Deutsche Postbank Group
Interim Report as of June 30, 2007

Postbank

Postbank Group in figures

		Jan. 1 – June 30	
		2007	2006[1]
Consolidated income statement			
Balance sheet-related revenues	€m	1,375	1,315
Total income	€m	2,071	2,018
Administrative expenses	€m	–1,422	–1,415
Profit before tax	€m	456	427
Consolidated net profit	€m	295	275
Total cost/income ratio	%	68.7	70.1
Cost/income ratio in traditional banking business	%	66.6	68.5
Return on equity			
before tax	%	17.5	17.1
after tax	%	11.3	11.0
Earnings per share	€	1.80	1.68

		June 30, 2007	Dec. 31, 2006
Consolidated balance sheet			
Total assets	€m	189,814	184,887
Customer deposits	€m	88,736	87,663
Customer loans	€m	85,338	79,388
Allowance for losses on loans and advances	€m	1,122	1,155
Equity	€m	5,120	5,207
Tier 1 ratio in accordance with Basel II	%	6.8	6.6
Headcount	thousand	21.92	21.70
Long-term ratings			
Moody's		Aa2	A 1
	Outlook	stable	stable
Standard & Poor's		A–	A
	Outlook	stable	negative
Fitch		A	A
	Outlook	stable	stable

		June 30, 2007	June 30, 2006
Information on Postbank shares			
Share price at the balance sheet date	€	65.07	56.26
Share price (Jan. 1 – June 30)	high €	74.72	64.89
	low €	60.65	48.21
Market capitalization on June 30	€m	10,671	9,227
Number of shares	million	164.0	164.0

[1] Prior-period figures restated (see note 4)

Deutsche Postbank Group
Interim Report as of June 30, 2007

Ladies and Gentlemen,

I am delighted to take this opportunity to address you for the first time in my new capacity as Chairman of Postbank's Management Board.

I have taken charge of a bank that is extremely well positioned in spite of heightened competition and for this I would like to extend warm thanks again to my predecessor, Wulf von Schimmelmann. With 14.6 million customers, we are the largest single institution in the German retail banking sector, and a market leader for checking and savings products and for private mortgage lending. We also play a major role on the German market with our other products for retail customers such as pension provision, investments and installment credits. On top of this, our Corporate Banking business is extremely profitable and we also hold the pole position in Transaction Banking, where we process payment transactions for numerous private banks.

Our sales structure is unique in Germany. We are organized as a truly multi-channel bank, and our close links with our majority shareholder, Deutsche Post AG, give us decisive advantages in this respect: Thanks to the postal services we provide in our 850 branches in addition to our banking services, over 1 million people come through our doors every day. As only just under 20 % of these are bank customers already, there is huge acquisition potential to be leveraged. Basic banking services such as checking and savings products are also being marketed throughout Germany in more than 5,000 Deutsche Post retail outlets. This enables us to achieve unparalleled coverage that is perfectly complemented by Germany's largest mobile sales organization managed by a bank, with over 4,000 advisers, plus our direct sales channels.

The key success factor for us, however, is our customer base of 14.6 million – constantly improving for our customers is where our greatest opportunity lies. In my view, one of the most important tasks for me is therefore to keep enhancing the quality of advisory services that Postbank offers. To achieve this, we will consolidate all our strengths to an even greater extent and use all the knowledge about our customers that we have built up in the Group in our focused sales activities.

In order to meet the challenges the future holds and to develop Postbank's strategy further, I have established a structured process that incorporates all of the Bank's board departments. We will present our findings to you as well as the measures developed in response by the end of 2007. We will reinforce our strengths to increase Postbank's success as a leading retail bank in Germany. What is more, we will widen the gap between us and our competitors with every step of the way – for the benefit of our customers and our shareholders alike.

The sound basis that we have created also helped us achieve a strong result in the second quarter of 2007 in what remains a challenging market and competitive environment. Our pre-tax profit for the quarter rose by 6.3 % year-on-year to €234 million, lifting profits for the first six months by 6.8 % to €456 million. Thanks to our excellent cost management and further efficiency gains, we kept our administrative expenses stable and trimmed the cost/income ratio in the first half of the year to 68.7 % from 70.1 % in the prior-year period. In the traditional banking business, i.e. adjusted for Transaction Banking, it fell to 66.6 % from 68.5 % in 2006. The return on equity (RoE) before taxes reached 17.5% on June 30, 2007, compared with 17.1 % on the same date in 2006.

I would like to take this opportunity to thank all employees for their outstanding performance, which has led to Postbank's success and helped us get where we are today. Please keep up your tireless efforts to continue making Postbank a success story in the long term.

I would like to express my deep appreciation to you, our shareholders, for the confidence you have placed in Postbank and its management to date. I would also like to ask for your continued support of Postbank under my leadership and will do my very best to do justice to the trust you have placed in me. I am looking forward to the future of Postbank and to all of us together making the most of the great opportunities that this Company provides.

Bonn, July 30, 2007

Sincerely,

Wolfgang Klein
Chairman of the Management Board

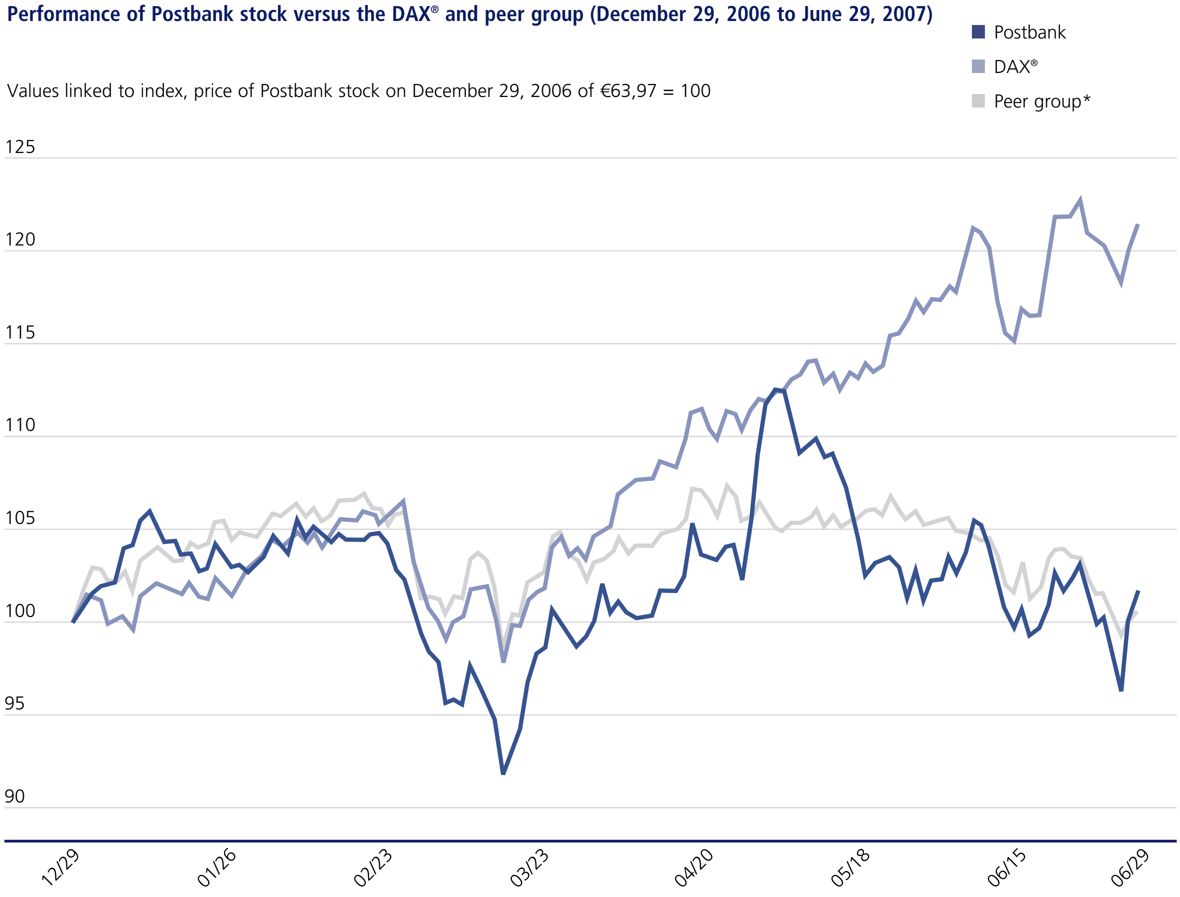
Shareholders and Stock: Postbank Shares Hold Firm in Difficult Industry Environment

Postbank shares remained stable in the first six months of the year despite the widespread uncertainty in the financial sector. Financial stocks underperformed, with the entire European EURO STOXX® Bank Index coming under substantial pressure at times and trailing the overall market (EURO STOXX® 600) by around 6 percentage points, for example. Rising capital market rates caused nervousness, leading some analysts to cut their recommendations for the banking sector as a whole. In addition, the crisis on the US real estate market led to restraint among investors in European financial stocks on account of the risks this may pose for European banks.

The increase in Postbank's shares put the company in the midfield of all European bank stocks. Nevertheless, speculation about takeovers at European banks lifted the price of Postbank shares again at the end of April to a new annual high of €74.72, enabling us to somewhat outperform our peer group of nine leading European retail banks in the first half of the year. This result does not reflect the unchanged high dividend of €1.25 per share.

Performance of Postbank stock versus the DAX® and peer group (December 29, 2006 to June 29, 2007)

Values linked to index, price of Postbank stock on December 29, 2006 of €63,97 = 100



*Banco Popular, Banco Popolare di Verona e Novara, Swedbank, Svenska Handelsbanken, Alliance & Leicester, Banco Espirito Santo, Erste Bank, Unicredito, Royal Bank of Scotland

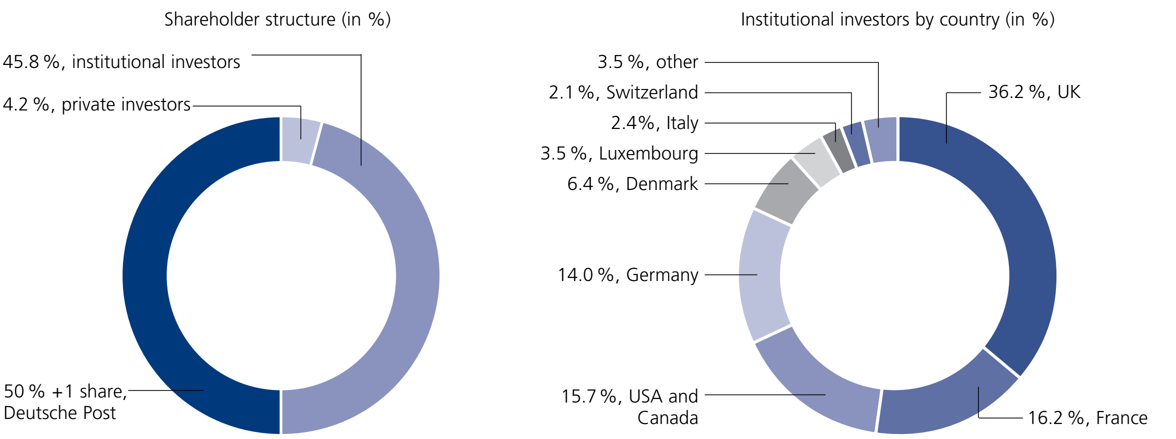
Resounding endorsement by the Annual General Meeting

99.99 % of the shareholders who attended the Annual General Meeting in Cologne on May 10, 2007 voted in favor of the dividend proposed. The shareholders present also approved all of the other items on the agenda by a large majority – with over 71 % of the Bank's capital represented this is clear affirmation of our growth-oriented business policy.

Our stock data		H1/2007	H1/2006
Closing price	€	65.07	56.26
High	€	74.72	64.89
Low	€	60.65	48.21
H1 earnings per share	€	1.80	1.68
Number of shares	millions	164.0	164.0
Market capitalization in H1	€m	10,671	9,227
Beta factor (relative to the DAX®)		0.92	0.99
Equity	€m	5,120	5,207
Return on equity before taxes		17.5 %	17.1 %
Total cost/income ratio		68.7 %	70.1 %
Cost/income ratio in traditional banking business		66.6 %	68.5 %

Our strategic focus is meeting with more and more approval internationally and among institutional investors. The proportion of foreign shareholders has risen further since our last survey. Institutional investors now account for over 45 % of the share capital. The proportion of retail investors continued to decrease, and is now less than 5 %. Added to this is the interest held by Deutsche Post, which with 50 % plus one share still holds a majority stake in Postbank.

Shareholder structure of Deutsche Postbank AG as of June 30, 2007



More investor relations information can be found on our re-designed Web pages at www.postbank.com/ir, where you can also ask questions and order copies of our financial reports.

Developments in H1/2007: Growth Continues Despite Ongoing Intensive Competition

- Mortgage lending significantly up on prior-year quarter
- Growth in new customers continues at high level
- Retirement provision expands

Branches: Sale of retirement provision products a success

After our branch business focused on sales of savings products in Q1/2007, sales of retirement provision products, which involve substantial advisory services, developed very positively in the second quarter. Our training initiatives in these complex product areas are paying off: Sales of our retirement provision account performed excellently, reaching an estimate premiums sum of €423 million or 25,052 new accounts in the first half of 2007. This represents the best result since the product was launched. Products such as the Riester pension and the PB Sofort Rente were also very popular, generating new business of €104 million and €29 million respectively.

In spite of intensive competition, sales in the checking account business in the second quarter of this year were stable year-on-year, with 65,300 accounts. As a result, total new accounts in the first six months rose to 143,100, 1.0 % more than in the same period of the previous year.

In our branch business, we are continuing our successful cooperation with Deutsche Post AG. We offer basic banking services, such as checking and savings accounts, in over 5,000 branches. The Deutsche Post retail outlets have made a significant contribution to our sales success in the area of savings in particular. The savings volume generated via this sales channel rose by €93.8 million to €673 million. Moreover, the sale of postal services in our 850 branches continues to contribute substantially to our net fee and commission income; in the first half of 2007 alone, it generated €216 million. Offering these services is also highly important because this attracts over 1 million people to our 850 branches every day. Since only just under 20 % of these are currently bank customers, this translates into an enormous business development potential for Postbank.

Postbank ranks highly in Focus Money’s test of banks

On behalf of the financial publication “Focus Money”, the Deutsches Institut für Service-Qualität (German Institute for Service Quality) conducted the first test of the service quality offered by branch banks in seven major cities in Germany. Postbank ranked among the top three in all cities and placed first in Berlin. This confirms our claim that we provide customers with a high-quality, attractively priced all-round offering, and that we aim for long-term customer relationships.

Mobile Sales on growth path

The number of investment advisers who provide support for our most sophisticated customers increased again in the first half of 2007, from 450 at the end of 2006 to 484 as of June 30, 2007. The assignment of investment advisers to our SELECT customers, i.e. those who already use an above-average number of Postbank products and thus generate high added value for the Bank, is also proceeding extremely successfully. Additional business was generated with numerous customers in just a few months, allowing this area of Mobile Sales to increase its commission income by 41.0 % year-on-year, to €30.7 million.

The training campaign for finance managers is continuing and is already leading to initial encouraging successes. For example, our new mortgage lending business for the BHW brand (mobile sales) expanded by 13.0 %, compared to the first half of 2006, to €1.7 billion. Equally, the sale of just under 21,000 checking accounts and an increase in new life insurance business of almost 4 % in the first half of the year demonstrate the positive development of the mobile sales channel.

After an interim delay, we are making good progress with the development of our customer relationship management platform and of consulting software for Mobile Sales. Currently, intensive preparations are underway for the roll-out of these important sales support tools. We continue to expect that this process will be completed by the end of 2007. Equipped with significantly improved information about their customers, our advisers will then be able to tailor their advice and sales even better than before.

Growth in new customers continues at high level

In the first half of 2007, we convinced a total of 447,000 new customers of the benefits of banking with Postbank. This figure declined by a slight 4 % year-on-year and is therefore almost unchanged from the high level reached in the previous year. It underlines Postbank's ability to maintain its position despite fierce competition by offering attractive products and ensuring a strong sales focus.

Stable number of new checking accounts

In the first half of the year, a number of competitors made free checking accounts the focus of Germany-wide marketing campaigns. In spite of this, Postbank succeeded in slightly increasing sales of private checking accounts in the first half of 2007 to 220,000 (H1/2006: 219,000). We even recorded an increase of 6,000 accounts to a total of 104,000 in the second quarter. As already described, this sales success is attributable to our branches and Mobile Sales in equal measure. Bundling products also had a positive effect on sales figures. For example, Mobile Sales now always offer customers a checking account when they take out mortgage loans. On July 20, we introduced "Portmoney", a starter pack for people just starting out in their careers. Along with a free checking account, it includes a number of state-subsidized products and an offer for a T-Mobile cell phone with a flat rate at highly attractive terms and conditions. In addition, we are currently testing alternative ways of increasing product sales under the slogan of "Postbank 1-2-3" together with selected Deutsche Post AG agency partners. We will use innovative campaigns such as these to extend our market leadership in the area of checking accounts with new customers.

Savings volume still up year-on-year

According to statistics published by the Bundesbank, the volume of savings deposits in Germany declined by 2.8 % to €578.5 billion in the first quarter as against the end of 2006, a trend that we believe continued in the second quarter. Savings deposits will continue to be switched to other investment types, such as call and term money in particular.

However, in the first six months of 2007, Postbank was able to increase its total savings volume, including mortgage savings and call money deposit accounts, by 2.2 % or €1.3 billion to €60.1 billion as against the end of 2006. After the special campaign to attract new savings finished at the end of the first quarter, inflows of funds declined as expected in Q2/2007. Nevertheless, the volume of traditional savings deposits was €43.3 billion, still €1.2 billion up on the figure of year-end 2006. The Postbank call money deposit account, which is included in this volume, stood at €1,189 million as of June 30, 2007, up 42% from the end of 2006.

Securities portfolio grows

New business in the area of retail funds, certificates and pension provisions amounted to €1.5 billion, 2.3 % more than in the previous year. The assets managed in our customer securities accounts even increased by an encouraging 8.6 % to €11.4 billion as against the end of 2006. Between the beginning of June and the end of July, we are selling the Postbank Strategie-Sieger certificate, which pays a bonus for the best increase in value among three investment strategies. Due to the very strong demand, we are considering issuing a second tranche in the near future. As of June 30, 2007, subscriptions in the amount of €105 million had been received.

Strong growth in new business with continued pressure on margins

According to statistics published by the Bundesbank, the volume of new residential construction loans granted in the first five months of 2007 was still substantially lower than that of the previous year. This development can primarily be attributed to the pull-forward effect in connection with the abolition of the home owners' allowance (Eigenheimzulage).

Moreover, Bundesbank statistics indicated that total residential construction loans to private households were 0.3 % lower than at the end of the previous year.

Both Postbank sales channels however produced extremely encouraging sales figures in the second quarter, with new business significantly ahead of the previous year. Sales by the DSL brand, our third-party sales organization, increased by 18.2 % year-on-year to a total of €1.2 billion. New business by the BHW brand grew 16.5% to €1.5 billion year-on-year. In total, our volume of new business amounted to €2.7 billion in the second quarter of 2007, 17.4 % more than in the same period of 2006. However, our new business in the first quarter of 2006 was significantly oversubscribed as a result of the one-time factors relating to the abolition of the home owners' allowance. For this reason, at €5.8 billion, our new business in the first six months of 2007 was around 8.3% down on the previous year's figure.

The private mortgage lending volume, including the portfolio purchases of €2.6 billion in Q1/2007, stood at €66.7 billion, 7.1 % or €4.4 billion above the volume as of December 31, 2006. We have thus succeeded in increasing our market share by around 0.6 % to approximately 8.4 % in only six months (market data available as of March 31, 2007).

Due to the continuing intense competition, however, the new business margin is still slightly below the average for 2006.

Collective quality in home savings business improves

The home savings market declined substantially in the first half of the year, with total home savings applied for falling by 9.1 % as against the first half of 2006. Factors contributing to this negative development included the decline in mortgage lending and baseline effects resulting from adjustments to home savings tariffs in the prior-year period. BHW substantially outperformed the market, generating home savings sales of €5.6 billion (–4.3 % as against the first half of 2006) and lifting its market share from 10.7 % to 11.3 %. This result confirms that our Dispo maXX tariff, which we modified in the previous year, is attracting a good response from our customers.

It is particularly encouraging that the measures to improve the collective quality that were launched in the middle of last year are making an impact. Thus the ratio of customers not taking out mortgage loans is continuing to decline. This has positive consequences for the earnings situation in the home savings business because of lower charges for payments of bonus interest. At the same time, the proportion of customers switching from legacy tariffs offering high bonus interest to the new Dispo maXX has increased substantially.

Strong branch sales of private loans

New private loans business in our branches again performed extremely positively, amounting to around €180 million in the first half of the year, an increase of 13.5% as against the previous year. The Internet sales channel important for private loans has faced increasingly fierce competition. However, we have continued with our consistent risk-adjusted pricing policy and were thus able to avoid margin losses. Overall, with €596 million (–2.3 %) in new business, we were able to practically maintain the good prior year level. Despite the negative market trends indicated by Bundesbank statistics – in which volumes decreased by 0.6 % to €129.8 billion in the first three months – we succeeded in increasing our installment loan volume by 8.3 %, compared with the year-end figure, to €2.6 billion.

Corporate Banking introduces development loan

On June 29, 2007, we made a significant addition to our product range for small and medium-sized enterprises: In addition to overdrafts, investment loans and money market loans, we now offer this customer group development loans from KfW Bankengruppe. Furthermore, clients can choose from a range of investment products, interest rate hedges and real estate solutions. We continue to expand our sales team in this area.

The positive risk situation reported in Q1/2007 has not changed.

The Corporate Banking loan portfolio was €1.3 billion higher than at the end of 2006, reaching €14.9 billion as of June 30, 2007.

Successful integration of HVB into Transaction Banking continues

As part of the integration of HypoVereinsbank's (HVB) payment transactions as of January 1, 2007, we acquired its subsidiary HVB Payments & Services GmbH (PAS). The successful integration of PAS's payment processing activities into Postbank's Transaction Banking is continuing. Two of the three scheduled location closures were implemented in the second quarter of 2007. The associated restructuring measures are progressing as planned.

We have expanded our quality management by obtaining certification for further client processes. The quality of our payment processing activities remains high.

In the second quarter we processed 1.9 billion transactions. The total of 3.7 billion transactions in the first half year is 19 % up on the figure for the previous year. This is due in particular to the integration of HypoVereinsbank's transaction business.

In parallel to this, we transformed Betriebs-Center für Banken GmbH & Co. KG (BCB KG) into an Aktiengesellschaft (German stock corporation) in order to strengthen our market presence; the company now trades under the name of Betriebs-Center für Banken AG (BCB AG).

Successful issue by Financial Markets

The Financial Markets division very successfully placed a Tier 1 bond for Postbank in the period under review. Demand for the issue was extremely high, allowing for an excellent interest spread compared with other issuers. The bond has a nominal volume of €500 million and will serve to further strengthen our equity base.

In addition, we are currently creating the preconditions for issuing covered bonds and public-sector mortgage bonds in order to refinance our private mortgage lending business efficiently and cost-effectively. Given the continued dynamic growth of credit volumes, these instruments will play a major role in Postbank's future refinancing strategy.

Our investments in Financial Engineering are also continuing to bear fruit. Especially worthy of note is the new Postbank Strategie-Sieger certificate which offers customers the opportunity to participate in the respective best fund strategy with full guaranteeing of the capital invested and a minimum ten percent bonus distribution at the end of the term of maturity.

Interim Management Report

Business Environment

Significant events at Postbank in the first half of 2007

We assumed responsibility for the payment transaction unit of HypoVereinsbank (HVB) on January 1, 2007.

The Annual General Meeting of Deutsche Postbank AG was held in Cologne on May 10, 2007. The shareholders approved all items on the agenda with a majority of over 97 % in each case. A dividend of €1.25 per share for fiscal year 2006 was paid out on the following day.

After more than eight years of successfully heading Deutsche Postbank AG, Wulf von Schimmelmann stepped down as Chairman of the Management Board at his own request on June 30, 2007. He was succeeded in this office by Wolfgang Klein on July 1, 2007.

The Supervisory Board appointed two new Management Board members as of July 1, 2007, as well: Michael Meyer is in charge of Product Marketing, and Guido Lohmann is responsible for the Bank's Mobile Sales. Previously, Wolfgang Klein headed both units.

Macroeconomic environment

The economies of the major currency areas were in different states at the beginning of the year. In the United States, GDP growth fell to 0.2 % in real terms in Q1/2007 compared with the previous quarter, the lowest rate of growth in four years. A sharp decline in investments in residential construction and clearly negative net exports were the main dampening factors, while consumer spending continued to make a substantial contribution to growth. However, important economic indicators such as the Purchasing Managers' Index are pointing toward a strengthening of the US economy in Q2/2007. There is again no sign of any slowdown in the Asian economies, and Japan in particular enjoyed a further relatively high quarter-on-quarter growth rate of 0.8 % in Q1/2007. As expected, economic growth slowed slightly in the euro zone and in Germany at the beginning of the year, although at +0.6 % and +0.5 % respectively, quarter-on-quarter real growth remained relatively robust. This has confirmed our expectation that, although the increase in Germany's value added tax rate would dampen the economy slightly, it would not have a lasting negative impact on the economic upturn. Current economic data such as the ifo Business Climate Index are maintaining their high levels and point to sustained rapid expansion of the German economy. Overall, developments in the macroeconomic environment in the year to date have largely met the expectations we outlined in our last report.

In an environment characterized by a weaker economy and latent inflationary risks, the Fed again left its key interest rate unchanged at 5.25 % in Q2. At the beginning of June 2007, the European Central Bank (ECB) raised its key interest rate by another 0.25 percentage points to 4 %. This means that the key interest rates in the United States and the euro zone developed in line with our forecasts in Q2/2007. Driven by positive economic data and growing concerns over inflation, the yield on 10-year bunds rose by 0.5 percentage points in Q2 to 4.57 %, the highest figure in almost 5 years. This meant that long-term capital market yields increased slightly faster than we had anticipated.

Net Assets, Financial Position and Results of Operations

Income statement

Competition in the German private customer business did not become any less heated in Q2/2007. However, Postbank again succeeded in expanding its new business in important product categories. Despite financial burdens such as integration costs for BHW and the effects of the VAT increase, pre-tax profit in the first half of 2007 rose by an encouraging 6.8% to €456 million.

In order to enhance comparability with the prior-year period, we have restated the 2006 figures for two items (see also Note 4):

- The net gain or loss from application of the fair value option has been allocated to net trading income rather than net interest income.
- The unwinding and discounting effects reported gross for the first time in Q4/2006 have been allocated to the previous quarters; net interest income and the allowance for losses on loans and advances have been restated accordingly.

The following comments refer to the adjusted figures and – if not otherwise stated – are compared to the first half of 2006.

We increased the return on equity before taxes from 17.1 % to 17.5 %. Continued strict cost control helped improve the cost/income ratio for the bank as a whole from 70.1 % to 68.7 %; in our traditional banking business, i.e. excluding Transaction Banking, it fell from 68.5 % to 66.6 %.

Total income rose by 2.6 % year-on-year, to €2,071 million. Balance sheet-related revenues, comprising net interest income, net trading income and net income from investment securities, rose by a faster 4.6 % to €1,375 million. Net interest income of €1,098 million was 4.7 % higher than in the previous year, despite the continuing flat yield curve. In the area of the interest paid on customer savings deposits, we responded to the sharp increase in current interest rates and continued our policy of passing the slight increase in average interest of our replication portfolio on to our customers in the form of attractive terms for selected products. Depending on further developments in interest rates and the competitive environment, we expect a slow-down in the rate of increase of the average interest on savings deposits in the second half of the year.

Market developments, in particular the increased interest level, also had an impact on the development of net trading income and net income from investment securities. The two items totaled €277 million, 4.1 % up on the previous year. Net trading income rose by an encouraging €31 million year-on-year to total €169 million in the first six months of 2007, mainly influenced by net gains in derivatives within the framework of asset/liability management. Despite the difficult conditions for generating income from interest-bearing items, we achieved net income from investment securities of €108 million thanks to an intelligent asset mix. The figure for the same period of the previous year was €128 million.

Net fee and commission income declined slightly by 1.0 % in the first half of 2007 to €696 million, as against €703 million in the first half of 2006. As expected, growth was held back in particular by a €19 million decline in the sale of postal services and third-party transactions at our branches.

In contrast, growth was encouraged by higher earnings from fees and commissions from Transaction Banking, which were €20 million higher than in the previous year.

The allowance for losses on loans and advances in Q2/2007 was at the same level as the previous year with €86 million. As a result, the total allowance for losses on loans and advances rose by only 2.3 % to €176 million in the first half of 2007. The increase was thus again significantly below the growth of customer credit volume, which rose by 14.2 % to €85.3 billion.

Administrative expenses also remained almost unchanged from the same period in the previous year with €1,422 million (€+7 million). This success is all the more notable as this item includes the costs arising from HypoVereinsbank's payment transaction activities that were acquired at the beginning of 2007 as well as non-recurring expenses such as costs arising from the integration of BHW or the expenses relating to the VAT increase. The nevertheless stable trend in our administrative expenses reflects our efforts to increasingly expand and optimize our active cost management.

Net other income and expenses amounted to €–17 million, following €–4 million in the previous year.

Given a tax rate of around 35 %, the consolidated net profit amounts to €295 million, up 7.3 % or €20 million year-on-year. Earnings per share therefore rose by €0.12, from €1.68 to €1.80.

Segment Reporting

Retail Banking

Profit before tax in the Retail Banking segment improved by 2.1 % year-on-year to €447 million in the first half of 2007. Net interest income rose by 3.7 % to €1,190 million compared with the first half of 2006. Net fee and commission income fell by 7.0 % year-on-year to €481 million, however. As expected, the non-banking business in the branches declined by €19 million, but was compensated for by good cost management. In addition, fees and commissions from the insurance and brokerage business were some €7 million below the comparable figure for the prior year. As reported in the first quarter, there was significant upward distortion in the insurance business in early 2006 due to extraordinary factors. In the remaining months of the current fiscal year, we will focus more strongly on the sale of products which bring in fees and commissions, meaning that a noticeable improvement in net fee and commission income is to be expected in the core banking business. The focus of sales in the first half of 2007 – especially in the branches – was on savings products and our retirement provision account. Total income thus declined slightly by 0.8 % to €1,691 million.

Administrative expenses increased by only €7 million to €1,094 million. At €145 million, the allowance for losses on loans and advances was just €4 million higher than the prior-year figure, despite the significant growth in the customer loan business.

The cost/income ratio increased slightly from 63.8 % in the first half of 2006 to 64.7 % in the same period in 2007. The return on equity before taxes remained almost unchanged at 30.7 % (30.8 % in the previous year).

Corporate Banking

The pre-tax profit in the Corporate Banking segment increased by an encouraging 13.6 % year-on-year to €92 million. This is attributable in particular to the 11.1 % increase in net interest income to €140 million. Total income rose by 8.2 % to €199 million while administrative expenses increased by only €3 million to €88 million. The cost/income ratio thus once again improved from 46.2 % to 44.2 %. The return on equity before taxes rose from 45.3 % to a record 50.6 %.

Transaction Banking

HVB Payments & Services GmbH (PAS GmbH) was consolidated in the Transaction Banking segment for the first time as of January 1, 2007. In addition, the internal transfer pricing of Transaction Banking services was switched to market prices. Profit before tax for this segment rose by €6 million in H1 to €18 million. During the same period, total income improved by €47 million to €181 million. Administrative expenses grew by €38 million to €163 million, among other things as a result of the inclusion of the HVB unit. In total, the cost/income ratio improved from 93.3 % to 90.1 %.

Financial Markets

Profit before tax in the Financial Markets segment grew significantly by 35.5 % in H1/2007 to €84 million. Total income increased by 20.2 % to €119 million, due mainly to increased contributions from the trading activities of the Financial Markets segment, which rose by €18 million to €34 million. Net interest income grew by €3 million to €46 million. With administrative expenses increasing only slightly by €2 million to €41 million, the cost/income ratio improved substantially from 39.4 % to 34.5 %, while the return on equity before taxes climbed from 22.2 % to 29.4 %.

Others

The loss before tax in the Others segment fell in H1/2007 by €19 million to €–185 million. As compared to the same period in the previous year, balance sheet-related revenues improved slightly by €1 million to €–67 million. Net fee and commission income, however, was down €16 million on the comparable figure for the prior-year period with €–52 million. This is primarily attributable to higher consolidation adjustments due to the change in the transfer pricing methodology in Transaction Banking. Administrative expenses, on the other hand, improved for reasons including the one mentioned above by €43 million to just €–36 million while net other income and expenses declined by approximately €42 million to €–11 million.

Total assets

Total assets rose slightly from €184.9 billion at the end of 2006 to €189.8 billion as of June 30, 2007. We were also able to make further structural improvements to the balance sheet, particularly on the asset side.

The companies BHW Lebensversicherung AG and its special funds – PB Lebensversicherung AG, PB Versicherung AG and BHW Bank AG – are classified according to IFRS 5 ("Non-current assets held for sale and discontinued operations"). Accordingly, the assets and liabilities allocated to these companies are reported separately (see also Notes 22 and 30). On the asset side of the balance sheet, loans and advances to customers totaling some €1.6 billion, investment securities with a volume of some €1.3 billion and other items were thus reclassified. On the liabilities side, amounts due to customers of approx. €1.5 billion, provisions of some €1.8 billion and other items were allocated to the above-mentioned companies.

Loans and advances to customers increased by €1.8 billion to €89.0 billion. Loans and advances to other banks fell sharply, however, declining €3.8 billion to €12.5 billion. We also reduced our investment securities by 5.2% as against December 31, 2006, to €60.0 billion. By contrast, trading assets as of June 30, 2007 were €18.4 billion, an increase of €5.1 billion.

The liability structure also improved further. Amounts due to customers grew in particular, by €4.7 billion to €106.0 billion. By contrast, money and capital market liabilities decreased by €2.3 billion to €64.5 billion. This figure includes securitized liabilities, some of which are relatively high-interest old issues, which we reduced as planned by a further €3.6 billion to €12.3 billion.

At €5,120 million, equity was down slightly on the 2006 year-end closing figure of €5,207 million. The primary reason for this decline was the dividend payment of €205 million following the Annual General Meeting in May. The revaluation reserve fell from €6 million at the end of 2006, or €–91 million at the end of Q1/2007, to €–164 million as of June 30, 2007. This development is attributable to interest-bearing items in our investment portfolio, the present value of which fell due to the increase in interest rates. This is offset by increases in the present value of our liability items, such as demand deposits and savings deposits, which do not have a positive effect on the revaluation reserve due to IFRS measurement requirements.

The Tier 1 ratio in accordance with Basel II was 6.5 % as of June 30, 2007. Without taking into consideration the initial restrictions on the maximum capital reductions applicable to risk-weighted assets, the Tier 1 ratio was 6.8 %. The ratio as calculated in accordance with the Basel Capital Accord (BIS) as of December 31, 2006 was 5.5 %. Postbank benefits from the lower weighting applicable to low-risk private mortgage lending under the new regulatory requirements.

Risk Report

Organization of risk management

The Postbank Group's risk management system aims to accept normal banking risks in the course of overall bank management within a strictly defined framework following precise classification and measurement, while at the same time maximizing the potential return arising from them.

For a detailed description of our risk management organization, see the relevant section in the 2006 Annual Report.

The organizational framework and the reporting structure of risk management have not changed in principle since the last management report. For the second half of 2007, new reports relating to the measurement and management of liquidity risk at Group level have been introduced as planned, and will be successively expanded going forward. No further significant modifications to the Postbank Group's risk management system are planned for fisal year 2007. Nevertheless, the methods, systems and processes discussed here and in the 2006 Annual Report are subject to continuous review and enhancement in order to meet business and regulatory requirements.

Risk types

The Postbank Group distinguishes between the following risk types:

- Market price risk
  Potential losses from financial transactions that may be triggered by changes in interest rates, spreads, volatility, foreign exchange rates and equity prices.
- Credit risk
  Potential losses that may be caused by changes in the creditworthiness of, or default by, a counterparty (for example as a result of insolvency).
- Liquidity risk
  Default risk – the risk of being unable to meet current or future payment obligations, either in the full amount due, or as they fall due.
  Liquidity maturity transformation (LMT) risk describes the risk of a loss occurring due to a change in our own refinancing curve (spread risk) resulting from an imbalance in the liquidity maturity structure within a given period for a certain confidence level.
- Operational risk
  The risk of loss resulting from inadequate or failed processes and systems, people or external events. This also includes legal risk.
- Real estate risk
  The risk of loss of rental income, write-downs to the going concern value, losses on sale and the reduction of hidden reserves relating to real estate portfolios.
- 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 market price risk.
- Collective risk
  A specific business risk in the home savings business, 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 loss 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 sensitivity (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 2006 Annual Report, there have been no significant changes in the estimation of the other types of risk (operational risk, real estate and investment risk, collective risk and business risk); these are not managed through the use of operational limits, but rather the risk capital attributed to them is deducted from the risk cover amount.

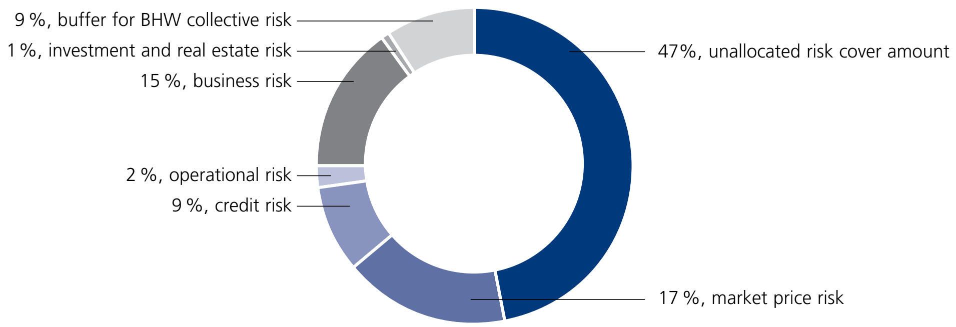
Risk capital and risk limiting

The Bank's risk-bearing capacity is assessed from the perspective of investor protection and forms the foundation for the system used to limit the Postbank Group's material risks.

The following chart shows the percentage allocation of the Postbank Group's risk cover amount by risk category in Q2 2007 after factoring in correlation effects and the unallocated risk cover amount (calculated as of March 31, 2007).

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.

Percentage allocation of the Postbank Group's risk cover amount by risk category



The allocation of risk capital across the individual risk types has remained virtually unchanged compared with the previous quarter.

Market price risk for both the core business and for own-account transactions is managed by allocating portfolio limits. For credit risk, emphasis is placed on managing individual risks, taking into account the target portfolio.

Risks are only assumed within limits that are in line with the Bank's risk-bearing capacity in order to generate yields, by taking risk/return aspects into account. As of June 30, 2007, risk capital utilization was 32 % for market price risk and 49 % for credit risk.

On the basis of the current information available, no significant changes in the risk limitation strategy in the following months of the fiscal year are evident.

Market price risk

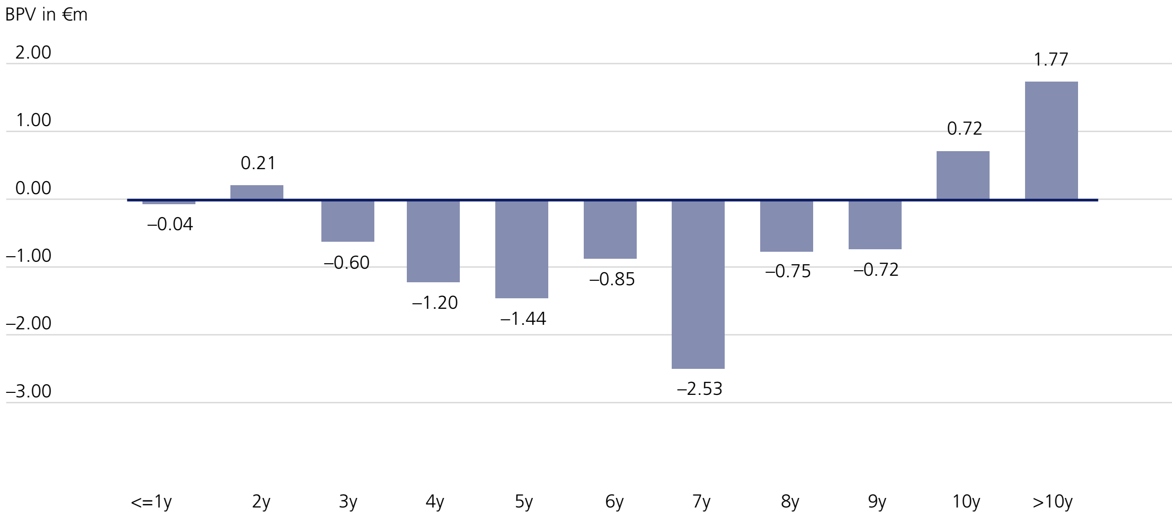
Market price risk management

Postbank makes use of a combination of risk, earnings and other parameters to manage its market price risk. Changes in the value of market price risk are derived from daily marking to market, independently of their measurement for financial accounting purposes. The management of market price risk positions from an earnings perspective focuses both on specific periods and on the present value. All market price risk is measured on a value at risk basis. Sensitivity indicators and gap structures are included as further management parameters. In addition, market price 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.

As a significant component of market price risk, interest rate risk is the term used to denote the changes in the fair value of interest-bearing financial instruments resulting from a change in market rates of interest. Interest rate risks arise where there are differences in the amounts and interest rates of the interest-bearing assets and liabilities for individual maturity buckets. In addition to standard models of quantify-ing interest rate risk, Postbank also employs internally developed statistical models. Deposit transactions bearing variable rates of interest and the home savings collective are of particular significance to the Postbank Group in this context. Special modeling rules and deposit base definitions form the basis for a modern risk management concept.

The following chart presents the Postbank Group's open interest rate positions in the form of a bpv (basis point value) 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) at June 30, 2007



The chart shows that the surplus of assets at June 30, 2007 is primarily concentrated around the medium maturity range (4 to 7 years). The surplus of liabilities in the "more than 10 years" bucket is largely attributable to the long-term positions in BHW Bausparkasse's home savings collective.

Monitoring market price risk

In the Postbank Group, market price risk is monitored using a system of risk limits based on the value at risk methodology. 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. Risk measurement and monitoring are end-of-day for the whole bank; additional intra-day monitoring is carried out for the trading portfolios.

For a detailed description of the methods used to compute VaR, see the section entitled "Monitoring and managing market price risk" in the Risk Report in the 2006 Annual Report.

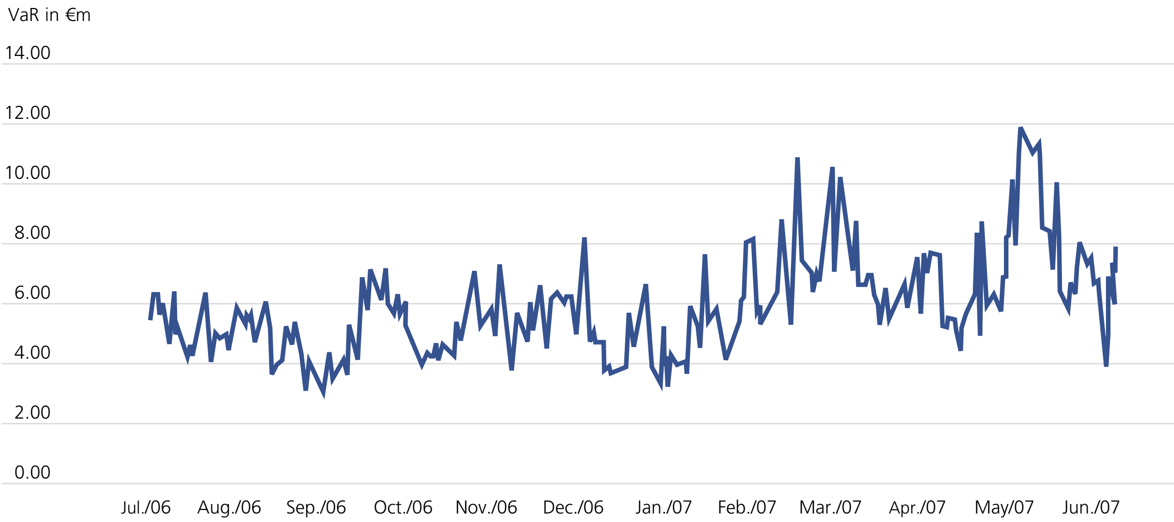
Risk indicators

The following values at risk were calculated for Postbank's trading portfolios for the first two quarters of fiscal year 2007:

Value at risk, trading book	Q2/2007 €m	Q1/2007 €m
VaR at end of quarter	7.71	5.93
Minimum VaR	3.54	3.03
Maximum VaR	11.97	10.94
Average VaR	6.94	6.28

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

Values at risk for the period July 1, 2006 to June 30, 2007



Compared with the 2006 Group Management Report, the values at risk in the trading portfolio have increased in the short term, particularly in the equities area, but remained within the approved risk capital. VaR returned to the average level by June 30, 2007. The VaR limit defined for market risk was not exceeded during the reporting period.

The value at risk for the banking book (99 %, 10 days) amounted to €142 million as of June 30, 2007 (€ 156 million as of December 31, 2006). The calculation incorporates all risk-bearing holdings in the banking book, including modeled variable-interest customer transactions.

Credit risk

Credit risk is the risk of potential loss that may be caused by changes in the creditworthiness of, or a default by, a counterparty.

Monitoring and managing credit risk

Since Q1/2007, Postbank has also reported the maximum credit risk exposure in accordance with IFRS 7.36 (a). 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 loan commitments or other off-balance sheet items correspond to all externally approved lines. This representation contains no information on ratings or collateral as shown for the economic risk quantification in a subsequent section.

The maximum credit risk to which the Postbank Group is exposed in accordance with IFRS 7.36 (a) was as follows on June 30, 2007:

Maximum credit risk as of June 30, 2007 as compared with December 31, 2006

Classes of risk-bearing financial instruments	Maximum counterparty risk exposure June 30, 2007 €m	Dec.31, 2006 €m
Trading assets	**18,526**	**13,280**
Held for trading	18,526	13,280
Hedging derivatives	**732**	**485**
Held for trading	732	485
Loans to other banks	**13,346**	**16,350**
Loans and receivables	13,346	16,350
Loans to customers	**90,607**	**87,182**
Loans and receivables	83,657	80,483
Designated at fair value	6,451	6,181
Held to maturity	499	518
Investment securities	**61,318**	**63,299**
Loans and receivables	20,188	19,031
Available for sale	38,000	39,312
Held to maturity	3,130	4,956
Contingent liabilities from guarantees	**1,199**	**1,974**
Other liabilities (irrevocable loan commitments)	**24,021**	**21,369**
Total	**209,749**	**203,939**

The monitoring of credit risk at the level of the individual borrower and commitment is discussed in detail in the credit risk-related section of the Risk Report entitled "Risk management and risk control" in the 2006 Annual Report.

The economic monitoring of credit risk results from risk measurement and monitoring using scoring and rating models at the individual level and the measurement of credit value at risk (CVaR) at the portfolio level. The credit value at risk is the potential negative change in the present value of the Group loan portfolio that will not be exceeded within a one-year horizon with a 99.93 % probability. In Postbank's Group-wide risk-bearing capacity concept, the credit value at risk, as a measure of the unexpected loss, must be backed by risk capital.

In contrast, the expected loss of a loan portfolio is the average 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 in the 2006 Annual Report.

The following table shows the credit risks for the various profit centers as of June 30, 2007 (calculated on May 31, 2007) as compared to the end of 2006:

Loan portfolio risk indicators as of June 30, 2007 as compared to December 31, 2006

Credit risk in €m	Volume		Expected loss		Credit value at risk*	
	June 2007	2006	June 2007	2006	June 2007	2006
Corporate Banking	18,064	16,975	53	48	170	167
Retail Banking	40,292	35,638	160	134	131	111
Financial Markets	94,418	94,662	105	98	512	496
Others (banks/local authorities)	9,460	13,226	5	7	132	244
BHW	44,362	46,590	89	87	123	117
Total (including portfolio effect)	**206,597**	**207,091**	**412**	**374**	**585**	**544**

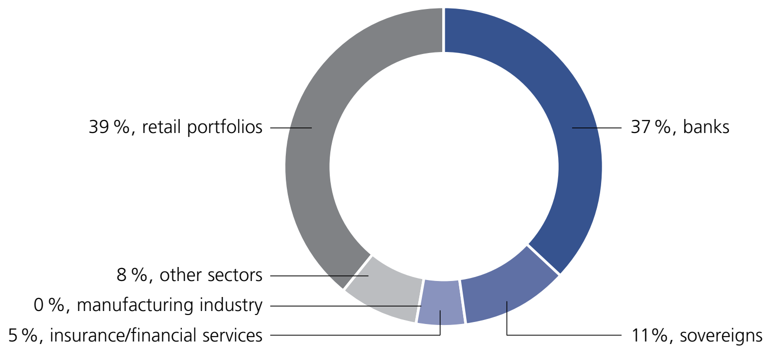
* 99.93 % confidence level

The volume reported in the table for the Group loan portfolio differs from the figure for total assets due to the fact that carrying amounts, fair values, or credit equivalent values are used to fully capture the credit risk, depending on the item.

The portfolio of Group loans to banks and local authorities decreased slightly and the volume of loan exposures to customers increased in the first six months of 2007 compared with the same period of 2006. This has been accompanied by an increase in the expected loss of 10.2 % and in the unexpected loss of 7.7 %. The expected loss is growing at almost exactly the same rate as the increase in the volume of private customer lending. After taking into consideration the planned growth in loan volumes, the expected loss and CVaR are expected to increase correspondingly by the end of the year.

The sector distribution by volume in the credit portfolio has a balanced structure and continues to present a stable picture. There have been no significant shifts in the portfolio's sector distribution since the last reporting date.

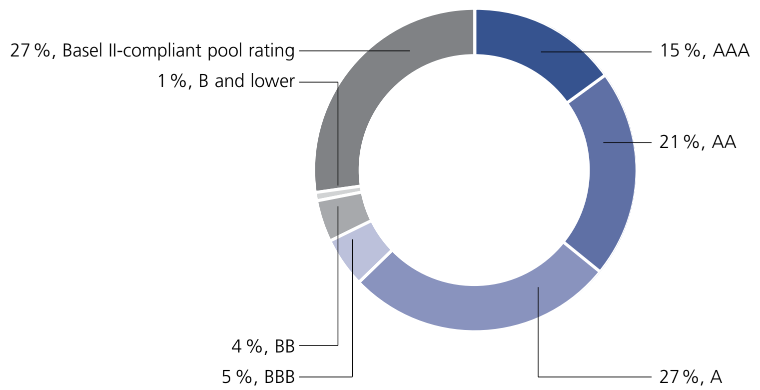
Sector distribution as % of credit volume



Due to the continuous expansion of our private customer business in the second half of the fiscal year, we expect the sector distribution to shift slightly in favor of retail portfolios.

The distribution of rating categories in the Group loan portfolio demonstrates the conservative orientation of the Postbank Group. The following chart shows the rating structure of the loan portfolio. The higher investment quality rating categories predominate. Legacy retail business portfolios (mainly mortgage loans signed before August 2004) and purchased loans are reported in pool ratings. For these, homogeneous pool ratings are established by segment and are measured according to the relevant Basel II parameters. The relative and absolute proportion of portfolios addressed by these pool ratings will gradually decline since each new transaction is rated on an individual basis.

Rating distribution as % of credit volume



Since the 2006 financial statements, no significant changes have arisen in the distribution of rating scores within the portfolio. The current rating distribution for loans to companies, banks and sovereigns is approximately in line with the target rating distribution for Postbank's credit risk strategy. During the second quarter, further internal rating procedures have been tested for IRBA approval by the banking regulator as part of the implementation of the new capital adequacy requirements (Basel II). The risk-weighted assets reported and the equity ratio in this report were calculated based on the new capital requirements in accordance with Basel II and the *Solvabilitätsverordnung* (SolvV – German Solvency Regulation).

Liquidity risk

No material changes to the risk assessment made in the 2006 management report have arisen during the course of the assessment as of the current reporting date. Overall, Postbank has a sound basis here. No deterioration of the liquidity position is expected for the rest of the fiscal year.

In 2007, Postbank continues to apply the liquidity principle (Principle II) under section 11 of the KWG (German Banking Act), which is the regulatory assessment criterion (coverage ratio of available cash to callable payment obligations), in accordance with section 12 of the *Liquiditätsverordnung* (LiqV – German Liquidity Regulation) (transitional regulation). The requirements were complied with at all times.

A separate project has been established to successively develop liquidity risk management with a view to achieving compliance with the Bank for International Settlement's "Sound Practices for Managing Liquidity in Banking Organizations".

Presentation of the 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 risk, which are described 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 the 2007 fiscal year whose assessment has not changed significantly since the end of 2006. According to our current assessment, these risks will not change significantly over the remaining months of fiscal year 2007.

The Bank will continue to place its strategic focus on its core business areas. 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 developments are known to the Bank that could lead to a shift in strategy in the remaining months of fiscal year 2007.

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 economic outlook for the rest of the year remains positive. In the United States GDP growth will continue to be influenced by the weak residential property market, which we closely monitor, as well as by the stable consumer spending we expect and and a renewed increase in corporate investment. Because of the poor first quarter, however, we have revised downward our forecast for GDP growth in the United States in 2007, from 2.5 % in the last report to 2.2 %. The upturn in the euro zone is expected to continue unabated. Growth will be driven by both domestic and foreign demand. For this reason we expect economic output to increase at a rate of 2.6 %, almost as much as in the previous year. In Germany, conditions are also right for continued strong economic growth. We expect GDP to grow by 2.5 % in 2007 as a whole. Consumer spending in particular should accelerate in response to the sustained improvement in the labor market and stronger increases in disposable income. We have not revised our expectations regarding macroeconomic developments in the euro zone or in Germany as against our last report.

In view of the extremely robust economic growth and a continued high risk of inflation, we expect to see a further rise in the euro zone's key interest rates to 4.25 % in the second half of the year. This represents an increase in our forecast of a quarter of a percentage point compared with the last report. For the United States, we expect key interest rates to continue at their current level for the rest of the year. From a fundamental perspective, we regard the increase in long-term capital market yields as exaggerated and expect a moderate downward correction in the 10-year bund yield by the end of the year. The inflation rate will remain moderate, only just exceeding the ECB's upper limit of 2 %, and no signs of the economy overheating can be detected. We are confirming our forecast that the yield curve in the euro zone will remain flat until the end of the year.

Competition

Most of Germany's banks had a good start into the new year. With one exception, the major banks achieved year-on-year reductions in their cost ratios in Q1/2007 and increased their profitability. The positive trend of the past few years has thus continued. This is all the more encouraging given that competition in the sector has intensified again in the current year and is not expected to diminish in the second half, in either the private customer segment or in corporate banking. In the past year, high competitive pressure led to decreasing net interest income at both Sparkassen-Finanzgruppe and Volks- und Raiffeisenbanken. The retail banks' interest income was also burdened by the flat interest-rate structure. We anticipate the yield curve in the euro zone to remain flat in the second half of the year. Because of these constraints, pressure on the banks' interest rate margin should remain high over the coming months. However, we expect the moderate upturn in residential construction and corporate loans that we are forecasting for Germany to support banks' earnings. The pillars of public-sector and cooperative credit institutions saw a few isolated mergers and takeovers in the second quarter that did not, however, lead to any significant change in Germany's competitive environment.

Outlook: Postbank

Competition in the private customer business remains very fierce. Due to its large customer base, its attractive product range and multi-channel sales, Postbank is well positioned for further growth in this market. For this reason, the expectations outlined in the 2006 Annual Report and the interim report as of March 31, 2007 are still generally applicable. In view of the course our business has taken so far, we are able to provide the following, more detailed information on our targets and expectations.

In Retail Banking, we are holding to our goal of winning some 1 million new customers in the current year. We acquired around 447,000 new customers in the first half of the year – another good performance. In the second half of the year, we will again strengthen our activities with broad-based marketing campaigns, like the checking account campaign which started in July. Whether we can fully achieve our goal will, however, also depend on the current fierce competition in the private customer business, which could limit the inflow of new customers.

In our savings business, we are continuing our policy of managing volumes and conditions. We are passing the small increases in average interest in our replication portfolio on to our customers in the form of attractive terms for selected products. Depending on further developments in interest rates and the competitive environment, we expect a slow-down in the rate of increase of the average interest on savings deposits in the second half of the year.

In the private mortgage lending business, we are planning to increase the volume of internally generated mortgage lending by 10 % compared to the end of 2006. We are not including the rate of growth in our purchased mortgage lending portfolio in our forecast, because any inflows depend on the opportunity to acquire portfolios. In addition, durations in the purchased portfolio are shorter because of the age of the loans, which means that outflows are higher than from internally generated mortgage lending.

We anticipate that pressure on margins will continue, especially in mortgage lending. Margins in this product area continue to lag behind the average for the previous year.

In the Corporate Banking business, we will continue to focus more intensively on supporting our existing customer relationships. The foundation for additional cross-selling has been laid by launching new products such as the development loan.

In the Transaction Banking business, we will continue to drive forward the integration of HVB's payment transaction activities, which has gotten off to a good start, and will thus, among other things, lay the foundation for further efficiency increases and for achieving our goal of profit before tax of €50 million by 2010.

We will continue to strictly manage the development of our administrative expenses in the future and will leverage additional efficiency potential. It should be noted that the positive trend is being diluted by non-recurring expenses in the current fiscal year. The nevertheless stable cost trend for the year to date compared with the previous year ensures that increases in income are reflected directly in profit before tax.

Germany's upper and lower houses, the Bundesrat and the Bundestag, have meanwhile resolved a corporate tax reform; the relevant legislation should take effect as of January 1, 2008. This will have a positive impact on Postbank in two ways: Firstly, our deferred tax items will be measured at the new tax rates. Since Postbank's deferred tax liabilities significantly exceed its deferred tax claims, the remeasurement, which is expected to be recognized in Q3/2007, would lead to a positive effect on equity of some €160 million according to projections based on figures as of June 30, 2007. In our previous preliminary estimates, we expected only some €100 million. Secondly, Postbank's anticipated average tax rate will decline, starting in 2008, from the current 35 % to around 30 %, and this will have a positive effect on our profit after tax and hence on earnings per share.

We do not expect any change in the headcount; the number of employees will presumably remain at the previous year's level until the end of 2007. As of June 30, 2007, we employed around 21,920 people.

Our goal for 2008 remains the same, to generate a return on equity of more than 20 % before taxes and to reduce our cost/income ratio in the traditional banking business to below 63 %. We are also holding to our goal of achieving a Tier I ratio of 7.5 % by 2009.

Consolidated Income Statement
for the period January 1 to June 30, 2007

	Note	Jan. 1 – June 30 2007 €m	2006[1] €m
Interest income	(5)	4,068	3,736
Interest expense	(5)	–2,970	–2,687
Net interest income	(5)	1,098	1,049
Allowance for losses on loans and advances	(6)	–176	–172
Net interest income after allowance for losses on loans and advances		922	877
Fee and commission income	(7)	815	807
Fee and commission expense	(7)	–119	–104
Net fee and commission income	(7)	696	703
Net trading income	(8)	169	138
Net income from investment securities	(9)	108	128
Administrative expenses	(10)	–1,422	–1,415
Other income	(11)	53	113
Other expenses	(12)	–70	–117
Profit before tax		456	427
Income tax		–160	–152
Profit from ordinary activities after tax		296	275
Minority interest		–1	0
Consolidated net profit		**295**	**275**

[1] Prior-period figures restated (see notes 3 and 4)

Earnings per share

Earnings per share are calculated by dividing the consolidated net profit by the weighted average number of shares outstanding during the fiscal year. The average number of shares outstanding in fiscal year 2007 was 164,000,000.

Earnings per share were as follows:

	Jan. 1 – June 30	
	2007	2006[1]
Basic earnings per share (€)	1.80	1.68
Diluted earnings per share (€)	1.80	1.68

[1] Prior-period figures restated (see notes 3 and 4)

Consolidated Income Statement: Quarterly Overview

	2007		2006[1]			
	Q2	Q1	Q4	Q3	Q2	Q1
	€m	€m	€m	€m	€m	€m
Interest income	2,081	1,987	1,981	1,933	1,861	1,875
Interest expense	–1,526	–1,444	–1,437	–1,372	–1,328	–1,359
Net interest income	555	543	544	561	533	516
Allowance for losses on loans and advances	–86	–90	–78	–87	–86	–86
Net interest income after allowance for losses on loans and advances	469	453	466	474	447	430
Fee and commission income	396	419	414	402	398	409
Fee and commission expense	–57	–62	–59	–53	–51	–53
Net fee and commission income	339	357	355	349	347	356
Net trading income	108	61	79	47	76	62
Net income from investment securities	38	70	109	55	58	70
Administrative expenses	–707	–715	–702	–695	–700	–715
Other income	29	24	45	47	53	60
Other expenses	–42	–28	–58	–57	–61	–56
Profit before tax	234	222	294	220	220	207
Income tax	–83	–77	–17	–76	–79	–73
Profit from ordinary activities after tax	151	145	277	144	141	134
Minority interest	0	–1	–2	1	1	–1
Consolidated net profit	**151**	**144**	**275**	**145**	**142**	**133**

[1] Prior-period figures restated (see notes 3 and 4)

Consolidated Balance Sheet as of June 30, 2007

Assets	Note	June 30, 2007 €m	Dec. 31, 2006 €m
Cash reserve		1,973	1,015
Loans and advances to other banks	(13)	12,514	16,350
Loans and advances to customers	(14)	89,018	87,182
Allowance for losses on loans and advances	(16)	–1,122	–1,155
Trading assets	(17)	18,411	13,280
Hedging derivatives		732	485
Investment securities	(18)	60,011	63,299
Intangible assets	(19)	2,403	2,505
Property and equipment	(20)	987	1,015
Income tax assets		270	244
Other assets	(21)	643	667
Groups of assets held for sale	(22)	3,974	–
Total assets		**189,814**	**184,887**

Equity and Liabilities	Note	June 30, 2007 €m	Dec. 31, 2006 €m
Deposits from other banks	(23)	45,504	47,319
Due to customers	(24)	106,036	101,316
Securitized liabilities	(25)	12,304	15,886
Trading liabilities	(26)	6,695	3,618
Hedging derivatives		930	958
Provisions	(27)	2,144	3,691
Income tax liabilities		1,083	1,058
Other liabilities	(28)	611	786
Subordinated debt	(29)	5,541	5,048
Groups of liabilities held for sale	(30)	3,846	–
Equity		5,120	5,207
a) Issued capital		410	410
b) Share premium		1,160	1,160
c) Retained earnings		3,253	2,940
d) Consolidated net profit		295	695
Minority interest		2	2
Total equity and liabilities		**189,814**	**184,887**

Statement of Changes in Equity

	Issued capital €m	Share premium €m	Retained earnings €m	Currency translation reserve €m	Revaluation reserve €m	Consoli-dated net profit €m	Equity before minority interest €m	Minority interest €m	Total €m
Balance at Jan. 1, 2006	**410**	**1,160**	**2,764**	**–77**	**311**	**492**	**5,060**	**1**	**5,061**
Dividend payment						–205	–205		–205
Appropriation to retained earnings			287			–287	0		0
Currency translation differences				–20			–20		–20
Changes in unrealized gains and losses, net of deferred taxes					–555		–555		–555
Consolidated net profit Jan. 1 – June 30, 2006						275	275		275
Treasury shares							–		–
Other changes							0	26	26
Balance at June 30, 2006	**410**	**1,160**	**3,051**	**–97**	**–244**	**275**	**4,555**	**27**	**4,582**
For info.: Total of items until June 30, 2006 that change equity in acc. with IAS 1.96 c				–20	–555	275	–300	–	–300
Dividend payment							–		–
Appropriation to retained earnings							–		–
Currency translation differences				–20			–20		–20
Changes in unrealized gains and losses, net of deferred taxes					250		250		250
Consolidated net profit July 1 – Dec. 31, 2006						420	420	1	421
Treasury shares							–		–
Other changes							0	–26	–26
Balance at Dec. 31, 2006	**410**	**1,160**	**3,051**	**–117**	**6**	**695**	**5,205**	**2**	**5,207**
For info.: Total of items between July 1 and Dec. 31, 2006 that change equity in acc. with IAS 1.96 c				–20	250	420	650	1	651
Dividend payment						–205	–205	–	–205
Appropriation to retained earnings			490			–490	0		0
Currency translation differences				–7			–7		–7
Change in unrealized gains and losses, net of deferred taxes					–170		–170		–170
Consolidated net profit Jan. 1 – June 30, 2007						295	295	1	296
Treasury shares							–		–
Other changes							0	–1	–1
Balance at June 30, 2007	**410**	**1,160**	**3,541**	**–124**	**–164**	**295**	**5,118**	**2**	**5,120**
For info.: Total of items until June 30, 2007 that change equity in acc. with IAS 1.96 c				–7	–170	295	118	1	119

Condensed Cash Flow Statement

	Jan. 1 – June 30 2007 €m	2006 €m
Cash and cash equivalents at the start of period	**1,015**	**968**
Changes in basis of consolidation	–	216
Net cash used in operating activities	–1,363	–132
Net cash from/used in investing activities	1,943	–622
Net cash from financing activities	352	538
Effects of exchange rate differences	48	47
Cash and cash equivalents of groups of assets and liabilities held for sale	–22	–
Cash and cash equivalents at June 30	**1,973**	**1,015**

Cash and cash equivalents include cash, balances with central banks, public-sector debt instruments and bills eligible for rediscounting with the central bank.

Cash flow from disposal groups held for sale and liabilities directly associated with disposal groups amounted to €–7million.

(1) Segment reporting

Segment reporting by business division

	Retail Banking		Corporate Banking		Transaction Banking		Financial Markets		Others		Group	
	Jan. 1 – June 30		Jan. 1 – June 30		Jan. 1 – June 30		Jan. 1 – June 30		Jan. 1 – June 30		Jan. 1 – June 30	
	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m
Net interest income	1,190	1,147	140	126	2	2	46	43	–280	–269	1,098	1,049
Net trading income	2	30	5	3	–	–	34	16	128	89	169	138
Net income from investment securities	18	11	3	2	–	–1	2	4	85	112	108	128
Balance sheet-related revenues	**1,210**	**1,188**	**148**	**131**	**2**	**1**	**82**	**63**	**–67**	**–68**	**1,375**	**1,315**
Net fee and commission income	481	517	51	53	179	133	37	36	–52	–36	696	703
Total income	**1,691**	**1,705**	**199**	**184**	**181**	**134**	**119**	**99**	**–119**	**–104**	**2,071**	**2,018**
Administrative expenses	–1,094	–1,087	–88	–85	–163	–125	–41	–39	–36	–79	–1,422	–1,415
Allowance for losses on loans and advances	–145	–141	–18	–19	–	–	6	2	–19	–14	–176	–172
Other income/expense	–5	–39	–1	1	–	3	–	–	–11	31	–17	–4
Profit before tax	**447**	**438**	**92**	**81**	**18**	**12**	**84**	**62**	**–185**	**–166**	**456**	**427**
Cost/income ratio (CIR)	**64.7%**	**63.8%**	**44.2%**	**46.2%**	**90.1%**	**93.3%**	**34.5%**	**39.4%**	**–**	**–**	**68.7%**	**70.1%**
Return on equity before taxes (RoE)	**30.7%**	**30.8%**	**50.6%**	**45.3%**	**–**	**–**	**29.4%**	**22.2%**	**–28.5%**	**–28.3%**	**17.5%**	**17.1%**

	June 30 2007 €m	Dec. 31 2006 €m	June 30 2007 €m	Dec. 31 2006 €m	June 30 2007 €m	Dec. 31 2006 €m	June 30 2007 €m	Dec. 31 2006 €m	June 30 2007 €m	Dec. 31 2006 €m	June 30 2007 €m	Dec. 31 2006 €m
Segment assets	**77,191**	**77,370**	**18,512**	**16,364**	**90**	**82**	**32,189**	**28,209**	**51,972**	**58,086**	**179,954**	**180,111**
Segment liabilities	**93,002**	**93,200**	**17,891**	**17,179**	**–**	**–**	**13,982**	**11,313**	**45,664**	**46,447**	**170,539**	**168,139**

Segment reporting by geographical region

	Assets		Liabilities		Income		Profit before tax	
	June 30 2007 €m	Dec. 31 2006 €m	June 30 2007 €m	Dec. 31 2006 €m	Jan. 1 – June 30 2007 €m	2006 €m	Jan. 1 – June 30 2007 €m	2006 €m
Germany	146,458	145,171	138,733	134,940	1,939	1,907	359	348
Others	33,496	34,940	31,806	33,199	132	111	97	79
Europe	27,525	30,081	26,308	28,765	76	71	62	54
USA	5,526	4,484	5,103	4,116	52	40	34	25
Asia	445	375	395	318	4	–	1	–
Total	**179,954**	**180,111**	**170,539**	**168,139**	**2,071**	**2,018**	**456**	**427**

Segments are allocated by the domicile of the branch or Group company.

Basis of preparation

(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 315 a (1) of the HGB (German Commercial Code), insofar as these were applicable at the balance sheet date. In particular, the interim financial statements also comply with the IAS 34 requirements for interim financial reports.

Unless outlined separately below, the same accounting policies used in preparing the 2006 consolidated financial statements were applied in preparing the interim report as of June 30, 2007. The main changes resulting from the application of new standards at Postbank from fiscal year 2007 are presented below.

This interim report was prepared in accordance with the *Transparenzrichtlinie-Umsetzungsgesetz* (TUG – Transparency Directive Implementing Act). Postbank, as a capital market-oriented company, is obligated under section 37w of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) to prepare a half-yearly financial report. In addition to the condensed financial statements presented here, the half-yearly financial report also comprises an interim management report including an interim risk report (see the interim management report).

In accordance with IFRIC 10 "Interim Financial Reporting and Impairment", impairment losses on goodwill or equity instruments recognized in interim reporting periods are not reversed.

As far as required by IAS 34, Postbank adopted International Financial Reporting Standard 7 "Financial Instruments: Disclosures" from January 1, 2007. Postbank implements the classification of financial instruments required under IFRS 7.6 as follows:

Measurement	Classes	
	Balance sheet item and IAS 39 category	
Measured at amortized cost[1]	Loans and advances to other banks	Loans and receivables
	Loans and advances to customers	Loans and receivables
	Loans and advances to customers	Held to maturity
	Investment securities	Held to maturity
	Investment securities	Loans and receivables
	Deposits from other banks	Liabilities at amortized cost
	Due to customers	Liabilities at amortized cost
	Securitized liabilities	Liabilities at amortized cost
	Subordinated debt	Liabilities at amortized cost
Measured at fair value	Loans and advances to customers	Designated as at fair value
	Investment securities	Available for sale
	Trading assets	Held for trading
	Trading liabilities	Held for trading
	Hedging derivatives (assets)	
	Hedging derivatives (liabilities)	
Off-balance sheet transactions (nominal amounts)	Contingent liabilities (guarantees and warranties)	
	Other obligations (irrevocable loan commitments)	

[1] Including fair value change in the hedged risk in the case of hedged items (hedge fair value)

The definition of the classes is derived from the classification of financial instruments in IAS 39 in conjunction with the relevant balance sheet items. The required disclosures are presented in the tables to the notes or as narrative explanations.

The requirement to apply IFRS 7 from January 1, 2007 means that IAS 30 no longer applies; however, the revised IAS 32 continues to be applicable. There is no longer an industry standard containing guidance on disclosure obligations for financial instruments. Postbank continues to apply some of the former requirements of IAS 30 and IAS 32 to ensure the continuous presentation of its net assets, financial position and results of operations. Disclosures on the risks relating to financial instruments as required by IFRS 7 are presented in the risk report. Reference is made to the risk report in the relevant place in the notes.

The amendment to IAS 1 addressing "Capital Disclosures" requires extended disclosures on an entity's capital. The disclosures on the goals and principles of capital management are presented in the risk report.

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 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 recognition and measurement of provisions, the ability to realize future tax benefits and the fair value estimate of certain financial instruments for disclosures in the notes. Where significant estimates were required, the assumptions made are explained in the following notes to the corresponding item. In individual cases, the actual values may differ from assumptions and estimates made.

Due to the corporate tax reform resolved by Germany's *Bundesrat* (upper house) on July 6, 2007, Deutsche Postbank AG will in future measure its deferred tax items at the new applicable tax rates. Since Postbank's reported deferred tax liabilities significantly exceed its deferred tax assets, the remeasurement, which will be applicable in Q3/2007, will lead to an increase in equity of around €160 million.

(3) Basis of consolidation

In addition to the parent company Deutsche Postbank AG, 46 (December 31, 2006: 40) subsidiaries and 2 (December 31, 2006: 2) joint ventures, all of which are presented in the "Consolidated companies" overview (note 35), are included in the consolidated interim financial statements as of June 30, 2007.

Betriebs-Center für Banken Deutschland GmbH & Co. KG acquired the shares held by HypoVereinsbank in HVB Payments & Services GmbH effective January 1, 2007. The company was renamed Betriebs-Center für Banken Payments & Services GmbH on entry in the commercial register on March 13, 2007. The allocation of the purchase price to the identifiable assets, liabilities and contingent liabilities at fair value uses purchase price allocation in accordance with IFRS 3.

Effective January 1, 2007, Deutsche Postbank Vermögens-Management S.A. was sold by Deutsche Postbank AG to Deutsche Postbank International S.A. in an intragroup transaction.

Effective January 1, 2007, Deutsche Postbank AG acquired the 100 % interest held by Deutsche Post Beteiligungen Holding GmbH in einsnull IT-Support GmbH; the company was included in Postbank's consolidated financial statements.

PB Vierte Beteiligungen GmbH was included in the consolidated financial statements for the first time as of January 1, 2007. The company was renamed Postbank Beteiligungen GmbH on entry in the commercial register on February 23, 2007.

Postbank Versicherungsvermittlung GmbH was formed on May 8, 2007 as a wholly-owned subsidiary of Postbank Finanzberatung AG and included in the consolidated financial statements for the first time.

In connection with a securities issue of trust preferred securities, two companies were founded on June 1, 2007 as wholly-owned subsidiaries of Postbank: Deutsche Postbank Funding LLC IV and Deutsche Postbank Funding Trust IV.

Betriebs-Center für Banken Deutschland GmbH & Co. KG was renamed Betriebs-Center für Banken AG on June 29, 2007.

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 total of 29 (December 31, 2006: 30) special funds were included as special purpose entities in the consolidated financial statements.

Overall, the changes in the basis of consolidation do not have any material impact on the Group's net assets, financial position and results of operations.

BHW Lebensversicherung AG, BHW Bank AG, PB Lebensversicherung AG and PB Versicherung AG as well as the special funds of BHW Lebensversicherung AG are classified as groups of assets and liabilities held for sale and reported separately in accordance with IFRS 5. The contracts for the sale of the insurance companies are expected to be concluded in October 2007, subject to anti-trust and regulatory approval.

(4) Restatement of prior-period figures

The presentation of measurement gains and losses relating to the fair value option has been changed as against the previous year. Changes in fair value are reported in net trading income, rather than net interest income. The prior-period figures were restated. The interest on portfolios allocated to the fair value option and the related interest rate swaps continue to be reported in net interest income.

The initial recognition of unwinding in the 2006 consolidated financial statements in accordance with IAS 39 necessitated the restatement of the corresponding figures for the prior-year quarter.

Income statement disclosures

(5) Net interest income

	Jan. 1 – June 30 2007 €m	2006[1] €m
Interest and current income		
Interest income from:		
Lending and money market transactions	2,622	2,497
Fixed-income and book-entry securities	1,158	979
Trading operations	207	122
Net gains/losses on hedges	–4	5
	3,983	**3,603**
Current income from:		
Equities and other non-fixed-income securities	84	133
Investments in associates	1	–
	85	**133**
	4,068	**3,736**
Interest expense on:		
Deposits	2,220	1,847
Securitized liabilities	347	486
Subordinated debt	127	125
Swaps	69	170
Trading operations	207	59
	2,970	**2,687**
Total	**1,098**	**1,049**

€2,942 million (previous year: €2,691 million) of interest income relates to financial instruments classified as loans and receivables, €82 million (previous year: €96 million) to financial instruments classified as held to maturity and €741 million (previous year: €674 million) to financial instruments classified as available for sale.

Interest income from lending and money market transactions includes €15 million (previous year: €15 million) of interest income accrued on impaired assets in accordance with IFRS 7.20 (d) (unwinding in accordance with IAS 39.AG93).

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

	Jan. 1 – June 30 2007 €m	2006[1] €m
Net gains/losses on hedges		
Gains/losses on the fair value remeasurement of hedged items	–187	–467
Gains/losses on the fair value remeasurement of hedging transactions	183	472
Total	**–4**	**5**

[1] Prior-period figures restated (see note 4)

(6) Allowance for losses on loans and advances

	Jan. 1 – June 30 2007 €m	2006[1] €m
Cost of additions to allowance for losses on loans and advances		
Specific valuation allowances	222	218
Portfolio-based valuation allowances	6	–
Cost of additions to provisions for credit risks	11	10
Direct loan write-offs	14	17
Income from the reversal of the allowance for losses on loans and advances		
Specific valuation allowances	71	66
Portfolio-based valuation allowances	1	-
Recoveries on loans previously written off	5	7
Income from the reversal of provisions for credit risks	–	–
Total	**176**	**172**

€165 million (previous year: €162 million) of the allowance for losses on loans and advances relates to receivables classified as loans and receivables, and €11 million (previous year: €10 million) to guarantees, warranties and irrevocable loan commitments.

(7) Net fee and commission income

	Jan. 1 – June 30 2007 €m	2006 €m
Giro business	179	179
Securities business	65	64
Lending and guarantee business	56	53
Branch business	253	268
Other fee and commission income	143	139
Total	**696**	**703**

(8) Net trading income

	Jan. 1 – June 30 2007 €m	2006[1] €m
Net income from interest rate products	11	3
Net gain on derivatives carried in the trading portfolio and the banking book	146	114
Net gain from application of the fair value option	3	17
Net income from equities	13	3
Foreign exchange gain/loss	–2	2
Net fee and commission income in the trading portfolio	–2	–1
Total	**169**	**138**

[1] Prior-period figures restated (see note 4)

(9) Net income from investment securities

	Jan. 1 – June 30 2007 €m	 2006 €m
Net income from loans-and-receivables investment securities	6	–
thereof net income from sale	6	–
Gains on sale	8	16
Losses on sale	2	16
thereof net impairment loss	–	–
Net income from available-for-sale investment securities	101	173
thereof net income from sale	101	173
Gains on sale	194	337
Losses on sale	93	164
thereof net impairment loss	–	–
Net income from loans to other banks	1	16
thereof net income from sale of loans and receivables	1	16
Net income from loans to customers	–	–63
thereof net income from sale of loans and receivables	–	–63
Net income from investments in associates	–	2
Total	**108**	**128**

	Jan. 1 – June 30 2007 €m	 2006 €m
Net income from bonds and promissory note loans	–7	–29
Net income from equities and other non-fixed-income securities	115	155
Net income from investments in associates	–	2
Impairment	–	–
Total	**108**	**128**

(10) Administrative expenses

	Jan. 1 – June 30 2007 €m	 2006 €m
Staff costs	700	695
Other administrative expenses	681	672
Depreciation and write-downs of property and equipment	41	48
Total	**1,422**	**1,415**

(11) Other income

	Jan. 1 – June 30 2007 €m	Jan. 1 – June 30 2006 €m
Income from property and equipment	9	12
Miscellaneous	44	101
Total	**53**	**113**

(12) Other expenses

	Jan. 1 – June 30 2007 €m	Jan. 1 – June 30 2006 €m
Amortization and write-downs of intangible assets	37	29
Miscellaneous	33	88
Total	**70**	**117**

Balance sheet disclosures

(13) Loans and advances to other banks

	June 30, 2007 €m	Dec. 31, 2006 €m
Payable on demand	936	1,906
Other loans and advances	11,578	14,444
Total	**12,514**	**16,350**

Loans and advances to other banks only include financial instruments classified as loans and receivables. €7,308 million (December 31, 2006: €7,241 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	
	June 30, 2007 €m	Dec. 31, 2006 €m	June 30, 2007 €m	Dec. 31, 2006 €m
Financial collateral	166	1,251	468	486
Non-financial collateral	–	–	–	–
Total	**166**	**1,251**	**468**	**486**

(14) Loans and advances to customers

	June 30, 2007 €m	Dec. 31, 2006 €m
Mortgage lending	62,956	59,148
Home savings loans	3,133	3,147
Public sector	4,522	5,444
Installment credits	2,018	2,447
Other loans and advances	16,389	16,996
Total	**89,018**	**87,182**

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

	June 30, 2007 €m	Dec. 31, 2006 €m
Loans and advances to customers (loans and receivables)	82,068	80,483
of which fair value hedges	1,036	1,500
Loans and advances to customers (held to maturity)	499	518
Loans and advances to customers (fair value option)	6,451	6,181
Total	**89,018**	**87,182**

€71,792 million (December 31, 2006: €70,872 million) of loans and advances to customers is due after more than 12 months.

(15) Total credit extended

	June 30, 2007 €m	Dec. 31, 2006 €m
Loans and advances to other banks	12,514	16,350
Loans and advances to customers	89,018	87,182
Guarantees	1,199	1,974
Total	**102,731**	**105,506**

(16) Allowance for losses on loans and advances

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

	June 30, 2007 €m	Dec. 31, 2006 €m
Specific valuation allowances	1,054	1,090
Portfolio-based valuation allowances	68	65
Total allowances for losses on loans and advances	**1,122**	**1,155**
Provisions for credit risks	45	34
Total	**1,167**	**1,189**

The allowance for losses on loans and advances is accounted for in full by receivables classified as loans and receivables. Collective 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	
	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006[1] €m
Balance at January 1	1,090	732	65	44	1,155	776
Changes in basis of consolidation	–	267	–	2	–	269
Reclassifications in accordance with IFRS 5	–84	–	–2	–	–86	–
Additions						
Allowance charged to the income statement	222	218	6	–	228	218
Disposals						
Utilization	87	52	–	–	87	52
Allowance reversed to the income statement	71	66	1	–	72	66
Unwinding	15	15	–	–	15	15
Currency translation differences	1	2	–	–	1	2
Balance at June 30	**1,054**	**1,082**	**68**	**46**	**1,122**	**1,128**

[1] Prior-period figures restated (see note 4)

(17) Trading assets

	June 30, 2007 €m	Dec. 31, 2006 €m
Bonds and other fixed-income securities	11,406	9,755
Equities and other non-fixed-income securities	87	28
Building loans held for trading	208	208
Positive fair values of derivatives carried as trading assets	6,417	2,942
Positive fair values of banking book derivatives	119	276
Positive fair values from derivatives relating to hedged items accounted for under the fair value option	174	71
Total	**18,411**	**13,280**

€17,721 million (December 31, 2006: €11,810 million) of trading assets is due after more than 12 months.

(18) Investment securities

	June 30, 2007 €m	Dec. 31, 2006 €m
Bonds and other fixed-income securities		
Loans and receivables	20,188	19,031
Held to maturity	3,124	4,956
Available for sale	32,681	33,379
	55,993	**57,366**
Equities and other non-fixed-income securities (available for sale)	3,914	5,831
Investments in associates (available for sale)	17	17
Investments in unconsolidated subsidiaries (available for sale)	87	85
Total	**60,011**	**63,299**

Investment securities amounting to €53,104 million (December 31, 2006: €55,591 million) are due after more than 12 months.

Investment securities were furnished as collateral for the following liabilities:

	June 30, 2007 €m	Dec. 31, 2006 €m
Liabilities	21,595	22,984
Contingent liabilities	–	66
Total	**21,595**	**23,050**

(19) Intangible assets

	June 30, 2007 €m	Dec. 31, 2006 €m
Internally generated intangible assets and software	53	55
Acquired software, concessions, industrial rights	607	721
Acquired goodwill	1,629	1,626
Advance payments on intangible assets and in-process intangible assets	114	103
Total	**2,403**	**2,505**

"Acquired software, concessions, industrial rights" includes the BHW brand, which was capitalized in the course of the purchase price allocation (€319 million). Following amortization in the first quarter, €77 million (December 31, 2006: €166 million) was recognized for customer relationships from continuing operations and €69 million (December 31, 2006: €72 million) for beneficial contracts.

(20) Property and equipment

	June 30, 2007 €m	Dec. 31, 2006 €m
Land and buildings	848	858
Operating and office equipment	135	152
Advance payments and assets under development	4	5
Total	**987**	**1,015**

(21) Other assets

	June 30, 2007 €m	Dec. 31, 2006 €m
Prepaid expenses	407	327
Receivables from tax authorities	92	94
Miscellaneous	144	246
Total	**643**	**667**

Other assets amounting to €360 million (December 31, 2006: €335 million) have a maturity of more than 12 months.

(22) Groups of assets held for sale

	June 30, 2007 €m	
Cash reserve	22	
Loans and advances to other banks	832	
Loans and advances to customers	1,590	
Allowance for losses on loans and advances	–86	
Trading assets	115	
Investment securities	1,306	
Intangible assets	96	
Property and equipment	1	
Income tax assets	22	
Other assets	76	
Groups of assets held for sale	**3,974**	

(23) Deposits from other banks

	June 30, 2007 €m	Dec. 31, 2006 €m
Payable on demand	3,350	2,719
Other deposits	42,154	44,600
Total	**45,504**	**47,319**

Deposits from other banks only include financial instruments classified as liabilities at amortized cost.
€12,655 million (December 31, 2006: €9,236 million) of deposits from other banks is due after more than 12 months.

(24) Due to customers

	June 30, 2007 €m	Dec. 31, 2006 €m
Savings deposits	36,351	36,034
Home savings deposits	17,065	16,981
Other amounts due		
Payable on demand	23,675	23,525
With an agreed maturity or withdrawal notice	28,945	24,776
	52,620	**48,301**
Total	**106,036**	**101,316**

Amounts due to customers only include financial instruments classified as liabilities at amortized cost. €31,146 million (December 31, 2006: €28,962 million) of amounts due to customers is due after more than 12 months.

(25) Securitized liabilities

	June 30, 2007 €m	Dec. 31, 2006 €m
Mortgage bonds	21	53
Public-sector mortgage bonds (*Pfandbriefe*)	65	81
Other debt instruments	12,218	15,752
Total	**12,304**	**15,886**

Securitized liabilities only include financial instruments classified as liabilities at amortized cost. €8,125 million (December 31, 2006: €8,059 million) of securitized liabilities is due after more than 12 months.

(26) Trading liabilities

	June 30, 2007 €m	Dec. 31, 2006 €m
Negative fair values of trading derivatives	6,112	2,864
Negative fair values of banking book derivatives	198	351
Negative fair values from derivatives relating to hedged items accounted for under the fair value option	283	401
Delivery obligations under securities sold short	102	2
Total	**6,695**	**3,618**

€6,843 million (December 31, 2006: €2,753 million) of trading liabilities is due after more than 12 months.

(27) Provisions

	June 30, 2007 €m	Dec. 31, 2006 €m
Provisions for pensions and other employee benefits	1,134	1,115
Technical reserves (insurance)	–	1,560
Provisions for home savings business	720	727
Other provisions	290	289
Total	**2,144**	**3,691**

€1,805 million (December 31, 2006: €3,321 million) of recognized provisions is due after more than 12 months.

(28) Other liabilities

	June 30, 2007 €m	Dec. 31, 2006 €m
Trade payables	55	76
Liabilities from other taxes	21	123
Miscellaneous liabilities	483	547
Deferred income	52	40
Total	**611**	**786**

€144 million (December 31, 2006: €125 million) of other liabilities is due after more than 12 months.

(29) Subordinated debt

	June 30, 2007 €m	Dec. 31, 2006 €m
Subordinated liabilities	2,744	2,822
Hybrid capital instruments	1,490	1,039
Profit participation certificates outstanding	1,254	1,132
Contributions by typical silent partners	53	55
Total	**5,541**	**5,048**

Subordinated debt only includes financial instruments classified as liabilities at amortized cost. €5,398 million (December 31, 2006: €4,980 million) of subordinated debt is due after more than 12 months.

(30) Groups of liabilities held for sale

	June 30, 2007 €m	
Deposits from other banks	177	
Due to customers	1,534	
Securitized liabilities	197	
Trading liabilities	30	
Provisions	1,774	
Income tax liabilities	20	
Other liabilities	59	
Subordinated debt	55	
Groups of liabilities held for sale	**3,846**	

Other disclosures

(31) Contingencies and other obligations

	June 30, 2007 €m	Dec. 31, 2006 €m
Contingent liabilities		
on guarantees and warranties	1,199	1,974
Other obligations		
Irrevocable loan commitments	24,021	21,369
of which: building loans provided	1,577	1,536
Total	**25,220**	**23,343**

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

	June 30, 2007		Dec. 31, 2006	
	Carrying amount €m	Full fair value €m	Carrying amount €m	Full fair value €m
Assets				
Cash reserve	1,973	1,973	1,015	1,015
Loans and advances to other banks	12,514	12,567	16,350	16,357
Loans and advances to customers	82,567	83,059	81,001	83,014
Allowance for losses on loans and advances	−1,122	−1,122	−1,155	−1,155
Investment securities	23,312	22,853	23,987	23,863
	119,244	**119,330**	**121,198**	**123,094**
Liabilities				
Deposits from other banks	45,504	45,263	47,319	47,366
Due to customers	106,036	105,427	101,316	101,439
Securitized liabilities and subordinated debt	17,845	17,797	20,934	21,019
	169,385	**168,487**	**169,569**	**169,824**

(33) 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 value	
	June 30, 2007 €m	Dec. 31, 2006 €m	June 30, 2007 €m	Dec. 31, 2006 €m	June 30, 2007 €m	Dec. 31, 2006 €m
Trading derivatives	511,085	438,244	6,710	3,289	6,593	3,616
Hedging derivatives	40,867	43,568	732	485	930	958
Total	**551,952**	**481,812**	**7,442**	**3,774**	**7,523**	**4,574**

The following table presents the open interest-rate and foreign currency, conditional and unconditional forward and option contracts of the Postbank Group at the balance sheet date.

			Fair Value			
	Notional amounts		Positive fair values		Negative fair values	
	June 30, 2007 €m	Dec. 31, 2006 €m	June 30, 2007 €m	Dec. 31, 2006 €m	June 30, 2007 €m	Dec. 31, 2006 €m
Trading derivatives						
Foreign currency derivatives	23,051	21,882	130	188	112	151
Interest rate derivatives	483,140	414,759	6,521	3,081	6,397	3,439
Equity/index derivatives	1,953	256	46	14	27	22
Credit derivatives	2,941	1,347	13	6	57	4
Total holdings of trading derivatives	**511,085**	**438,244**	**6,710**	**3,289**	**6,593**	**3,616**
Hedging derivatives						
Fair value hedges	40,867	43,568	732	485	930	958
Total holdings of hedging derivatives	**40,867**	**43,568**	**732**	**485**	**930**	**958**
Total holdings of derivatives	**551,952**	**481,812**	**7,442**	**3,774**	**7,523**	**4,574**

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

(34) 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:

	June 30, 2007 €m	Dec. 31, 2006[1] €m
Credit and counterparty risk	74,156	68,705
Market risk positions	14,588	13,375
Operational risk	3,029	3,063
Total capital charge	91,773	85,143
Additional capital charge in accordance with transitional provision[2]	3,099	0
Tier 1 capital	5,222	4,701
of which: innovative capital instruments	1,653	1,151
Tier 2 capital	3,399	3,459
of which: profit participation certificates outstanding	1,213	1,152
of which: subordinated liabilities	2,287	2,394
Tier 3 capital	0	24
Eligible own funds	8,621	8,184
Tier 1 ratio before application of transitional provision in %	6.8	6.6
Effect of transitional provision[2] in %	–0.3	0.0
Overall ratio before application of transitional provision in %	9.4	9.6
Effect of transitional provision[2] in %	–0.3	0.0

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 innovative capital instruments. Tier 2 capital is primarily composed of profit participation certificates outstanding and long-term subordinated liabilities. The positive effect as against the previous Principle I disclosure was not realized in full due to the transitional provision for IRBA (internal ratings-based approach) institutions in accordance with section 339(1) in conjunction with (3–5) of the SolvV. Under the SolvV, the regulatory own funds of institutions that use internal rating systems (IRB approach) to calculate the capital charge for credit and counterparty risk may not fall below 95 % of the minimum capital determined using regulatory weighting factors in accordance with Principle I in the first year of application.

[1] Internal calculation; [2] Section 339(1) in conjunction with (3–5) of the SolvV

(35) Related party disclosures

Consolidated companies

Name and domicile	Equity interest (%) direct	Equity interest (%) indirect
1) Fully consolidated companies:		
BHW Holding AG, Berlin/Hamelin	98.4	
BHW Bausparkasse AG, Hamelin		98.4
BHW Bank AG, Hamelin		98.4
BHW Lebensversicherung AG, Hamelin		98.4
BHW Gesellschaft für Wohnungswirtschaft mbH, Hamelin		98.4
BHW Gesellschaft für Wohnungswirtschaft mbH & Co. Immobilienverwaltungs KG, Hamelin		98.4
BHW Gesellschaft für Vorsorge mbH, Hamelin		98.4
BHW Immobilien GmbH, Hamelin		98.4
BHW Home Finance Limited, New Delhi, India		98.4
Postbank Finanzberatung AG, Hamelin	23.3	75.5
Postbank Versicherungsvermittlung GmbH, Bonn		100.0
Postbank Filialvertrieb AG, Bonn	100.0	
Deutsche Postbank International S.A., Munsbach, Luxembourg	100.0	
Deutsche Postbank Vermögens-Management S.A., Munsbach, Luxembourg		100.0
Deutsche Postbank Privat Investment Kapitalanlagegesellschaft mbH, Bonn	100.0	
Postbank Immobilien und Baumanagement GmbH, Bonn	100.0	
Postbank Immobilien und Baumanagement GmbH & Co. Objekt Leipzig KG, Bonn		90.0
Postbank Systems AG, Bonn	100.0	
einsnull IT-Support GmbH, Cologne	100.0	
Postbank Beteiligungen GmbH, Bonn	100.0	
VÖB-ZVD Bank für Zahlungsverkehrsdienstleistungen GmbH, Bonn	75.0	
DSL Holding AG i.A., Bonn	100.0	
Deutsche Postbank Financial Services GmbH, Frankfurt/Main	100.0	
Deutsche Postbank Finance Center Objekt GmbH, Munsbach, Luxembourg		90.0
DPBI Immobilien KGaA, Munsbach, Luxembourg		10.01
Postbank Leasing GmbH, Bonn	100.0	
PB (USA) Holdings Inc., Wilmington, Delaware, USA	100.0	
PB Capital Corp., Wilmington, Delaware, USA		100.0
PB Realty Corp., New York, USA		94.7
PB Finance (Delaware), Inc., Wilmington, Delaware, USA		100.0
PBC Carnegie LLC, Wilmington, Delaware, USA		100.0
PB Factoring GmbH, Bonn	100.0	
PB Firmenkunden AG, Bonn	100.0	
Betriebs-Center für Banken AG, Frankfurt/Main	100.0	
Betriebs-Center für Banken Payments & Services GmbH, Munich		100.0
Betriebs-Center für Banken Verwaltungs GmbH, Frankfurt/Main	100.0	
Betriebs-Center für Banken Zahlungsverkehrsservice GmbH, Frankfurt/Main		100.0
Betriebs-Center für Banken Payments AG, Frankfurt/Main		100.0
Deutsche Postbank Funding LLC I, Wilmington, Delaware, USA	100.0	
Deutsche Postbank Funding LLC II, Wilmington, Delaware, USA	100.0	
Deutsche Postbank Funding LLC III, Wilmington, Delaware, USA	100.0	
Deutsche Postbank Funding LLC IV, Wilmington, Delaware, USA	100.0	

Name and domicile	Equity interest (%) direct	Equity interest (%) indirect
Deutsche Postbank Funding Trust I, Wilmington, Delaware, USA	100.0	
Deutsche Postbank Funding Trust II, Wilmington, Delaware, USA	100.0	
Deutsche Postbank Funding Trust III, Wilmington, Delaware, USA	100.0	
Deutsche Postbank Funding Trust IV, Wilmington, Delaware, USA	100.0	
2) Proportionately consolidated companies:		
PB Lebensversicherung AG, Hilden	50.0	
PB Versicherung AG, Hilden	50.0	

Intragroup and associate receivables

Receivables from unconsolidated subsidiaries and associates are presented below:

	June 30, 2007 €m	Dec. 31, 2006 €m
Loans and advances to customers		
Subsidiaries	115	58
Associates	–	–
	115	**58**
Other assets		
Subsidiaries	20	66
Associates	–	–
	20	66
Total	**135**	**124**

The items relate primarily to receivables from Deutsche Post AG.

Intragroup and associate payables

Payables to unconsolidated subsidiaries and associates are presented below:

	June 30, 2007 €m	Dec. 31, 2006 €m
Due to customers		
Subsidiaries	67	431
Associates	5	3
	72	434
Other liabilities		
Subsidiaries	75	70
Associates	–	–
	75	70
Total	**147**	**504**

The items relate primarily to payables to Deutsche Post AG.

Income and expense from subsidiaries and associates

	Jan. 1 – June 30 2007 €m	 2006 €m
Net interest income		
Subsidiaries	9	9
Associates	–	–
	9	**9**
Net fee and commission income		
Subsidiaries	249	269
Associates	–	–
	249	**269**
Administrative expenses		
Subsidiaries	246	274
Associates	–	–
	246	**274**
Other income		
Subsidiaries	24	32
Associates	–	–
	24	**32**
Other expenses		
Subsidiaries	6	16
Associates	–	–
	6	**16**

Fee and commission income for subsidiaries primarily consists of payments made by Deutsche Post AG for postal services provided in Postbank's branches. Administrative expenses for subsidiaries primarily consist of payments to Deutsche Post AG for financial services provided in its retail outlets.

(36) Members of executive bodies
Management Board

The members of the Management Board are:	
Wulf von Schimmelmann, Bonn (Chairman)	until June 30, 2007
Wolfgang Klein, Bonn (Chairman, since July 1, 2007)	
Dirk Berensmann, Unkel	
Henning R. Engmann, Bonn	until March 31, 2007
Stefan Jütte, Bonn	
Guido Lohmann, Dülmen	since July 1, 2007
Michael Meyer, Bonn	since July 1, 2007
Loukas Rizos, Bonn	
Hans-Peter Schmid, Baldham	
Ralf Stemmer, Königswinter	
Mario Daberkow, Bonn	Deputy Member of the Management Board

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

1. Shareholder representatives
Klaus Zumwinkel, Chairman of the Board of Management of Deutsche Post AG, Cologne (Chairman)
Jörg Asmussen, Head of Department, Federal Ministry of Finance, Berlin
Wilfried Boysen, Hamburg
Edgar Ernst, Member of the Board of Management of Deutsche Post AG, Bonn
Peter Hoch, Munich
Ralf Krüger, management consultant, Kronberg
Hans-Dieter Petram, Member of the Board of Management of Deutsche Post AG, Bonn
Bernd Pfaffenbach, State Secretary, Federal Ministry of Economics and Technology, Wachtberg-Pech
Klaus Schlede, Carabietta/Lugano
Elmo von Schorlemer, lawyer, Aachen

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	since May 10, 2007
Marietta Auer, Head of Department, Deutsche Postbank AG, Head Office, Unterhaching	
Rolf Bauermeister, Regional Head of Department 10 for Lower Saxony/Bremen, at ver.di Trade Union, Berlin	since May 10, 2007
Rosemarie Bolte, Regional Head of Department, Financial Services, at ver.di Trade Union, Stuttgart	until May 10, 2007
Annette Harms, Deputy Chair of Deutsche Postbank AG's Works Council, Hamburg	
Ralf Höhmann, Chairman of Deutsche Postbank AG's Works Council, Stuttgart Branch, Korntal-Münchingen	until May 10, 2007
Elmar Kallfelz, Member of Deutsche Post AG's Group Works Council, Wachtberg	
Harald Kuhlow, Member of Deutsche Postbank AG's Works Council, Weingarten	until May 10, 2007
Torsten Schulte, Chairman of Deutsche Postbank AG's Group Works Council, Hessisch Oldendorf	since May 10, 2007
Sabine Schwarz, Chair of Deutsche Postbank AG's Works Council, Berlin	until May 10, 2007
Eric Stadler, Chairman of Deutsche Postbank AG's Works Council, Markt Schwaben	since May 10, 2007
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	since May 10, 2007
Christine Weiler, employee of Deutsche Postbank AG, Kreiling	until May 10, 2007

Responsibility statement

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

Bonn, July 26, 2007
Deutsche Postbank Aktiengesellschaft

Management Board

Wolfgang Klein

Dirk Berensmann	Stefan Jütte	Guido Lohmann	Michael Meyer
Loukas Rizos	Hans-Peter Schmid	Ralf Stemmer	Mario Daberkow

Review Report

To Deutsche Postbank AG, Bonn

We have reviewed the condensed consolidated interim financial statements – comprising the balance sheet, income statement, condensed cash flow statement, 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 June 30, 2007, which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs 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 IFRSs 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 IFRSs 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, July 27, 2007

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(Eckes)	(Scherello)
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Financial Calendar

Fiscal year 2007

July 30, 2007	Interim Report for the first half-year, analyst conference call
November 7, 2007	Interim Report for the third quarter, analyst conference call

Fiscal year 2008

March 5, 2008	Financials press conference and analysts' conference on fiscal year 2007
May 8, 2008	Annual General Meeting
May 13, 2008	Interim Report for the first quarter, analyst conference call
July 30, 2008	Interim Report for the first half-year, analyst conference call
November 10, 2008	Interim Report for the third quarter, analyst conference call

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

Contacts

Published by

Deutsche Postbank AG
Head Office
Investor Relations

Friedrich-Ebert-Allee 114–126
53113 Bonn, Germany

Postfach 40 00
53105 Bonn, Germany

Phone: +49 (0) 228-9 20-0

Investor Relations

Phone: +49 (0) 228-9 20-1 80 03
E-mail: ir@postbank.de
www.postbank.com/ir

Design and layout

EGGERT GROUP, Düsseldorf

Coordination/editing

Postbank
Investor Relations

Translation

Deutsche Post Foreign Language Service et al.

This Interim Report is printed on 100 % recycled paper.

This Interim Report contains forward-looking statements that relate to macroeconomic developments (in particular the development of money and capital market rates), the business and the net assets, financial position and results of operations of the Postbank Group. Forward-looking statements are not historical facts and are in some instances indicated by words such as "believe", "anticipate", "predict", "plan", "estimate", "aim", "expect", "assume" and similar expressions. Forward-looking statements are based on the Company's current plans, estimates, projections and forecasts and are therefore subject to risks and uncertainties that could cause actual development or the actual results or performance to differ materially from the development, results or performance expressly or implicitly assumed in these forward-looking statements.

Readers of this Interim Report are expressly cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Interim Report. Deutsche Postbank AG does not intend and does not undertake any obligation to revise these forward-looking statements.

The English version of the Interim Report constitutes a translation of the original German version. Only the German version is legally binding.

Deutsche Post World Net
MAIL EXPRESS LOGISTICS FINANCE

678 107 043

Postbank