organizational structure.

In the Retail Banking business division, Postbank offers private and business customers a broad spectrum of banking and financial services. The product range encompasses checking and savings products, credit and debit cards, mortgage lending, installment credits, the home savings business, securities and securities accounts, and investment funds. Income from brokerage activities is also reported in this segment.

The result of this segment comprises the operating results of Postbank AG's Retail Banking, the BHW subgroup, Postbank Filialvertrieb AG, and VÖB-ZVD Bank für Zahlungsverkehrsdienstleistungen GmbH. In addition, the result of purchase price allocation from the acquisition of BHW was allocated to the Retail Banking segment for the first time.

Postbank's Corporate Banking business division provides payment transaction services.

Commercial finance, especially regarding real estate, factoring, leasing, and logistics finance, also belong to this business division.

The result of this segment comprises Postbank AG's corporate banking business, PB Firmenkunden AG, PB Capital, Postbank Leasing GmbH, PB Factoring GmbH, the London Branch, and Deutsche Postbank International S.A.'s corporate banking business.

The Transaction Banking business division offers organizational and technical settlement and processing services for the Group as well as for other banks in the area of domestic and international payment transaction services.

Intersegmental cost allocations accounted for 58 % of Transaction Banking income (previous year: 56 %).

Proprietary trading activities and Deutsche Postbank International S.A.'s activities conducted from Luxembourg (excluding corporate banking) as well as fund management in general and for a number of Postbank's retail funds and special funds (Deutsche Postbank Privat Investment Kapitalanlagegesellschaft GmbH and Deutsche Postbank Financial Services GmbH) are allocated to the Financial Markets business division.

For the first time we are reporting the results of the Consolidation segment separately. This comprises Group consolidation less intrasegment consolidation adjustments.

The Others segment contains items not attributable to the businesses, unallocated overhead costs, and the result of Postbank's own-account transactions.

The net trading income in the Others segment includes losses on the measurement of embedded derivatives from structured credit products of €108 million (previous year: €51 million) and gains on capital-guaranteed promissory note loans (CPPI structures) of €13 million (previous year: €–17 million). Net trading income in the Others segment comprises income from asset/liability management amounting to €40 million (previous year: €136 million) from derivatives in the banking book.

€31 million (previous year: €31 million) of the net impairment loss on investment securities in the Others segment relates to structured credit products, €21 million (previous year: €0 million) to other debt instruments, and €24 million to writedowns of retail funds (previous year: €0 million).

The result of the Others segment was also negatively affected by costs amounting to €71 million (previous year: €53 million) incurred from centralized functions.

Due to the recognition of assets and liabilities in the Consolidation segment and the allocation of asset positions from the purchase price allocation of BHW to the Retail Banking segment, assets and liabilities in the Others segment have been affected.

	Retail Banking[1]		Corporate Banking[1]		Transaction Banking		Financial Markets		Others[1]		Consolidation		Group[1]	
	Jan. 1 – Mar. 31, 2009 €m	Jan. 1 – Mar. 31, 2008 €m	Jan. 1 – Mar. 31, 2009 €m	Jan. 1 – Mar. 31, 2008 €m	Jan. 1 – Mar. 31, 2009 €m	Jan. 1 – Mar. 31, 2008 €m	Jan. 1 – Mar. 31, 2009 €m	Jan. 1 – Mar. 31, 2008 €m	Jan. 1 – Mar. 31, 2009 €m	Jan. 1 – Mar. 31, 2008 €m	Jan. 1 – Mar. 31, 2009 €m	Jan. 1 – Mar. 31, 2008 €m	Jan. 1 – Mar. 31, 2009 €m	Jan. 1 – Mar. 31, 2008 €m
Net interest income	534	562	116	84	1	1	56	30	–80	–118	6	–2	633	557
Net trading income	–37	4	–65	–40	–	–	49	33	–49	13	–5	2	–107	12
Net income from investment securities	4	–	–15	–18	–	–	–3	–	–90	19	–	–	–104	1
Net fee and commission income	260	289	27	29	82	87	11	16	–19	–10	–53	–52	308	359
Total income	761	855	63	55	83	88	113	79	–238	–96	–52	–52	730	929
Administrative expenses	–554	–551	–45	–41	–79	–82	–23	–23	–185	–199	202	194	–684	–702
Allowance for losses on loans and advances	–80	–52	–46	–24	–	–	2	1	–	–	–	–	–124	–75
Other income/expenses	–2	16	–	–	6	4	–	–1	133	139	–150	–142	–13	16
Profit/loss before tax	125	268	–28	–10	10	10	92	56	–290	–156	0	0	–91	168
Cost/income ratio (CIR)	72.8 %	64.4 %	71.4 %	74.5 %	95.2 %	93.2 %	20.4 %	29.1 %	–	–			93.7 %	75.6 %
Return on equity before taxes (RoE)	22.2 %	43.1 %	–22.0 %	–9.7 %	–	–	53.5 %	32.0 %	–74.3 %	–46.3 %			–7.3 %	13.5 %
	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m	Mar. 31, 2009 €m	Dec. 31, 2008 €m
Segment assets	88,304	87,048	29,874	28,668	400	351	36,247	31,437	115,913	115,857	–30,187	–32,079	240,551	231,282
Segment liabilities	112,120	107,579	27,278	23,041	400	351	29,129	27,113	101,811	105,277	–30,187	–32,079	240,551	231,282

[1] Prior-year figures restated (see Note 4)

In addition to the results in the income statement of the companies allocated to the business divisions, imputation procedures for the originator-based calculation of the segment results are used. The allocation of net interest income from customer products to the segments follows the market rate method, under which the customer interest rate is compared with imputed money and capital market rates at matching terms. Administrative expenses are based on the results of cost center accounting. The amount of the allowance for losses on loans and advances is determined for the first time on the basis of the actually recognized allowance for losses on loans and advances.

Equity is allocated to the segments according to their risk capital requirements. Risk capital requirements are derived from Postbank's risk cover amount and define the extent of the permitted exposures to market risk, credit risk, operational risk, business risk, investment and real estate risks, and collective risks. The average IFRS equity is allocated to the segments according to their respective responsibility for the risk capital positions within the individual risk types.

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

The allocation of assets and liabilities to the segments is based on the operating activities of the segments. The balance sheet items of the subsidiaries as well as the assets and liabilities relating to customer products are allocated to the business divisions by product/customer category. The Others segment comprises assets and liabilities from subsidiaries which have not been allocated to the operating segments and from Postbank AG, e.g. from proprietary trading positions.

In addition to the above-mentioned modifications, the Corporate Banking and Retail Banking segments recorded a negative net interest spread resulting from cash holdings at the tellers' counters and in ATMs for the first time. Further modifications have been made as part of the product/customer segment-based allocation of income from electronic cash payments and of expenses from third-party loan brokerage activities within the Retail Banking segment.

The prior-year figures were adjusted.

In Q1 2008, the above-mentioned adjustments in segment reporting affected profit/loss before tax as follows: Retail Banking up €8 million, Corporate Banking down €17 million, Others up €9 million.

Geographical regions

The results of the geographical regions are calculated using the profit and loss as reported in the income statement of the legal entities and branches attributable to the regions.

The Others segment contains the entities from the Europe, U.S.A. (PB Capital), and Asia (Postbank Home Finance) regions. The London Branch, the Luxembourg entities Deutsche Postbank International S.A., and Deutsche Postbank Vermögensmanagement S.A., and the branches of BHW in Italy, Luxembourg, and Belgium form part of the Europe region. The prior-year figures for the Europe region were adjusted as follows: income up €8 million, profit before tax up €5 million.

Germany comprises all domestic business units including all consolidation adjustments.

The regions' assets and liabilities are reconciled in full to total assets and total equity and liabilities. The prior-year figures have been adjusted accordingly.

	Assets		Liabilities		Income[1]		Profit before tax[1]	
	March 31, 2009 €m	Dec. 31, 2008 €m	March 31, 2009 €m	Dec. 31, 2008 €m	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Germany	204,572	192,954	204,572	192,954	689	927	–88	186
Others	35,979	38,328	35,979	38,328	41	2	–3	–18
Europe	27,572	30,241	27,572	30,241	92	34	79	21
U.S.A.	7,792	7,523	7,792	7,523	–56	–36	–85	–41
Asia	615	564	615	564	5	4	3	2
Total	240,551	231,282	240,551	231,282	730	929	–91	168

[1] Prior-year figures restated (see Note 4)

Basis of preparation

Deutsche Bank announced on March 9, 2009 that it holds a 25 % stake + 1 share in Postbank. The shares were primarily purchased in the initial part of the transaction with Deutsche Post AG.

(2) Basis of accounting

The interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements of German commercial law under section 315a(1) of the *Handelsgesetzbuch* (HGB – German Commercial Code), insofar as these were applicable at the balance sheet date. In particular, the interim financial statements comply with the IAS 34 requirements for interim financial reports. In accordance with section 37y no. 3 of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) in conjunction with section 37x(3) of the WpHG, Postbank prepares a quarterly financial report, which also comprises an interim management report, including an interim risk report (see management report), in addition to the condensed financial statements presented here. Unless otherwise stated below, the same accounting policies used in preparing the 2008 consolidated financial statements were applied in preparing the interim financial statements as of March 31, 2009.

All assumptions, estimates, and assessments required for recognition and measurement in accordance with the IFRSs are in conformity with the respective Standards, are regularly reassessed, and are based on past experience as well as other factors, including expectations as to future events that appear reasonable under the given circumstances. The assumptions and estimates refer primarily to the fair value measurement of certain financial instruments, including the assessment of whether an active or inactive market exists, the recognition and measurement of provisions, and the ability to realize future tax benefits. When determining the intention to hold financial instruments, both business strategy and the current market conditions are taken into account.

Where significant estimates were required, the assumptions made are explained in detail in the following Notes to the corresponding item. In individual cases, the actual values may differ from the assumptions and estimates made.

Valuation techniques are used to measure the fair value of selected financial instruments (structured credit products –SCPs) of the available-for-sale category (e.g. CDOs, consumer ABSs, commercial ABSs, CMBSs, RMBSs) in the case of non-verifiable indicative prices. In this context, Postbank uses a simulation model that is based on portfolio loss distribution, taking into account the respective securitization structure. The cash flows resulting from such products are forecasted taking into account the respective risks from the securitized portfolios and the structure of the securitizations, and are discounted using discount rates for equivalent maturities and risks. The valuation technique makes maximum use of market inputs in accordance with IAS 39.48A. In individual cases, the actual values may differ from the assumptions and estimates made.

Derivatives used for asset/liability management are entered into primarily as microhedges (fair value hedges). If there are no effective microhedges, the changes in value of the derivatives used for asset/liability management are reported in net trading income in accordance with IFRSs, regardless of whether risk management was successful or not from an economic perspective. New swaps taking the form of microhedges (microswaps) are entered into and existing hedges are unwound and settled as part of active management of the fixed-rate position in the overall bank balance sheet (asset/liability management). The review of the fixed-rate position and the decision to enter into or unwind and settle microhedges are based on economic factors. The unwinding of microswaps is accounted for in the balance sheet and in net profit or loss for the period in the same way as for ineffective hedges. Effectiveness tests – and hence measurement in profit or loss – are performed on a monthly basis.

In the first quarter of 2009, Postbank altered its intention to hold a portion of the corporate bonds in its portfolio as available for sale, and now intends to hold them for the foreseeable future. It therefore reclassified bonds with a principal amount of €385 million out of the available-for-sale category to the loans and receivables category at a fair value of €320 million in accordance with IAS 39.50E. Further information can be found in Note 18 "Investment securities."

The following Standards were required to be applied for the first time in the reporting period: IFRS 8 "Operating Segments," IAS 1 "Presentation of Financial Statements (revised 2007)," IAS 23 "Borrowing Costs," IAS 32 "Financial Instruments: Presentation," and the "Annual Improvements Project 2008." Effects for Postbank resulted from IFRS 8 and IAS 1 (revised 2007). See Note 1 "Segment reporting" with regard to the effects of IFRS 8. The core element of the amendments to IAS 1 is the extension of the existing income statement to include gains and losses recognized directly in equity to produce a statement of comprehensive income. Information on components of the statement of changes in equity was shortened accordingly.

Deffered taxes amounting to approximately €150 million were reversed due to the clarification of the underlying tax situation.

(3) Basis of consolidation

In addition to the parent company Deutsche Postbank AG, 44 (December 31, 2007: 43) subsidiaries that are presented in the following overview are included in the consolidated financial statements as of March 31, 2009.

Consolidated companies

Name and domicile	Equity interest direct (%)	Equity interest indirect (%)
Betriebs-Center für Banken AG, Frankfurt/Main	100.0	
BHW Holding AG, Berlin/Hamelin	100.0	
Deutsche Postbank Financial Services GmbH, Frankfurt/Main	100.0	
Deutsche Postbank Funding LLC I, Wilmington, Delaware, U.S.A.	100.0	
Deutsche Postbank Funding LLC II, Wilmington, Delaware, U.S.A.	100.0	
Deutsche Postbank Funding LLC III, Wilmington, Delaware, U.S.A.	100.0	
Deutsche Postbank Funding LLC IV, Wilmington, Delaware, U.S.A.	100.0	
Deutsche Postbank Funding Trust I, Wilmington, Delaware, U.S.A.	100.0	
Deutsche Postbank Funding Trust II, Wilmington, Delaware, U.S.A.	100.0	
Deutsche Postbank Funding Trust III, Wilmington, Delaware, U.S.A.	100.0	
Deutsche Postbank Funding Trust IV, Wilmington, Delaware, U.S.A.	100.0	
Deutsche Postbank International S.A., Munsbach, Luxembourg	100.0	
Deutsche Postbank Privat Investment Kapitalanlagegesellschaft mbH, Bonn	100.0	
DSL Holding AG i.A., Bonn	100.0	
DSL Portfolio GmbH & Co. KG, Bonn	100.0	
DSL Portfolio Verwaltungs GmbH, Bonn	100.0	
PB (USA) Holdings Inc., Wilmington, Delaware, U.S.A.	100.0	
PB Factoring GmbH, Bonn	100.0	
PB Firmenkunden AG, Bonn	100.0	
Postbank Beteiligungen GmbH, Bonn	100.0	
Postbank Filialvertrieb AG, Bonn	100.0	
Postbank Immobilien und Baumanagement GmbH, Bonn	100.0	
Postbank Leasing GmbH, Bonn	100.0	
Postbank Systems AG, Bonn	100.0	
PB Spezial-Investmentaktiengesellschaft mit Teilgesellschaftsvermögen, Frankfurt/Main (TGV 1–24)	100.0	
Betriebs-Center für Banken Processing GmbH, Frankfurt/Main		100.0
BHW Bausparkasse AG, Hamelin		100.0
BHW Gesellschaft für Vorsorge mbH, Hamelin		100.0
BHW Gesellschaft für Wohnungswirtschaft mbH & Co. Immobilienverwaltungs KG, Hamelin		100.0
BHW Gesellschaft für Wohnungswirtschaft mbH, Hamelin		100.0
BHW Immobilien GmbH, Hamelin		100.0
Deutsche Postbank Home Finance Ltd., Gurgaon, India		100.0
Deutsche Postbank Vermögens-Management S.A., Munsbach, Luxembourg		100.0
PB Capital Corp., Wilmington, Delaware, U.S.A.		100.0
PB Finance (Delaware), Inc., Wilmington, Delaware, U.S.A.		100.0
PBC Carnegie LLC, Wilmington, Delaware, U.S.A.		100,0
Postbank Support GmbH, Cologne		100.0
Postbank Versicherungsvermittlung GmbH, Bonn		100.0
Postbank Finanzberatung AG, Hamelin	23.3	76.7
PB Realty Corp., New York, U.S.A.		94.7
Postbank Immobilien und Baumanagement GmbH & Co. Objekt Leipzig KG, Bonn		90.0
Deutsche Postbank Finance Center Objekt GmbH, Munsbach, Luxembourg		90.0
VÖB-ZVD Bank für Zahlungsverkehrsdienstleistungen GmbH, Bonn	75.0	
DPBI Immobilien KGaA, Munsbach, Luxembourg		10.01

Betriebs-Center für Banken Processing GmbH was included in the consolidated financial statements for the first time as of March 2009.

In accordance with Interpretation SIC-12 issued by the International Financial Reporting Interpretations Committee (IFRIC), which requires the consolidation of special purpose entities under certain conditions, a special purpose entity formed to securitize installment loans is also consolidated as before. The special fund launched in the previous year was closed and deconsolidated in March 2009.

There were no other changes in the basis of consolidation. Overall, the changes in the basis of consolidation have had no material impact on the net assets, financial position, and results of operations of the Group.

(4) Restatement of prior-year and prior-quarter figures

In the previous fiscal year, adjustments were made which change the prior-quarter figures of these interim financial statements retrospectively. These relate among other things to earnings per share and segment reporting.

Additional measurement parameters were employed for the fair value measurement of mortgage loans. The retrospective adjustments led to a reduction in loans and advances to customers and in deferred tax liabilities. The change in the measurement methodology resulted in an increase of €2.9 million in net trading income and an increase of €0.9 million in the deferred tax expense in the first quarter of 2008, increasing net profit for the first quarter of 2008 by €2 million overall.

Postbank's acquisition of BHW led to the identification of hidden liabilities for intangible assets (liabilities whose carrying amount is lower than their negative fair value) during purchase price allocation in accordance with IFRS 3. These amounts had to be restated. As a result, impairment losses of €0.3 million on intangible assets were recognized as an expense in the first quarter of 2008.

With regard to securitization exposures, synthetic CDOs were allocated to cash CDOs in a few isolated cases. The reallocation led to a decrease in net trading income of €1 million in the first quarter of 2008.

Statement of comprehensive income disclosures

(5) Net interest income

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Interest and current income		
Interest income from:		
Lending and money market transactions	1,425	1,486
Fixed-income and book-entry securities	763	773
Trading operations	5	52
Net gains on hedges	12	2
	2,205	2,313
Current income from:		
Equities and other non-fixed income securities	–	4
Investments in associates	–	–
	–	4
	2,205	2,317
Interest expense on:		
Deposits	1,239	1,494
Securitized liabilities	163	118
Subordinated debt	70	77
Swaps	97	18
Trading operations	3	53
	1,572	1,760
Total	633	557

€2,048 million (previous year: €1,740 million) of interest income relates to financial instruments classified as loans and receivables, €5 million (previous year: €13 million) to financial instruments classified as held to maturity, and €135 million (previous year: €506 million) to financial instruments classified as available for sale.

Interest income from lending and money market transactions includes €8 million (previous year: €9 million) of interest income accrued on impaired assets (unwinding in accordance with IAS 39).

Net gains/losses on hedges are composed of the following items:

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Gains on the fair value remeasurement of hedged items	636	491
Losses on the fair value remeasurement of hedging instruments	–624	–489
Total	12	2

(6) Allowance for losses on loans and advances

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Cost of additions to allowance for losses on loans and advances		
Specific valuation allowances	139	90
Portfolio-based valuation allowances	23	16
Cost of additions to provisions for credit risks	5	4
Direct loan write-offs	9	7
Income from the reversal of the allowance for losses on loans and advances		
Specific valuation allowances	39	31
Portfolio-based valuation allowances	1	6
Income from the reversal of provisions for credit risks	8	1
Recoveries on loans previously written off	4	4
Total	124	75

€127 million (previous year: €73 million) of the allowance for losses on loans and advances relates to the loans and receivables category. €3 million of the allowance for losses on loans and advances in respect of guarantees, warranties, and irrevocable loan commitments was reversed (previous year: addition of €2 million).

The cost of additions to and the income from reversals of the allowance for losses on loans and advances to customers can be broken down by product group as follows:

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Additions		
Private mortgage lending	61	40
Home savings loans	1	1
Commercial loans	31	24
Public sector	–	–
Installment credits	18	6
Other loans and advances	27	19
Portfolio-based valuation allowances	23	16
Total	161	106

€1 million (previous year: €0 million) of the cost of additions to the allowance for losses on loans and advances relates to loans and advances to other banks.

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Reversal		
Private mortgage lending	25	20
Home savings loans	1	1
Commercial loans	4	2
Public sector	–	–
Installment credits	1	2
Other loans and advances	8	6
Portfolio-based valuation allowances	1	6
Total	40	37

(7) Net fee and commission income

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Giro business	79	85
Securities business	28	36
Lending and guarantee business	28	30
Branch business	109	117
Other fee and commission income	64	91
Total	308	359

(8) Net trading income

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008[1] €m
Net income from interest rate products	16	19
Net loss on derivatives carried in the trading portfolio and the banking book	–152	–11
Net gain/loss from application of the fair value option	–30	4
Net income from equities	–	–
Foreign exchange gain	61	1
Net fee and commission income in the trading portfolio	–2	–1
Total	–107	12

The net loss on derivatives carried in the trading portfolio and the banking book includes income from asset/liability management amounting to €40 million (previous year: €136 million).

The net loss on derivatives also includes gains/losses on the measurement of embedded derivatives from structured credit products of €–186 million (previous year: €–95 million), capital-guaranteed promissory note loans (CPPI) of €13 million (previous year: €–17 million) and other debt instruments of €0 million (previous year: €–31 million).

[1] Prior-year figures restated (see Note 4

(9) Net income from investment securities

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Net income from loans-and-receivables investment securities	–72	–44
thereof: net income from sale	–9	4
Gains on sale	7	10
Losses on sale	16	6
thereof: net impairment loss	–63	–48
Net income from available-for-sale investment securities	–42	15
thereof: net income from sale	–12	15
Gains on sale	23	77
Losses on sale	35	62
thereof: net impairment loss	–30	–
Net income from loans to other banks	–2	–
thereof: net income from sale of loans and receivables	–2	–
Net income from loans to customers	12	30
thereof: net income from sale of loans and receivables	12	30
Total	–104	1

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Net income from bonds and promissory note loans	–11	59
Net income from equities and other non-fixed-income securities	–	–10
Impairment	–93	–48
Total	–104	1

€35 million (previous year: €48 million) of the net impairment loss on investment securities relates to structured credit products, €34 million (previous year: €0 million) to other debt instruments, and €24 million to writedowns of retail funds (previous year: €0 million).

(10) Administrative expenses

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008[1] €m
Staff costs	343	345
Other administrative expenses	308	321
Amortization of intangible assets	18	18
Depreciation and write-downs of property and equipment	15	18
Total	684	702

(11) Other income

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Income from property and equipment	7	8
Miscellaneous	22	34
Total	29	42

(12) Other expenses

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008[1] €m
Other taxes	2	13
Expenses for property and equipment	1	1
Miscellaneous	39	12
Total	42	26

[1] Prior-year figures restated (see Note 4

Balance sheet disclosures

(13) Loans and advances to other banks

	March 31, 2009 €m	March 31, 2008 €m
Payable on demand	4,692	3,176
Other loans and advances	19,592	15,508
Total	24,284	18,684

Loans and advances to other banks comprise financial instruments classified as loans and receivables in the amount of €24,248 million (December 31, 2008: €18,616 million) and financial instruments classified as available for sale in the amount of €36 million (December 31, 2008: €68 million).

€5,110 million (December 31, 2008: €5,220 million) of loans and advances to other banks is due after more than 12 months.

Collateral received that can be unconditionally liquidated or can be unconditionally sold:

	Fair value of collateral that can be unconditionally liquidated or can be unconditionally sold		Fair value of collateral that was sold or repledged and is subject to an obligation to return	
	March 31, 2009 €m	Dec. 31, 2008 €m	March 31, 2009 €m	Dec. 31, 2008 €m
Financial collateral	12,782	10,136	1,703	2,855
Non-financial collateral	–	–	–	–
Total	12,782	10,136	1,703	2,855

(14) Loans and advances to customers

	March 31, 2009 €m	Dec. 31, 2008 €m
Private mortgage lending	69,571	69,370
Home savings loans	3,640	3,581
Commercial loans	25,344	24,277
Public sector	1,712	2,182
Installment credits	3,307	2,973
Other loans and advances	2,220	2,935
Total	105,794	105,318

Loans and advances are classified as follows in accordance with the measurement categories as defined in IAS 39:

	March 31, 2009 €m	Dec. 31, 2008 €m
Loans and receivables	96,605	96,373
Held to maturity	303	340
Fair value option	8,886	8,605
Total	105,794	105,318

€79,643 million (December 31, 2008: €78,577 million) of loans and advances to customers is due after more than 12 months.

(15) Total credit extended

	March 31, 2009 €m	Dec. 31, 2008 €m
Loans and advances to other banks	24,284	18,684
Loans and advances to customers	105,794	105,318
Guarantees	1,158	1,296
Total	131,236	125,298

(16) Allowance for losses on loans and advances

The allowance for losses on loans and advances is composed of the following items:

	March 31, 2009 €m	Dec. 31, 2008 €m
Specific valuation allowances	1,177	1,118
Portfolio-based valuation allowances	136	114
Total allowances for losses on loans and advances	1,313	1,232
Provisions for credit risks	44	48
Total	1,357	1,280

€54 million of the allowance for losses on loans and advances relates to loans and advances to other banks and €1,259 million to loans and advances to customers classified as loans and receivables.

Collective specific valuation allowances are also reported under the specific valuation allowances.

The allowance for losses on loans and advances carried under assets changed as follows:

	Specific valuation allowances		Portfolio-based valuation allowances		Total	
	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m
Balance at January 1	1,118	1,071	114	83	1,232	1,154
Additions						
Allowance charged to the income statement	139	90	23	16	162	106
Disposals						
Utilization	34	44	–	–	34	44
Allowance reversed to the income statement	39	31	1	6	40	37
Unwinding	8	9	–	–	8	9
Currency translation differences	–1	1	–	–	–1	1
Balance at March 31	1,177	1,076	136	93	1,313	1,169

The allowance for losses on loans and advances to customers can be broken down by product group as follows:

	March 31, 2009 €m	Dec. 31, 2008 €m
Specific valuation allowances		
Private mortgage lending	403	394
Home savings loans	11	12
Commercial loans	250	222
Public sector	–	–
Installment credits	135	118
Other loans and advances	324	320
Portfolio-based valuation allowances	136	114
Total	1,259	1,180

(17) Trading assets

	March 31, 2009 €m	Dec. 31, 2008 €m
Bonds and other fixed-income securities	730	486
Equities and other non-fixed-income securities	31	18
Building loans held for trading	219	216
Positive fair values of derivatives carried as trading assets	21,464	15,209
Positive fair values of banking book derivatives	664	459
Positive fair values from derivatives relating to hedged items accounted for under the fair value option	217	185
Total	23,325	16,573

€18,867 million (December 31, 2008: €13,211 million) of trading assets is due after more than 12 months.

(18) Investment securities

	March 31, 2009 €m	Dec. 31, 2008 €m
Bonds and other fixed-income securities		
Loans and receivables	68,110	68,859
Held to maturity	97	186
Available for sale	12,617	13,427
	80,824	82,472
Investment fund shares (available for sale)	420	475
Investments in associates (available for sale)	15	19
Investments in unconsolidated subsidiaries (available for sale)	72	92
Total	81,331	83,058

Investment securities amounting to €69,491 million (December 31, 2008: €70,654 million) are due after more than 12 months.

Investment securities were furnished as collateral for the following liabilities:

	March 31, 2009 €m	Dec. 31, 2008 €m
Liabilities	36,325	40,800
Contingent liabilities	–	–
Total	36,325	40,800

In the third quarter of 2008, Postbank reclassified bonds with a principal amount of €1.6 billion and a fair value of €1.5 billion out of the "available-for-sale" category to the "loans and receivables" category due to a change in its intention to hold the bonds. It also reclassified securities with a nominal amount of €33,2 billion and a fair value of €32,9 billion out of the "available-for-sale" category to the "loans and receivables" category in the fourth quarter of 2008.

In the first quarter of 2009, Postbank altered its intention to hold a portion of the corporate bonds in its portfolio as available for sale, and now intends to hold them for the foreseeable future. It therefore reclassified corporate bonds with a principal amount of €385 million out of the "available-for-sale" category to the "loans and receivables" category as of January 28, 2009 at a fair value of €320 million.

As of March 31, 2009, all securities reclassified in accordance with IAS 39.50E had a fair value of €36.2 billion as well as a carrying amount of €36.7 billion.

Prior to the three above-mentioned reclassification dates, the changes in fair value recognized in the revaluation reserve for the bonds that were reclassified amounted to €–469 million before tax. €–64 million of that amount relates to reclassifications in the first quarter of 2009 (previous year: €–73 million). Had Postbank not changed its intention to hold the bonds, the loss recognized in the revaluation reserve would have increased by a further €530 million up to March 31, 2009.

Given a nominal weighting of the reclassified bonds, the effective interest rate calculated on the basis of their restated cost as of the date of the reclassifications in the first quarter of 2009 was 9.4 % (range of effective interest rates: 3.7 % to 34.5 %). The estimated cash flows that Postbank expects as of the date of the reclassifications in the first quarter of 2009 amount to €534 billion. Interest amounting to €5 million accrued from the date of the reclassifications in the first quarter of 2009.

€20 million of impairments were charged for all reclassified securities as of March 31, 2009.

Interest amounting to €333 million accrued for the reclassifications in fiscal year 2008.

(19) Intangible assets

	March 31, 2009 €m	Dec. 31, 2008 €m
Acquired goodwill	1,651	1,631
Acquired software, concessions, industrial rights	638	649
Internally generated intangible assets and software	75	80
Advance payments on intangible assets and in-process intangible assets	12	11
Total	2,376	2,371

As a result of initial consolidation of Betriebs-Center für Banken Processing GmbH, acquired goodwill increased by €20 million in Q1 2009.

The acquired software, concessions, industrial rights item includes the capitalized BHW brand in the amount of €319 million. The capitalized amounts for customer relationships amounted to €84 million (December 31, 2008: €86 million) and for beneficial contracts €58 million (December 31, 2008: €59 million).

(20) Property and equipment

	March 31, 2009 €m	Dec. 31, 2008 €m
Land and buildings	717	721
Operating and office equipment	141	141
Advance payments and assets under development	13	17
Total	871	879

(21) Other assets

	March 31, 2009 €m	Dec. 31, 2008 €m
Prepaid expenses	553	452
Trade receivables	110	116
Advances to members of the mobile sales force	15	12
Receivables from tax authorities	11	12
Miscellaneous	72	78
Total	761	670

Other assets amounting to €395 million (December 31, 2008: €377 million) have a maturity of more than 12 months.

(22) Deposits from other banks

	March 31, 2009 €m	Dec. 31, 2008 €m
Payable on demand	2,723	3,576
With an agreed maturity or withdrawal notice	56,276	59,214
Total	58,999	62,790

Deposits from other banks only include financial instruments classified as liabilities at amortized cost.

€10,636 million (December 31, 2008: €10,689 million) of deposits from other banks is due after more than 12 months.

(23) Due to customers

	March 31, 2009 €m	Dec. 31, 2008 €m
Savings deposits	37,662	35,024
Home savings deposits	16,083	16,196
Other amounts due		
Payable on demand	29,982	26,891
With an agreed maturity or withdrawal notice	40,502	39,361
	70,484	66,252
Total	124,229	117,472

Amounts due to customers only include financial instruments classified as liabilities at amortized cost.

€34,548 million (December 31, 2008: €32,729 million) of amounts due to customers is due after more than 12 months.

(24) Securitized liabilities

	March 31, 2009 €m	Dec. 31, 2008 €m
Mortgage bonds (*Hypothekenpfandbriefe*)	4,668	3,675
Other debt instruments	11,093	12,667
Total	15,761	16,342

The mortgage bonds (*Hypothekenpfandbriefe*) include the new issues in the principal amount of €1.0 billion. Securitized liabilities only include financial instruments classified as liabilities at amortized cost.

€7,622 million (December 31, 2008: €6,897 million) of securitized liabilities is due after more than 12 months.

(25) Trading liabilities

	March 31, 2009 €m	Dec. 31, 2008 €m
Negative fair values of trading derivatives	20,878	14,638
Negative fair values of banking book derivatives	1,903	1,577
Negative fair values from derivatives relating to hedged items accounted for under the fair value option	1,053	772
Delivery obligations under securities sold short	30	–
Total	23,864	16,987

€19,561 million (December 31, 2008: €11,335 million) of trading liabilities is due after more than 12 months.

(26) Provisions

	March 31, 2009 €m	Dec. 31, 2008 €m
Provisions for pensions and other employee benefits	1,154	1,149
Provisions for home savings business	724	715
Other provisions	279	274
Total	2,157	2,138

€1,775 million (December 31, 2008: €1,779 million) of recognized provisions is due after more than 12 months.

(27) Other liabilities

	March 31, 2009 €m	Dec. 31, 2008 €m
Liabilities from expenses for management bonuses	96	79
Trade payables	91	116
Liabilities from other taxes	63	243
Liabilities from expenses for outstanding invoices	57	56
Liabilities from expenses for outstanding vacation entitlements and other compensated absences	56	54
Liabilities from expenses for commissions and premiums	43	52
Deferred income	43	45
Liabilities from expenses for services performed by Deutsche Post AG	–	73
Miscellaneous liabilities	87	108
Total	536	826

€86 million (December 31, 2008: €64 million) of other liabilities is due after more than 12 months.

(28) Subordinated debt

	March 31, 2009 €m	Dec. 31, 2008 €m
Subordinated liabilities	2,639	2,774
Hybrid capital instruments	1,731	1,687
Profit participation certificates outstanding	1,252	1,237
Contributions by typical silent partners	15	38
Total	5,637	5,736

Subordinated debt only includes financial instruments classified as liabilities at amortized cost.

€5,424 million (December 31, 2008: €5,426 million) of subordinated debt is due after more than 12 months.

Other disclosures

(29) Contingencies and other obligations

	March 31, 2009 €m	Dec. 31, 2008 €m
Contingent liabilities		
on guarantees and warranties	1,158	1,296
Other obligations		
Irrevocable loan commitments	22,404	23,205
of which: building loans provided	4,991	5,426
Total	23,562	24,501

(30) Fair value of financial instruments carried at amortized cost or hedge fair value

	March 31, 2009		Dec. 31, 2008	
	Carrying amount €m	Full fair value €m	Carrying amount €m	Full fair value €m
Assets				
Cash reserve	1,431	1,431	3,417	3,417
Loans and advances to other banks (loans and receivables)	24,248	23,971	18,616	18,424
Loans and advances to customers (loans and receivables)	96,605	101,914	96,373	99,759
Loans and advances to customers (held to maturity)	303	303	340	340
Allowance for losses on loans and advances	–1,313	–1,313	–1,232	–1,232
Investment securities (loans and receivables)	68,110	66,277	68,859	67,754
Investment securities (held to maturity)	97	97	186	186
	189,481	192,680	186,559	188,648
Liabilities				
Deposits from other banks (liabilities at amortized cost)	58,999	58,568	62,790	62,476
Due to customers (liabilities at amortized cost)	124,229	124,892	117,472	118,009
Securitized liabilities and subordinated debt	21,398	19,170	22,078	20,496
	204,626	202,630	202,340	200,981

(31) Derivatives

The Postbank Group uses derivatives to hedge positions as part of its asset/liability management policy. They are also entered into for trading purposes.

The notional amounts represent the gross volume of all sales and purchases. The notional amount is a reference value for determining reciprocally agreed settlement payments; it does not represent recognizable receivables or liabilities.

The fair values of the individual contracts were calculated using recognized valuation models and do not reflect any netting agreements.

Holdings of derivatives are composed of the following items:

	Notional amounts		Positive fair values		Negative fair values	
	March 31, 2009 €m	Dec. 31, 2008 €m	March 31, 2009 €m	Dec. 31, 2008 €m	March 31, 2009 €m	Dec. 31, 2008 €m
Trading derivatives	835,274	665,517	22,345	15,853	23,834	16,987
Hedging derivatives	47,989	46,557	515	474	3,263	2,693
Total	883,263	712,074	22,860	16,327	27,097	19,680

The following table presents the open conditional and unconditional forward transactions of the Postbank Group at the balance sheet date.

	Notional amounts		Fair Value			
			Positive fair values		Negative fair values	
	March 31, 2009 €m	Dec. 31, 2008 €m	March 31, 2009 €m	Dec. 31, 2008 €m	March 31, 2009 €m	Dec. 31, 2008 €m
Trading derivatives						
Foreign currency derivatives	38,250	36,987	660	1,075	579	965
Interest rate derivatives	789,178	620,143	21,391	14,486	22,181	15,059
Equity/index derivatives	623	367	19	21	15	11
Credit derivatives	7,223	8,020	275	271	1,059	952
Total holdings of trading derivatives	835,274	665,517	22,345	15,853	23,834	16,987
Hedging derivatives						
Fair value hedges	47,989	46,557	515	474	3,263	2,693
Total holdings of hedging derivatives	47,989	46,557	515	474	3,263	2,693
Total holdings of derivatives	883,263	712,074	22,860	16,327	27,097	19,680

Risks relating to financial instruments are presented in the risk report.

(32) Risk-weighted assets and capital ratio

Postbank ensures the correct determination of liable capital and own funds at Group level. Its regulatory own funds in accordance with the *Kreditwesengesetz* (KWG – German Banking Act) and the *Solvabilitätsverordnung* (SolvV – German Solvency Regulation) were as follows:

	March 31, 2009 €m	Dec. 31, 2008 €m
Credit and counterparty risk	60,450	61,038
Market risk positions	12,000	9,100
Operational risk	6,538	6,450
Total capital charge	78,988	76,588
Tier 1 capital	4,849	4,997
thereof: hybrid capital instruments	1,615	1,615
Tier 2 capital	2,984	3,155
thereof: profit participation certificates outstanding	1,152	1,152
thereof: subordinated liabilities	2,383	2,445
Tier 3 capital	0	0
Eligible own funds	7,833	8,152
Tier 1 ratio in %	7.2	7.4
Capital ratio in %	9.9	10.6

Postbank's regulatory risk-bearing capacity is ensured by its compliance with the regulatory minimum capital requirements. These are determined as quotients of available capital and risk positions entered into. The key components of Postbank's Tier 1 capital are the share capital, recognized reserves, and hybrid capital instruments. Tier 2 capital is composed of profit participation certificates outstanding and long-term subordinated liabilities after deductions prescribed by law.

(33) Risk capital

The following table shows the allocation of the Postbank Group's risk cover amount, broken down by risk types on the basis of the authorized risk capital, before and after factoring in correlation effects and the unallocated risk cover amount, as of March 31, 2009 compared with December 31, 2008.

Risk capital by risk types

Capital and risk components	Allocated risk capital	
	Mar. 31, 2009 €m	Dec. 31, 2008 €m
Market risk	2,884	2,884
Credit risk	2,200	1,191
Operational risk	635	635
Investment and real estate risk	126	126
Collective risk	1,000	1,000
Business risk	1,893	1,893
Total before diversification	8,738	7,729
Diversification effects	1,513	1,332
Total after diversification	7,225	6,397
Unallocated risk cover amount	5,377	4,358
Total risk cover amount	12,602	10,755

Other disclosures relating to capital management can be found in the Risk Report section of the Group Management Report.

(34) Related party disclosures

The transactions with Deutsche Post AG as the parent and relationships with its subsidiaries as other related parties are presented up to February 28, 2009.

The income and expenses relating to Deutsche Bank AG and Deutsche Post AG incurred after February 28, 2009 are reported as attributable to companies with a significant influence over Deutsche Postbank AG.

Related party receivables

	March 31, 2009 €m	Dec. 31, 2008 €m
Loans and advances to other banks		
Companies with a significant influence	714	–
	714	–
Loans and advances to customers		
Deutsche Post AG	–	130
Companies with a significant influence	129	–
Subsidiaries	11	12
	140	142
Other assets		
Deutsche Post AG	–	35
Companies with a significant influence	6	–
Subsidiaries	1	1
Other related parties	–	2
	7	38

Loans and advances to other banks with a significant influence relate in full to loans and advances to Deutsche Bank AG and primarily comprise receivables from money market transactions.

Loans and advances to companies with a significant influence over Deutsche Postbank AG relate primarily to loans and overdrafts extended to Deutsche Post AG.

Loans and advances to subsidiaries primarily relate to Postbank AG's receivables from CREDA Objektanlage- und -verwaltungsgesellschaft mbH and from RALOS Verwaltungs GmbH & Co. Vermietungs-KG.

€ 6 million of the other assets attributable to companies with a significant influence relates to Deutsche Post AG.

Related party payables

	March 31, 2009 €m	Dec. 31, 2008 €m
Deposits from other banks		
Companies with a significant influence	939	–
	939	–
Due to customers		
Deutsche Post AG	–	37
Companies with a significant influence	87	–
Subsidiaries	56	56
Other related parties	–	44
	143	137
Other liabilities		
Deutsche Post AG	–	80
Companies with a significant influence	42	–
Subsidiaries	2	2
Other related parties	–	8
	44	90
Subordinated debt		
Subsidiaries	101	101
	101	101

Deposits from other banks with a significant influence relate in full to Deutsche Bank AG; they primarily comprise liabilities from money market transactions.

€87 million of the amounts due to companies with a significant influence relates to Deutsche Post AG.

Amounts due to subsidiaries relate primarily to a term deposit by Postbank P.O.S. Transact GmbH at Deutsche Postbank International S.A.

€42 million of the other liabilities to companies with a significant influence relates to Deutsche Post AG; in particular these relate to the retail outlet business as stipulated in the cooperation agreement.

The subordinated debt item contains subordinated liabilities of BHW Bausparkasse AG and Deutsche Postbank AG to BHW Euro Finance B.V. in the form of subordinated promissory note loans.

As of the end of the reporting period, contingent liabilities from guarantees and warranty obligations to Deutsche Post AG amounted to €6 million (December 31, 2008: €7 million). There are no contingent liabilities from other obligations, i.e., from irrevocable loan commitments or similar obligations to subsidiaries and associates.

Income and expenses from related parties

	Jan. 1 – March 31, 2009 €m	Jan. 1 – March 31, 2008 €m
Interest income		
Deutsche Post AG	3	8
Companies with a significant influence	4	–
	7	8
Interest expense		
Deutsche Post AG	1	–
Companies with a significant influence	2	–
Subsidiaries	2	2
	5	2
Fee and commission income		
Deutsche Post AG	76	119
Companies with a significant influence	4	–
	80	119
Fee and commission expense		
Subsidiaries	2	3
	2	3
Administrative expenses		
Deutsche Post AG	54	77
Companies with a significant influence	18	–
Subsidiaries	5	4
Other related parties	26	38
	103	119
Other income		
Subsidiaries	2	–
Other related parties	3	6
	5	6

€3 million of the interest income from companies with a significant influence relates to Deutsche Bank AG and €1 million to Deutsche Post AG.

€2 million of the interest expense to companies with a significant influence relates to Deutsche Bank AG.

€4 million of the fee and commission income from companies with a significant influence mainly relates to income from Deutsche Post AG for the postal services provided in Postbank AG's branches.

The administrative expenses attributable to companies with a significant influence in the amount of €18 million relate to payments to Deutsche Post AG for the financial services provided in its retail outlets and for postage expenses.

Administrative expenses to other related parties relate in particular to rental expenses and service charges.

(35) Members of executive bodies

Management Board

The members of the Management Board of Deutsche Postbank AG are:	
Wolfgang Klein, Bonn (Chairman)	
Dirk Berensmann, Unkel	
Marc Hess, Bonn	since January 1, 2009
Stefan Jütte, Bonn	
Horst Küpker, Bad Honnef	
Michael Meyer, Bonn	
Hans-Peter Schmid, Baldham	
Ralf Stemmer, Königswinter	

The members of the Supervisory Board of Deutsche Postbank AG are:

1. Shareholder representatives	
Frank Appel, Chairman of the Board of Management of Deutsche Post AG, Königswinter (Chairman)	
John Allan, Member of the Board of Management of Deutsche Post AG, Bonn	
Wilfried Boysen, Managing Director of Asklepios Kliniken GmbH (Holding), Hamburg	
Henry B. Cordes, *Ministerialdirektor*, Federal Ministry of Finance, Berlin	
Edgar Ernst, previously Member of the Board of Management of Deutsche Post AG, Bonn	
Tessen von Heydebreck, previously Member of the Board of Management of Deutsche Bank AG and current Chairman of the Board of Deutsche Bank Foundation, Berlin	since April 22, 2009
Peter Hoch, previously Member of the Executive Management Committee, Mastercard International, Munich	
Ralf Krüger, management consultant, Kronberg	
Hans-Dieter Petram, previously Member of the Board of Management of Deutsche Post AG, Inning	
Bernd Pfaffenbach, State Secretary, Federal Ministry of Economics and Technology, Wachtberg-Pech	until April 22, 2009
Werner Steinmüller, Managing Director, Head of Global Transaction Banking, Deutsche Bank AG, Dreieich	since April 22, 2009
Elmo von Schorlemer, lawyer, Aachen	until April 22, 2009

2. Employee representatives
Michael Sommer, Chairman of the German Trade Union Federation, Berlin (Deputy Chairman)
Wilfried Anhäuser, Chairman of Postbank Filialvertrieb AG's General Works Council, Kerpen
Marietta Auer, Head of Department, Deutsche Postbank AG, Head Office, Unterhaching
Rolf Bauermeister, Head of National Postal Services Group, at ver.di Trade Union (national administration), Berlin
Annette Harms, Deputy Chair of Deutsche Postbank AG's Works Council, Hamburg
Elmar Kallfelz, Member of Deutsche Post AG's European Works Council and General Works Council, Wachtberg
Torsten Schulte, Head of BHW Direktservice GmbH's Customer Service Center, Hessisch Oldendorf
Eric Stadler, Chairman of Deutsche Postbank AG's Works Council, Markt Schwaben
Gerd Tausendfreund, trade union secretary of the ver.di Trade Union, Nidderau
Renate Treis, Deputy Chair of Deutsche Postbank AG's General Works Council, Brühl

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed 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 fiscal year.

Bonn, April 29, 2009
Deutsche Postbank Aktiengesellschaft

The Management Board

Wolfgang Klein

Dirk Berensmann | Marc Hess

Stefan Jütte | Horst Küpker

Michael Meyer | Hans-Peter Schmid

Ralf Stemmer

Review Report

To Deutsche Postbank AG, Bonn

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, statement of comprehensive income, condensed statement of cash flows, statement of changes in equity and selected explanatory notes – and the interim group management report of Deutsche Postbank AG, Bonn for the period from January 1 to March 31, 2009, which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 WpHG ("*Wertpapierhandelsgesetz*": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, April 30, 2009

PricewaterhouseCoopers
Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Burkhard Eckes	Christoph Theobald
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Financial Calendar

Fiscal year 2009

May 5, 2009	Interim Report for the first quarter of 2009, analyst conference call
July 30, 2009	Interim Report for the first half-year of 2009, analyst conference call
November 5, 2009	Interim Report for the third quarter of 2009, analyst conference call

No responsibility is taken for the correctness of this information – the right is reserved to make changes at short notice.

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