Deutsche Postbank Group

Interim Report as of June 30, 2009

2/09

Postbank

Postbank Group in figures

		Jan. 1 – June 30, 2009	Jan. 1 – June 30, 2008[1]
Consolidated income statement			
Total income	€m	1,516	1,882
Administrative expenses	€m	–1,403	–1,420
Profit/loss before tax	€m	–160	340
Consolidated net profit	€m	70	238
Total cost/income ratio	%	92.5	75.5
Cost/income ratio in traditional banking business	%	92.0	73.8
Return on equity			
before tax	%	–6.4	14.2
after tax	%	2.8	9.9
Earnings per share[2]	€	0.32	1.45

		June 30, 2009	Dec. 31, 2008
Consolidated balance sheet			
Total assets	€m	237,165	231,282
Customer deposits	€m	106,418	95,077
Customer loans	€m	104,345	101,228
Allowance for losses on loans and advances	€m	1,419	1,232
Equity	€m	4,995	5,019
Tier 1 ratio	%	8.0	7.4
Headcount (FTEs)	thousand	20.91	21.13
Long-term ratings			
Moody's		Aa3 / outlook rating under review	Aa2 / outlook stable
Standard & Poor's		A– / outlook positive	A– / outlook positive
Fitch		A+ / outlook stable	A / outlook negative
Information on Postbank shares		June 30, 2009	June 30, 2008
Share price at the balance sheet date	€	18.11	55.76
Share price (Jan. 1 – June 30)	high €	19.42	67.10
	low €	6.81	46.64
Market capitalization on June 30	€m	3,962	9,145
Number of shares	million	218.8	164.0

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

[2] The average number of shares outstanding in the first half of 2009 was 218,800,000 (H1 2008: 164,000,000)

Deutsche Postbank Group
Interim Report as of June 30, 2009

Ladies and Gentlemen,

It is a pleasure for me to write to you for the first time in my new position as Chairman of Postbank's Management Board.

I have assumed responsibility for a bank that is extremely well positioned in its customer business despite the increasingly tough competition it has faced over the years. Our program to reduce risk and stabilize our capital position is also generating initial successes and has helped Postbank navigate the financial market crisis on its own. This is also and not least the result of the work done by my predecessor Wolfgang Klein, whom I – in the name of the entire Management Board team – would like to expressly thank once again for his service.

We are continuing to apply the bank's strategy of expanding our market position and optimizing our risk profile. Business with retail customers is and will remain our main focus. As before, we are facing an economic environment that is everything but easy. It is thus that much more important for us to systematically maintain our previous course. We even intend to increase our speed here and precisely refine our Next Step strategic program in a two-fold manner, by achieving short-term effective optimizations as well as enhancing our longer-term orientation. I am also counting on our cooperation with Deutsche Bank, which is a true partnership and provides us with mutual benefits and added value. The initial projects have already been successfully launched.

In Corporate Banking and Transaction Banking as well, we intend to further develop our business along value-focused lines. The acquisition of HSH Nordbank as a new customer in payment transaction processing reinforces this commitment.

The macroeconomic situation is and will remain difficult. It poses a major challenge to both the entire banking sector and to Postbank. The turbulence sweeping through the financial markets has definitely not been fully weathered.

Even though our profit before tax also continued to improve in the second quarter, the impact of the difficult business conditions in the first half of 2009 is reflected in our earnings situation. Allowances for losses on loans and advances developed as planned with a relatively moderate increase. Negative effects from our structured credit portfolio fell markedly compared with the levels in the second half of 2008. In the second quarter of 2009, profit before tax was €–69 million, compared with €–91 million in the first three months of this year. Altogether, we completed the first half of 2009 with a consolidated net profit of €70 million – thanks to an extraordinary tax gain. We were able to significantly stabilize our capital ratio by taking sweeping steps in recent months and increase it 1.7 percentage points year-on-year to 8.0 %, a comfortable level for a bank focused on the retail customer business.

Our customer business performed well again during the first six months of the year. In the critical product area of savings, for instance, we achieved significant growth once again and increased our savings deposit volumes by more than 20 % to about €56 billion compared with the previous period last year. We made progress in other product areas as well. The lending business with retail customers grew by a good 4 % percent during the first half of the year. Thanks to strict adherence to our loan-issuing criteria and with consideration of the increasingly difficult economic environment, we even increased the loan volume in our business with SME Corporate Banking customers by €2.2 billion to €6.2 billion. In so doing, we are making good use of our solid liquidity position and, with regard to supplying loans to the German economy, filling gaps created by other banks during the crisis.

In terms of earnings performance for the ongoing fiscal year, we are proceeding on the assumption that the primary negative effects from the capital market crisis were suffered in the first half of the year and that this trend will slowly reverse in the second half. Economic developments may result in a growing number of insolvencies and thus to more loan defaults, which would increase the need for allowances for losses on loans and advances. We are confident that Postbank will be significantly less affected by this overall than competitors thanks to its granular portfolio that is focused on the highly collateralized German retail customer business.

The good development in customer business is expected to continue in the months ahead. This strengthens our belief that Postbank has the right business model and that we will reach our target of a return on equity after tax of 13 % to 15 % once the economy normalizes and financial markets calm down. Please continue to give us your trust as we continue down this path.

Bonn, July 30, 2009

Sincerely,

Stefan Jütte
Chairman of the Management Board

Shareholders and Stock:
Postbank share makes strong recovery from its low

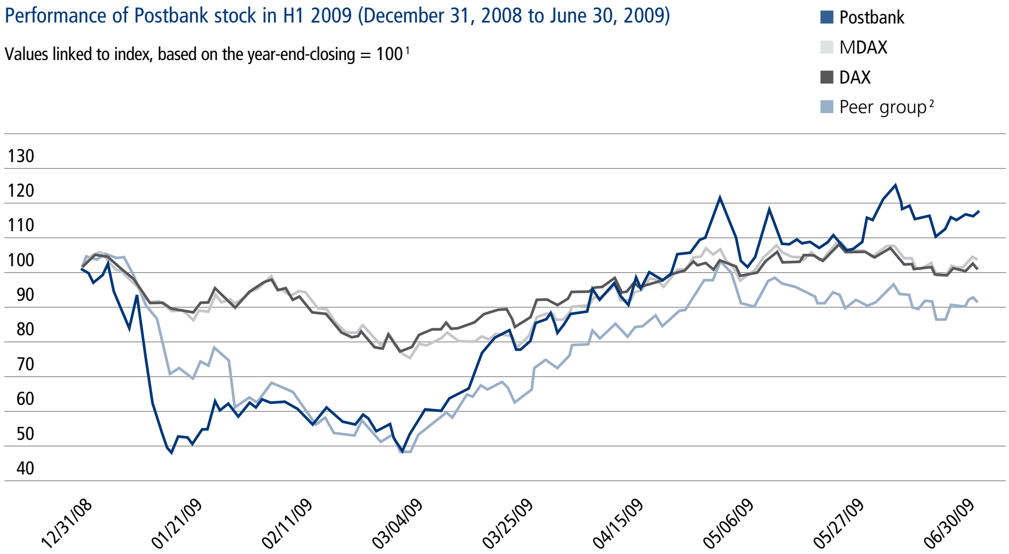
International stock markets staged a strong rally between March and June 2009. Thanks to the sweeping steps taken by central banks, regulatory officials and governments, trust in the capital markets could be restored. Early economic indicators also improved. In response, investors' appetite for risk grew, and they left the safe havens offered by government bonds and call money. The DAX rose 40 % between the beginning of March and the beginning of June, while volatility eased. Bank shares, which have come under particularly intense pressure since the financial crisis began, recovered exceptionally well. As a result of previous losses, the DAX finished the first half of the year unchanged overall, and the MDAX rose only by about 3 %.

The first quarter results released on May 5 slightly exceeded the average earnings forecasts of analysts, with cost trends and net interest income being the key positive factors from the perspective of capital market participants.

With a gain of 17 %, or €2.61, to €16.84, Postbank shares outperformed the DAX in the first half of the year and outpaced the MDAX by 14 percentage points. Postbank also outperformed its peer group of eight leading European retail banks with a 26 percentage points higher share price gain in the first half of the year.

Performance of Postbank stock in H1 2009 (December 31, 2008 to June 30, 2009)

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

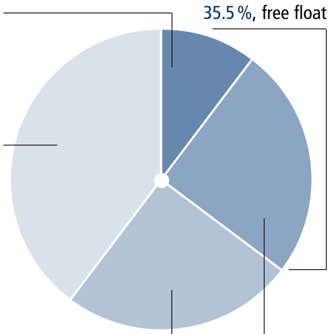


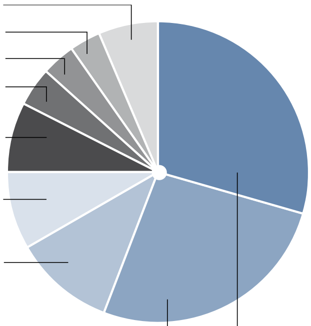
Source: Bloomberg, Postbank

[1] Performance of Postbank stock and peer group excluding dividend
[2] Banco Popular, Banco Popolare, Swedbank, Svenska Handelsbanken, Banco Espirito Santo, Erste Bank, Unicredito, Royal Bank of Scotland

The shareholder structure changed significantly in the first half of the year. As a result of the acquisition of shares by Deutsche Bank, Deutsche Post no longer holds a majority stake in Postbank. In the course of a share exchange, Deutsche Bank acquired a 22.9 % stake in Postbank from Deutsche Post at the beginning of March. On March 9, Deutsche Bank informed us that it indirectly held a total of 25 % plus one share in Postbank. For the transfer of the remaining 39.5 % of the shares held by Deutsche Post, both sides agreed on a mandatory exchangeable bond and option rights. With these instruments in hand, Deutsche Bank has the mid-term opportunity to acquire a majority stake in Postbank.

Shareholder structure of Deutsche Postbank AG as of June 30, 2009





[1] As of March 6, 2009 according to information from Deutsche Bank AG dated March 9, 2009.

[2] The charts refer to identified investors. Source: D. F. King, as of June 30, 2009

With the issuing of its first public-sector Pfandbrief, Postbank added a new instrument to its refinancing base. The continuing improvement in economic conditions in the second quarter also had a positive effect here, as the Pfandbrief, with a volume of €1 billion, could be placed with a markedly lower spread. The strong demand reflects the high level of trust that investors have in Postbank and the Pfandbrief as an attractive and value-retaining investment product.

Our stock data		H1/2009	H1/2008[1]
Closing price	€	18.11	55.76
High	€	19.42	67.10
Low	€	6.81	46.64
H1 earnings per share[2]	€	0.32	1.45
Number of shares	million	218.8	164.0
Market capitalization as of June 30	€m	3,962	9,145
Beta factor (relative to the DAX)		1.50	1.12
Equity including revaluation reserve	€m	4,995	5,019
Return on equity before taxes	%	−6.4	14.2
Total cost/income ratio	%	92.5	75.5
Cost/income ratio in traditional banking business	%	92.0	73.8

[1] Prior-year figures restated

[2] The average number of shares outstanding in the first half of 2009 was 218,800,000 (H1 2008: 164,000,000)

Developments in the First Half of 2009:
Focus on conservative investment forms

In customer business, our customers focused on conservative savings deposits during the first half of 2009, while the securities business and pension provision products were not of primary interest as a result of continuing difficulties in the economic environment. In the area of mortgage lending, we are continuing to successfully concentrate on smaller-scale new business.

Innovative expansion of cash provision for our customers

As the result of adjusting the conditions for overnight money accounts offered in connection with checking accounts, the number of newly opened checking accounts fell to 222,700, 11.6 % below the prior-year figure, and the number of checking accounts remained unchanged at 4.9 million. Current activities are focused on increasing the number of opportunities to withdraw cash.

Postbank's innovativeness is reflected here in a cooperation initiated with the Shell Corp. Since July 1, Postbank customers have been able to withdraw money at Shell stations. The first filling stations to be equipped with the necessary new technology are located in Hamburg – this unparalleled service is to be introduced at up to 1,300 Shell stations located throughout Germany by mid-2010. On the one hand, this service represents another milestone in the improvement of cash provision for our customers. On the other, it creates significantly increased security for the employees at Shell's filling stations because cash will no longer be accessible at these stations in the future. Rather, it will be directly placed in safes that are part of the equipment.

Another positive development is the growth of demand deposits in checking accounts. During the first half of the year, these deposits increased significantly above the prior-year level by 5.4 %, or about €900 million, to €17.5 billion.

Savings business continues to grow strongly

In our savings business, we generated significant growth in volume once again. The total, including home savings deposits, rose by 14.5 % to €71.7 billion compared with the first half of 2008. Traditional savings deposits excluding the home savings business even climbed by 21.0 % with a volume of €55.9 billion, whereas the entire market expanded by only 3.2 % to €540.8 billion by the end of May 2009.

In new business, we generated an increase of 81 % over the same period last year with a total of €9.4 billion. The "Postbank Gewinnsparen" was the most popular product here with a newly acquired volume of €6.5 billion. In mid-July, a new, innovative savings product was introduced, the "Postbank Aktiv-Sparen". With this product, a special bonus exceeding the base interest rate is paid at the end of each quarter on a quarterly increase of the average balance. We expect this attractive offering to have a further positive impact on our savings business.

Securities business grows in the second quarter

In a similar fashion to improvements on the capital markets, cash inflows in the securities business rose markedly higher in the second quarter, with €502 million, compared with the €278 million seen in the first quarter of 2009. In spite of this encouraging development, we experienced a decrease of gross cash inflows for the first half of the year. They fell by 39 % to €780 million. The closing of empty securities accounts led to a drop in the number of these accounts maintained at Postbank by just under 9 % to 850,400 as against the end of 2008, while the assets held by our customers here have increased by 6.3 % to €10.1 billion since the end of 2008.

For the second half of the year, we are expecting positive momentum to be generated by such offerings as the newly launched Postbank guarantee fund, which is designed to appeal to our security-oriented customers.

As in the first quarter, the insurance business did not meet our expectations in the second quarter of 2009. But the typically strong business generated at the end of the year still lies ahead of us. Converted new business fell by 19.9 % to €591 million. To promote sales, we are currently testing a product package of Riester savings accounts and checking accounts in 38 branches. Thanks to the success we see emerging, this product could be introduced across Germany.

In contrast, the partnership with HUK-COBURG Versicherungsgruppe in the area of non-life insurance performed particularly well in the first half of the year with 23,900 signed contracts.

Growth in self-generated mortgage lending business

New business including prolongations in the German mortgage lending market (including extensions) rose by about 15.6 % year-on-year to a total volume of €82.9 billion by the end of May 2009. As part of modified new business management, Postbank was less aggressive than competitors in defining terms so that our self-generated new business decreased by 15.7 % to €4.3 billion as expected. This decrease primarily affected the DSL Bank, whose new business decreased by €0.7 billion to €2.0 billion. In business conducted under the BHW brand, the focus is on low-volume loans, which are subject to markedly less competitive pressure than in the business of DSL. As a result, new business at BHW, including paid home savings loans, remained at the prior year's level of €2.4 billion.

At the end of the first quarter of 2009 (more recent data are not available), mortgage lending in the market fell by 0.6 % to €783 billion. This trend was seen to a certain extent at Postbank as well. Our entire book of private mortgage lending did increase by 3.9 % to €72.8 billion year-on-year. But it fell by 0.3 % compared with the previous quarter. This development largely resulted from a reduction of our holdings of purchased mortgage lending portfolios. In this period, however, we were able to increase the holdings that we attracted through our own sales channels by 0.6 % to €64.0 billion.

Home savings business adds market share

During the first six months of 2009, the home savings market declined. The total of home savings written dropped by 13.4 % year-on-year. Among other reasons, this development resulted from changes in government support at the end of 2008. With new business written totaling €5.2 billion, a decrease of 11.9 % compared with the first half of 2008, we outperformed the market and gained market share as a result. The market share of BHW Bausparkasse totaled 11.5 % as of June 30.

New market share for installment loan business

The installment loan business has been characterized by contradictory trends this year. On the one hand, the economic crisis had an impact on business with this extremely economically sensitive product. On the other hand, the market received a boost from the German government's environmental support program that fueled a significant increase in new car sales. We also profited from the related stimulation of the lending business, but to a lesser extent than financiers of automobile manufacturers. At Postbank, new business fell by 9.4 % to €744 million, while the market increased slightly by 1.6 % through the end of May.

In spite of the decreases in new business, our consumer loans book has grown markedly, rising by 25.9 % to €3.4 billion. But the outstanding loan volumes in the total market had risen only by 4.5 % by the end of the first quarter of 2009. As a result, we extended our market share in this product field as well.

Cooperation agreement with Deutsche Post extended to 2014

In June and ahead of schedule, Postbank and Deutsche Post DHL extended their cooperation in the branches through 2014. This contract creates planning security for both sides and is in the interest of customers who can then look forward to postal services continuing to be offered at Postbank Finance Centers. It also ensures the exclusive offer of Postbank financial services at Deutsche Post DHL retail outlets. The synergies between postal services and the sale of banking services have had a major positive effect on our customer business in recent years. In addition, the bundling of various services under one umbrella creates a unique distinguishing feature in the banking sector.

As part of the process of refining our branch concept, we opened the first Postbank investment and retirement-planning center in Munich at the beginning of May. In this center, we offer our customers comprehensive individual assistance with all questions regarding investments and financial retirement planning. Plans to open additional Postbank investment and retirement-planning centers in major German cities are currently being made. In addition, we redesigned 28 branches during the first half of 2009, and about 30 others are scheduled to be upgraded during the second half of the year.

Additional Retail Banking information

New business		H1 2009	H1 2008	2008
New customers	thousand	343	394	781
New checking accounts	thousand	223	252	572
New mortgage lending business incl. portfolio acquisitions	€bn	4.3	5.7	12.2
Self-generated new business mortgage lending	€bn	4.3	5.0	10.0
New private lending business	€bn	0.74	0.82	1.62
Total home savings – written	€bn	5.2	5.9	12.4
New securities business	€bn	0.8	1.3	2.5

Book		H1 2009	H1 2008	2008
Total customers	million	14.0	14.2	14.1
Number of core customers	million	4.9	4.7	4.9
Checking accounts	million	4.9	4.9	5.0
Savings deposits	€bn	55.9	46.2	49.1
Home savings deposits	€bn	15.8	16.5	15.9
Private mortgage lending book incl. portfolio acquisitions	€bn	72.8	70.2	72.7
Private loan book	€bn	3.4	2.7	3.0
Volume of securities accounts	€bn	10.1	10.7	9.5

Corporate Banking business produces encouraging results

As part of our strategic further development, we intend to be among the five core banks for 3,000 of our approximately 30,000 corporate customers over the middle term – we have already achieved this status with about 2,000 customers. Among other reasons, this resulted from the constantly improving efficiency of our Corporate Banking. The productivity of our sales specialists rose markedly as of June 30, 2009, to 172 % (base year 2005 = 100 %) from the prior year's level of 118 %.

Operating business in Corporate Banking also made significant strides during the first half of 2009 despite the difficult economic environment. In a reflection of these gains, the SME loans contained in the total of €26.8 billion (prior year: €20.8 billion) in corporate loans rose by €2.2 billion to €6.2 billion year-on-year. In commercial real estate financing, we were extremely selective in our new commitments. The total volume climbed from €15.9 billion at the end of 2008 to €17.2 billion as of June 30, 2009. Postbank – as the figures show – has proven itself to be a reliable lending partner even in today's challenging market environment.

The investment volume of our corporate customers has risen since the end of 2008 from €13.3 billion to about €17.2 billion. In addition to attractive investment opportunities, Postbank offers its corporate customers comprehensive advisory services designed to optimally shape their balance sheet structures.

Transaction Banking gains new customers

At the beginning of June, Postbank and HSH Nordbank reached an agreement under which the Postbank subsidiary Betriebs-Center für Banken AG (BCB) will take over the management of payment transactions for HSH Nordbank. As a result, the number of annual transactions at Postbank will rise by an additional 430 million to about 8 billion. BCB will take over the payment transactions at HSH Nordbank in several stages. The entire domestic and international payment transaction operation will be handled by BCB's IT platform by the end of 2010. During the first six months of the year, BCB performed about 3.9 billion payment transactions, a figure that matches the level of the prior year.

Number of employees slightly below previous year's level

As of June 30, 2009, Postbank employed 20,900 people, slightly below the prior-year figure. By the end of 2009, we expect to have a total workforce of about 20,800.

Employees

	June 30, 2009	June 30, 2008
Number of employees (full-time equivalents)	20,910	21,497
Part-time employees	5,417	5,552
Percentage of female FTEs	58 %	58 %
Percentage of male FTEs	42 %	42 %
Percentage of civil servants	34 %	34 %

Interim Management Report

Business Environment

Economic environment
The deep recession being experienced by the world economy continued during the first half of 2009. Industrial countries were hit very hard, especially those with export-driven economies. After an extremely difficult first quarter in which world trade experienced a precipitous drop, the economy stabilized markedly during the spring. In some regions – led by Asia's emerging countries – signs of a recovery began to appear.

In the United States, economic output slowed considerably at the beginning of the year, but then stabilized in the second quarter. The primary causes of the very weak start were dramatically falling investments by companies and massive reductions in inventories. Private consumption added no significant momentum during the first half of the year, while foreign trade provided support to the economy thanks to a significant drop in imports. At the beginning of the year, the emerging countries in Asia were also suffering from the economic crisis, but began to recover early on. This was largely the result of China's massive economic program. In China, GDP began to grow again in the second quarter, rising 7.9 % compared with the same period last year. The entire region profited from China's expanding demand. As a result, Japan's economy, which suffered a steep drop in exports and industrial production in the first quarter, recuperated somewhat during the second quarter.

Following a renewed drop in the gross domestic product, the euro zone's economy stabilized in the spring. In particular, the massive plunge in exports and industrial production came to a halt. The economic situation remained, however, very bad until the middle of the year. In particular, exports and production were well below the previous year's levels. The plunge in world trade hit Germany at the beginning of the year much harder than the euro zone as a whole. At times, orders from international customers plummeted more than 40 % compared to the prior year's levels. German exports and industrial production were able to stablize at an extremely low level during the spring. Private consumption was relatively positive. It profited from a very low inflation rate and the German government's scrapping bonus for private automobiles. The economic contraction in Germany and the euro zone was somewhat more intense in the first half year of 2009 than we expected. Otherwise, macroeconomic trends experienced in the first half of the year largely reflected the expectations we expressed in our last report.

In consideration of the deep recession and continuing financial market crisis, the U.S. Federal Reserve kept its key interest rate at the historically low level of 0 – 0.25 % in the second quarter. The European Central Bank cut its key rate from 1.50 % to 1.00 %. The central banks also continued to take unconventional steps, including the purchase of government bonds, in their attempt to shore up financial markets and the banking sector. During the first half of the year, the long-term capital market yields in the euro zone rose slightly, causing the yield curve to significantly steepen. Both developments were largely in line with our expectations. But the steepening of the yield curve proved to be somewhat more pronounced than we forecast.

Sector situation
Since the crisis began in mid-2007, financial institutions worldwide have taken writedowns totaling nearly $1,500 billion on distressed assets. To strengthen their equity base, they raised nearly $1,300 billion in fresh capital during the same period. Some of this capital was provided by government economic bailout funds. Even after two years, the crisis cannot be considered over just yet. Several U.S. banks have indeed in the last months paid back all or part of the government assistance they received or have made provisions with the government to take such a step. In contrast to that, the German IKB has received a new guarantee of more than €7 billion from the Financial Market Stabilization Fund SoFFin, and more than 50 banks in the United States have filed for bankruptcy since the turn of the year 2008/2009. The total was "only" 25 for the entire year of 2008. Since the start of the second quarter of 2009, the approval of the so-called bad bank law, which gives lending institutions the opportunity to offload their toxic assets, and the amendment of the *Konzernabschlussüberleitungsverordnung* (KonÜV – Consolidated Financial Statements Reconciliation Regulation) have been the most important steps taken by the German federal government to support German banks.

An analysis of business trends among the five banks listed on Deutsche Börse's Prime Standard provides no uniform conclusions. During the first quarter of 2009, three banks generated an operating loss, and two of them also generated a loss after tax. One bank was able to improve both its return on equity and the cost/income ratio compared with the same quarter last year. The return on equity worsened at all of the others, and only one of these banks could improve its cost/income ratio. Year-on-year, all five banks increased their net interest income. But all of them also raised their allowances for losses on loans and advances. At two banks, the increase in the allowances for losses on loans and advances exceeded the growth in net interest income. As a result, only three banks could report an increase in net interest income following allowances for losses on loans and advances. In each case, the majority of the banks announced a drop in net fee and commission income and/or in net income from proprietary trading. The share price for all five banks rose during the second quarter. During this period, the unweighted average rise of the stock price was more than 30 % and outperformed the DAX with an increase of 18 %. But the price of the banking shares remains well below the level achieved before the start of the crisis.

The three-pillar structure of private banks, savings banks and cooperative banks remains the key feature of the German banking sector. No consolidation steps were taken in the first half of 2009.

Significant events at Postbank during the first half of 2009

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

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

Deutsche Bank announced on March 9 that it holds a 25 % stake plus one share in Postbank. The shares were primarily purchased in the transaction with Deutsche Post AG.

The Annual General Meeting of Deutsche Postbank AG was held on April 22, 2009, in Frankfurt. All resolutions were approved by large majorities.

At its meeting on May 29, 2009, the Supervisory Board of Deutsche Postbank AG appointed Stefan Jütte to become Chairman of the bank's Management Board effective July 1, 2009. Before this appointment was made, the Supervisory Board and the Chairman of the Management Board at the time, Wolfgang Klein, decided under amicable conditions and by mutual agreement that he would step down on June 30, 2009, after nine years of successful service at Postbank. Dirk Berensmann, Management Board member serving as COO for the IT/Operations division, and the Supervisory Board of Postbank reached an agreement on the end of his responsibilities effective May 29, 2009. He was succeeded on May 30, 2009, by Mario Daberkow, who previously oversaw Transaction Banking at Postbank in his capacity as Executive Manager.

Postbank's investment focuses

During the first half of 2009, the investment focuses at Postbank remained on projects to introduce refined risk-measurement and risk-management models, to further optimize liquidity management and expand its consulting processes. It also continued to invest in the achievement of SEPA compliance as well as efforts to meet legal and regulatory requirements, including the introduction of the *Zahlungsdiensterichtlinie* (Payment Service Directive), *Bilanzrechtsmodernisierungsgesetz* (BilMoG – German Accounting Modernization Act), Basel II and the flat tax. In addition, planning on the creation of a strategic reporting architecture has been initiated.

Projects to optimize the design of the branch network as well as to refine the multi-channel architecture and the SAP banking platform at Postbank have been launched or are continuing.

Net Assets, Financial Position, and Results of Operations

Income statement

Earnings in the first half of 2009 were affected by both positive and negative special factors. The effects of the severe and prolonged market turmoil accompanying the crisis on the financial markets and the general economy impacted results. This development and further downgrades by the rating agencies of structured credit products had a negative effect on Postbank's net trading income and net income from investment securities. However, losses from structured credit products in the second quarter (€134 million) were again well below the previous quarter (€221 million). Non-recurring items from the reversal of deferred taxes resulting from the clarification of the underlying tax situation were a key positive factor influencing earnings.

Thanks to these positive tax effects, Postbank recorded a consolidated net profit in the first half of the year of €70 million (previous year: €238 million). The profit before tax amounted to €–160 million (previous year: €340 million), with the second quarter contributing a loss before tax of €69 million compared with a loss before tax of €91 million in the first quarter.

Postbank's customer business continued to develop positively in the first half of 2009 despite the fierce ongoing competitive environment. Particularly good growth was achieved once again in the savings business, with the savings volume rising to some €56 billion. The customer loans business was also expanded, increasing by 9.9 % year-on-year to €104.3 billion. Due to the adverse environment on the capital markets in the first quarter of 2009 in particular, customers displayed a clear lack of appetite for securities and in the long-term endowment insurance business.

This trend was reflected in the items comprising operating income. Net interest income increased slightly in the first half of the year as against the prior-year period, despite the generally challenging interest rate environment for depositrich institutions. By contrast, net fee and commission income was down on the strong prior-year level, but picked up in the second quarter as against the first three months of the year. Strict cost management resulted in yet another reduction in administrative costs as compared to the previous year.

Unless otherwise stated, the following comments offer a comparison with the restated figures for the first half of 2008 (see also Note 4) and, in the case of balance sheet disclosures, December 31, 2008.

Net interest income increased year-on-year by 1.7 % to €1,199 million in the first half of 2009. The massive year-on-year cut in interest rates led to a drop in both interest income and interest expense; however, the decline in interest income was more moderate due to strong volume performance compared with the previous year.

Interest expense, particularly from liabilities, clearly reflects the decline in interest rates. This can be seen on the one hand in significantly lower short-term refinancing costs, and on the other in net gains from faster repricing of short-term liabilities than of the corresponding assets on the money market, particularly in the fourth quarter of 2008 and the first quarter of 2009. The latter effect ceased to apply in the second quarter due to successive adjustments to the corresponding short-term positions on the asset side.

Substantial volume increases in the savings business compared with the first half of 2008, resulted in a higher interest expense in this product area. The sharp drop in interest rates poses a general challenge to deposit-rich banks in terms of generating net interest income from this product area and from demand deposits. We expect this pressure on margins as against the prior-year period to continue, but to ease during the remainder of the year. In addition, the steeper yield curve in comparison to the previous year is likely to lead to increasingly positive earnings effects, e.g., from the natural maturity structure of our customer business with its comparatively short-term customer deposits and long-term loans. As a result, we expect net interest income in the coming quarters to be well above the level in Q2 2009 again.

Another noteworthy factor in comparison to the previous year is that current income from equities and other non-fixed-income securities fell to zero in the first half of the year as we liquidated our entire equity holdings in the fourth quarter of 2008. In the prior-year period, these components contributed €38 million to net interest income, primarily in the second quarter.

Net trading income and net income from investment securities declined by €322 million year-on-year to €–328 million overall.

The difficult ongoing market environment in the first six months of 2009 impacted net trading income. The Bank's underlying net trading income profited from gains on our swap positions used for hedging and for managing the banking book as part of asset/liability management. Total income from this in the first half of the year was €87 million (previous year: €268 million). By contrast, a significant loss was recognized on the measurement of embedded derivatives from the structured credit substitution business. Measurement losses totaled €314 million, €128 million of which were attributable to the second quarter. Measurement losses from embedded derivatives amounted to €197 million in the comparable prior-year period.

Net trading income also included a net loss from the application of the fair value option, which has been used at our subsidiary BHW Bausparkasse to hedge its mortgage loan portfolio. The unusually sharp drop in interest rates resulted in a measurement loss of €26 million (previous year: measurement gain of €23 million). Overall, net trading income for the first six months of 2009 amounted to €–210 million compared with €73 million in the prior-year period.

Net income from investment securities in the first half of 2009 amounted to €–118 million, after €–79 million in the prior-year period. However, this figure improved significantly quarter-on-quarter in Q2 2009, rising €90 million to €–14 million. The item includes €41 million in impairments on our structured credit substitution business (€6 million of which relates to the second quarter). In addition, we recognized a total of €76 million in impairments (€18 million of which relates to the second quarter) on other fixed-income securities and on retail funds and investments still held in our portfolio.

Net fee and commission income amounted to €645 million in the first half of 2009, down 9.0 % year-on-year despite a significant improvement between the first and the second quarter of 2009. This includes structural declines in income from the sale of postal services and from the sale of new services at our branches, as well as from transaction banking. Net fee and commission income from the banking business was unable to offset this trend, due to a clear lack of customer appetite in the securities and insurance business as a result of the adverse environment in the first quarter in particular. We believe that this consumer behavior will initially persist in the coming quarters due to continuing insecurity and the trend towards more conservative investments and that net fee and commission income is therefore likely to remain slightly below the previous year's levels in the coming quarters.

Total income in the first half of 2009 amounted to €1,516 million, as compared to €1,882 million in the first six months of 2008. This development is primarily attributable to the impact of the capital market disruptions already mentioned on net trading income and net income from investment securities. By contrast, the operating income components net interest income and net fee and commission income fell by a mere €44 million overall, to €1,844 million.

The allowance for losses on loans and advances increased by €120 million as against the extremely low prior-year figure to €281 million in the reporting period. At around 53 basis points of the customer loan volume on an annualized basis, this remains an extremely good figure compared with other banks. This development is in line with our expectations and is due to the macroeconomic slowdown and in particular to the tight situation on the international real estate markets. The €134 million in additions to specific valuation allowances are primarily attributable to commercial real estate financing. In the retail banking business as well, the weak economic development resulted in a moderately increased allowance for losses on loans and advances as compared with the previous year.

Administrative expenses fell by a slight €17 million year-on-year in the first six months to €1,403 million. The key driver for this decline was the other administrative expenses item, which decreased by €26 million to €632 million. Staff costs rose slightly by €14 million year-on-year to €703 million. To counter the economic pressure on our earnings situation, we will continue driving forward our cost management activities with the goal of handling the constant increase in customer volumes while keeping administrative expenses stable.

Net other income and expenses amounted to €8 million, following €39 million in the first half of the previous year.

In the first half of 2009, the profit before tax amounted to €–160 million, compared to a profit of €340 million in the first half of the previous year.

The income taxes item amounted to a positive figure of €231 million due to special factors resulting from the reversal of deferred taxes, based on the clarification of the underlying tax situation, and due to the pre-tax loss recognized. Consolidated net profit thus amounted to €70 million after €238 million in the previous year; this corresponds to earnings per share of €0.32 (previous year: €1.45). It should be noted in this context that the basis for reference has increased to an average of 218.8 million shares outstanding, following 164 million shares in the prior-year quarter.

The return on equity after tax amounted to 2.8 % as compared to 9.9 % in the previous year. The cost/income ratio amounted to 92.5 % (75.5 % in H1 2008).

Segment Reporting

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

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

We have restated the first half of 2008 in line with this in order to ensure comparability for the comments that follow. For an overview of the modifications made to segment reporting, please also refer to Note 1.

Retail Banking

Profit before tax in the Retail Banking segment fell by €216 million in the first half of 2009 to €314 million. This development is partly due to factors that are unrelated to customer business.

The segment's net interest income, which declined by €85 million year-on-year to €1,053 million, reflects among other things the sharp drop in interest rates, which generally has a negative impact on net interest income at deposit-rich banks.

Net trading income – which is generated exclusively by BHW Bausparkasse, part of the Retail Banking segment – contributed €–34 million to the segment result. The corresponding amount in the previous year was a positive €31 million. This development was due to the net loss from the application of the fair value option used to hedge our mortgage loan portfolio, which in turn was due to the interest rate environment.

Net fee and commission income fell by €42 million in the first half of the year to €538 million. This was partly due to the structural decrease in income from our business with postal services and new services at our branches. However, net fee and commission income continued to suffer from the lack of appetite on the part of our retail customers in our securities and insurance business. This meant that net fee and commission income from the banking business was also unable to match last year's figure or compensate for these structural effects. A slight improvement was seen as against the previous quarter: Net fee and commission income increased by €18 million quarter-on-quarter in Q2 2009 to €278 million. We believe that this improvement will continue in the coming quarters, but that it will not quite be possible to repeat the prior-year's strong level.

Total income for the segment thus declined by €191 million to €1,558 million.

Administrative expenses fell by €18 million to €1,089 million thanks to our ongoing drive to manage costs. The weak economic environment led to a moderate increase in allowances for losses on loans and advances of €27 million year-on-year to €160 million. With €80 million, the level of allowances for losses on loans and advances in Q1 and Q2 2009 remained unchanged.

Net other income and expenses fell by €16 million to €5 million. This development is primarily attributable to effects from accruals recognized by subsidiaries included in this segment.

The cost/income ratio rose from 63.3 % to 69.9 % with the return on equity before tax amounting to 28.2 % as compared to 44.4 % in the first half of the previous year.

Corporate Banking

In the first half of 2009, the loss reported by the Corporate Banking segment amounted to €7 million, after a profit of €55 million in the comparable prior-year period. The earnings situation is due to the negative effects relating to the financial market crisis that were allocated to the segment; overall, however, the operating business developed positively. Despite the negative effects, the segment generated a profit of €21 million in the second quarter of 2009, after a loss of €28 million in Q1.

Net interest income climbed by 40.4 % to €250 million due to the significant increase in the business volume and more attractive margins for new business. The positive trend from the first quarter continued into the second quarter of 2009: Net interest income increased by €18 million quarter-on-quarter to €134 million.

Net trading income and net income from investment securities were again impacted by the negative effects of the financial market crisis, recording a total decline of €36 million to €–99 million. Net income from investment securities amounted to €–16 million, following €–40 million in the previous year. Net trading income amounted to €–83 million after €–23 million in the previous year. These items include negative effects of €99 million from our structured credit portfolio (previous year: €62 million), €27 million of which was attributable to the second quarter of 2009. In addition, negative effects of €13 million from impairments on other fixed-income securities were recognized; these related exclusively to the first quarter of 2009.

At €57 million, net fee and commission income was up by €5 million year-on-year, lifting total income by €41 million to €208 million.

Administrative expenses grew by €12 million to €95 million. The increase of €92 million in the allowance for losses on loans and advances to €122 million was primarily attributable to the recognition of specific valuation allowances on commercial real estate finance exposures.

The cost/income ratio was 45.7 % after 49.7 % in the first half of 2008, and the return on equity before taxes was –2.8 %, down from 27.1 % in the first half of the previous year.

Transaction Banking

At €19 million, profit before tax in the Transaction Banking segment was down €3 million on the comparable prior-year figure. Transaction volumes – especially for paper-based transactions – were down slightly year-on-year, resulting in a 7.4 % decrease in net fee and commission income to €162 million. Administrative expenses, however, improved by €4 million to €158 million, while net other income and expenses rose by €7 million to €14 million.

As a consequence, the cost/income ratio rose slightly from 91.5 % in the first half of the previous year to 96.9 %.

Financial Markets

The Financial Markets segment's profit before tax fell by €18 million year-on-year, amounting to €90 million as of June 30, 2009. This is mainly due to net trading income (down by €21 million to €46 million), as well as to net fee and commission income (down by €14 million to €18 million). By contrast, net interest income increased by 22.4 % to €82 million, while the net loss on investment securities narrowed by €2 million to €13 million.

The segment result includes negative effects of €19 million on our structured credit portfolio (€12 million in net trading income, €5 million of which in Q2 2009, and €7 million in net income from investment securities, €4 million of which in Q2 2009) and of €8 million on other securities (only net income from investment securities, Q2 2009 exclusively). The segment's cost/income ratio increased from 29.1 % to 33.8 % as a result of a €1 million increase in administrative expenses to €45 million. The return on equity before tax amounted to 26.0 % (32.0 % in H1 2008).

Others

The loss before tax in the Others segment widened from €375 million in the first half of 2008 to €576 million. This development is due to the effects of the financial market crisis on the banking book positions, which are reported in this segment. These mainly include impairment losses (€33 million, of which €2 million in the second quarter) and changes in the value of embedded derivatives (€–204 million, of which €–96 million in the second quarter) in the structured credit business. They also include impairment losses on other fixed-income securities and retail funds of €51 million (previous year: €10 million) that related exclusively to net income from investment securities, €6 million of which was attributable to the second quarter. Net trading income decreased by €110 million to €–114 million, while net income from investment securities amounted to €–90 million, down €66 million.

Net interest income for the Others segment fell slightly by €5 million to €–213 million. Net fee and commission income declined by €11 million to €–30 million. Administrative expenses rose by €10 million to €413 million.

By contrast, net other income and expenses rose slightly by €1 million to €284 million.

Consolidation

As already explained, this new segment – introduced in the first quarter of 2009 – encompasses the internal transactions between the Postbank Group's consolidated companies. It therefore generally reports a balanced result.

Key consolidation adjustments were made within net fee and commission income, which primarily comprises corrections of payments for the provision of payment services for Postbank that are recognized in the income statement for the Transaction Banking segment. Consolidation adjustments amounted to €–100 million in the first half of 2009 as compared to €–111 million in the previous year.

Additionally, consolidation adjustments made within administrative expenses amounted to €397 million (previous year: €379 million). These are primarily attributable to intersegmental cost allocation for IT and Transaction Banking services provided within the Group. Net income and expenses primarily eliminates income from internally invoiced IT services which is contained as other income in the item of the same name in the Others segment.

Total Assets

Total assets amounted to €237 billion as of June 30, 2009, after €231 billion at the end of the last fiscal year and €241 billion on March 31, 2009.

Developments on the assets side were marked by the reduction in investment securities as part of our program to improve the risk structure and our earnings quality. The increase in total assets as against the year-end value is primarily attributable to the interest rate environment, which led to a clear increase in the positive fair value of derivatives held for trading.

The liabilities side exhibited precisely the opposite trend as a result of the increase in the negative fair values of the derivatives there. The almost evenly balanced portfolio meant that the Bank's risk exposure did not increase.

The resounding success of our savings business in particular led to amounts due to customers increasing significantly. At the same time, we continued to reduce deposits from other banks, demonstrating Postbank's sound refinancing position.

Loans and advances to customers, which also include securitized assets such as promissory note loans, increased by 2.0 % as against the end of 2008 to €107.4 billion. We continued to reduce our portfolios of low-margin public-sector receivables in the period under review by €0.6 billion to €1.6 billion.

Loans and advances to other banks increased by €3.6 billion to €22.2 billion as compared to December 31, 2008. This represents a drop of €2.1 billion as against March 31, 2009.

We continued to reduce our investment securities in line with our planning; they totaled €80.3 billion on June 30, 2009, down €2.8 billion as against the end of 2008.

Trading assets increased by €3.6 billion to €20.2 billion in the first six months of 2009. This is due in particular to a sharp rise in the positive fair values of trading book derivatives, which rose thanks to the significant interest rate cuts in the first half of the year as against the end of 2008. Trading assets fell by €3.1 billion as against March 31, 2009.

On the liabilities side, amounts due to customers in particular increased significantly by €12.4 billion as against December 31, 2008 to €129.8 billion. This item rose by €5.6 billion as against March 31, 2009. This is mainly due to the successful acquisition of new customer funds. Traditional savings deposits increased by €7.0 billion to €42.0 billion. In keeping with their long-term nature, home savings deposits remained largely stable at €16.1 billion (€16.2 billion at the end of 2008). Total retail banking deposits, recognized under amounts due to customers, increased by €7.4 billion as against December 31, 2008 to €89.2 billion, due to the fact that our sales activities were focused on the deposit business. Rising term deposits in the Corporate Banking business also contributed to the growth in this balance sheet item.

Deposits from other banks were scaled back in connection with the growth in amounts due to customers and the above-mentioned reduction in investment securities, falling €9.7 billion to €53.1 billion.

Securitized liabilities amounted to €16.2 billion on June 30, 2009, only slightly down on the level at the end of 2008 (€16.3 billion). Our *Jumbo Hypothekenpfandbrief* with a total volume of €1 billion that was issued in the first quarter of 2009 offset the decline in other outstanding debt instruments of the same amount.

Trading liabilities rose significantly by €4.6 billion to €21.6 billion. As described above, derivatives in the trading portfolio that are reported as liabilities increased by a similar amount as trading assets. Trading liabilities fell by €2.2 billion as against March 31, 2009.

Equity

As of June 30, 2009, recognized capital amounted to €4,995 million as compared with €5,019 million at the end of 2008. The revaluation reserve included in this item totaled €–819 million following €–724 million as of December 31, 2008.

The Tier 1 capital ratio in accordance with Basel II was 8.0 % as of June 30, 2009, following 7.4 % at year-end 2008 and 7.2 % as of March 31, 2009. The regulatory capital ratio is calculated on the basis of the *Konzernabschlussüberleitungsverordnung* (KonÜV – Consolidated Financial Statements Reconciliation Regulation) as amended by the publication made available by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – German Federal Financial Supervisory Authority) in the Federal Law Gazette on July 24, 2009 and effective from June 30, 2009. Under this, negative components of the revaluation reserve resulting from debt securities – as is already customary in most other European jurisdictions – are no longer deducted from regulatory capital. This facilitates comparability at international level and helps prevent distortions of competition. The volatility of the Tier 1 ratio disclosed will decline significantly.

In addition to the effects of the amended KonÜV, our measures to strengthen our capital position, improve our risk profile, and reduce volatility have had a substantial effect over the past year and played a key role in increasing our capital ratio by 1.7 percentage points since June 30, 2008, despite the impact of the crisis. We are planning to introduce more sophisticated risk measurement models in the coming year to further strengthen our capital ratio and offset procyclical effects in our risk-weighted assets.

Report on Post-Balance Sheet Date Events

There were no events subject to reporting requirements from June 30, 2009 until the adoption of the interim report by the Management Board on July 28, 2009.

Risk Report

Financial market crisis

The second quarter of 2009 was again dominated by the financial market crisis and the resulting severe global recession. The following section provides a detailed description of the effects of the crisis on the risk situation and risk management at the Postbank Group.

Organization of risk management

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

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

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

Our core task for 2009 continues to be systematically anchoring the CRO (Chief Risk Officer) structure established last year within the Bank's risk processes. Work progressed in the first half of 2009 on establishing the human resources and organizational requirements for this. One focus of our work at a content level was on refining the Postbank Group's risk-bearing capacity concept. In addition, the focuses of the Postbank Group's risk management system mentioned in the Annual Report continue to apply. The methods, systems, and processes described here and in the 2008 Annual Report – in particular in view of the financial market crisis – are subject to continuous review and enhancement in order to adequately reflect market, business, and regulatory requirements.

Risk types

The Postbank Group distinguishes between the following risk types:

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

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

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

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

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

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

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

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

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

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

Risk capital and risk limiting

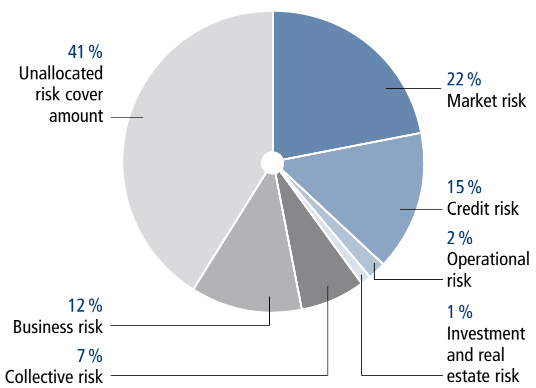
The Bank's risk-bearing capacity is assessed from the perspective of investor protection and serves as the basis for limiting material risks. In addition, internal management employs a concept designed to safeguard a defined Tier 1 ratio.

The methods, systems, and processes associated with Postbank's risk-bearing capacity concept were reviewed in detail in the first half of 2009 for lessons learned from the financial market crisis, among other things, and were revised in certain areas.

The risk capital allocated to credit risk was increased by €1 billion in the first half of 2009 in light of the economic situation, while the risk capital allocated to market risk was reduced slightly in the second quarter. Risk cover utilization by the allocated risk capital as of the reporting date amounted to 59 %, based on the revised risk-bearing capacity concept. This represents a slight increase of two percentage points as against the first quarter of 2009 (based on the original risk-bearing capacity concept), but compared to December 31, 2008 (also based on the original concept) the figure was unchanged. The risk-bearing capacity of the Postbank Group was assured at all times.

As of June 30, 2009, the percentage allocation of the Postbank Group's risk cover amount by risk type after factoring in correlation effects is as follows:

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



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

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

Risks are only assumed within limits that are in line with the Bank's risk-bearing capacity. This is designed to ensure that risks that could jeopardize the Bank's existence are avoided. As of June 30, 2009, 75 % of the market risk limit was utilized. The main factor impacting the limit, which was reduced slightly, was the sharp increase in the volatility inputs used to calculate the value at risk as a result of the financial market crisis. With regard to credit risk, the limit utilization after adjustment for losses reducing the unallocated risk cover amount was 75 %.

Regulatory requirements

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

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

Postbank will publish its semi-annual Pillar III Disclosures in accordance with the SolvV/Basel II as of June 30, 2009 on its website at around the same time as it releases its financial statements for the first half of 2009.

Market risk

Market risk management

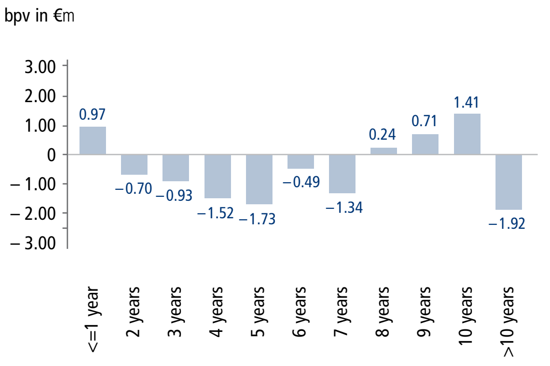
Postbank makes use of a combination of risk, earnings, and other inputs to manage its market risk. Changes in the value of market risk are derived from daily marking to market, independently of their measurement for financial accounting purposes. In the case of inactive market segments, a special process has been instituted to regularly review whether the market data available still permits adequate valuations to be made. As a result, specific portfolios are marked to model. The management of market risk positions from an earnings perspective focuses both on specific periods and on the present value. All market risk is measured using value at risk. Risks from potential changes in spreads have been taken into account in risk measurement. Sensitivity indicators and gap analyses are other management indicators used.

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

In light of the financial market crisis, Postbank actively reduced its risk positions in the areas of interest rates and, in particular, equities, in fiscal year 2008. It systematically continued this cautious risk strategy in the second quarter of 2009. To reduce the Bank's exposure to extreme capital market volatility, it also plans to cut its holdings of investment securities by approximately 10 % in 2009 and by approximately 45 % by 2013.

Interest rate risk – a significant component of market risk – is the term used to denote the changes in the fair value of interest-sensitive financial instruments resulting from a change in market rates of interest. The following chart presents the Postbank Group's open interest rate positions as of June 30, 2009 in the form of a basis point value (bpv) graph. Positions with a negative value represent an asset-side interest rate risk, which means that there is a surplus of assets. In the same way, positive values indicate a surplus of liabilities.

The Postbank Group's interest rate positions (bpv) as of June 30, 2009



The chart shows that the surplus of assets as of June 30, 2009 is primarily concentrated in the medium and long-term (>10 years) maturity ranges. The surplus of liabilities in the 8 to 10-year band can be attributed essentially to the long-term positions in BHW Bausparkasse AG's home savings collective. Interest sensitivity, which was reduced significantly in 2008, was realigned more closely with assets in Q2 2009 due to the steepening yield curve. In particular, the interest sensitivity of the AfS positions was again managed extremely closely in order to limit the additional potential impact on the revaluation reserve.

Monitoring market risk

In the Postbank Group, market risk is monitored using a system of risk limits based on the value at risk methodology. Operational management is based on a confidence level of 99 % and a holding period of 10 days (banking book) or 1 day (trading books). The risk factors taken into account in the VaR include yield curves, equity prices, commodity prices, foreign exchange rates, and volatilities, along with risks arising from changes in credit spreads. Correlation effects between the risk factors are derived from historical data. End-of-day risk measurement and monitoring are used for the whole bank; additional intraday monitoring is carried out for the trading portfolios. The aggregate limits are set by the Group Management Board and allocated by the Market Risk Committee to the individual operating units as sublimits. These are dynamic outcome-based limits; any losses incurred reduce the limit, while gains replenish it, at a maximum, to the originally defined level. No material limit exceedances occurred in the second quarter of 2009.

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

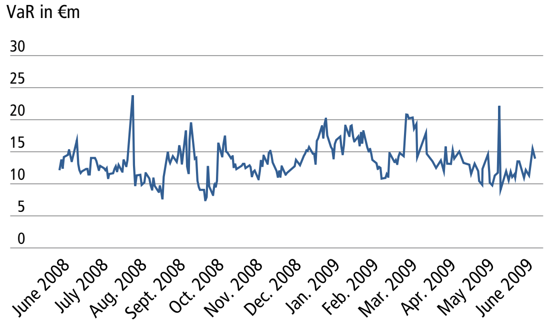
Risk indicators

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

Value at risk, trading portfolio	Q2 2009 €m	Q1 2009 €m
VaR at end of quarter	14.2	18.9
Minimum VaR	8.4	11.1
Maximum VaR	23.2	21.0
Average VaR	12.9	16.1

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

Value at risk (trading portfolio) for the period
July 1, 2008 to June 30, 2009



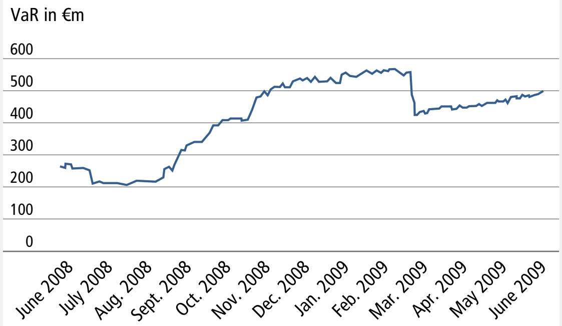
The VaR in the trading book was volatile, with the figures recorded being slightly lower than in the first quarter.

The value at risk for the banking book (confidence level of 99 %, holding period of 10 days), which accounts for by far the largest portion of market risk, amounted to a total of €495.3 million as of June 30, 2009 (for comparative purposes: €430.7 million as of March 31, 2009).

Value at risk, banking book	Q2 2009 €m	Q1 2009 €m
VaR at end of quarter	495.3	430.7
Minimum VaR	425.2	421.2
Maximum VaR	495.3	565.0
Average VaR	458.4	534.8

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

Value at risk (banking book) for the period
July 1, 2008 to June 30, 2009



The figures for VaR in the banking book continued to rise in the second quarter of 2009, despite the downward trend in holdings. This is due in particular to the renewed rise in the risk inputs used to measure VaR; since a one-year history period is used, these are increasingly dominated by observed values that reflect the renewed sharp rise in volatility in the period following the collapse of Lehman in September 2008. This development will tend to continue in the third quarter of 2009. Once again, the results of ongoing backtesting recorded a significant improvement across all portfolio levels in the second quarter. This means that the decision taken at the end of March 2009 to remove the VaR add-ons that were introduced temporarily in November 2008 to prevent potential underreporting of risk has proved to be correct.

Credit risk

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

Monitoring and managing credit risk

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

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

In contrast, the expected loss indicated in the "Credit risk" table is the expected amount of losses from credit risk in Postbank's portfolio, expressed in terms of the default amount expected within a one-year period. This approximates the product of the probability of default, the exposure at default, and the loss given default. The expected loss does not contribute to the Bank's overall risk, but is factored into margin calculations by including it in the standard risk costs.

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

The following table provides an overview of the key credit risk indicators for the various profit centers as of June 30, 2009 (calculated on May 31, 2009) as compared to the end of 2008. The volume for the Group loan portfolio reported in this table differs from the "maximum counterparty risk" shown lower down in respect of two factors: Firstly, the date used for calculating CVaR is the last day of the preceding month and, secondly, carrying amounts, fair values, or credit equivalent amounts are used to fully quantify the credit risk when calculating CVaR, depending on the item.

Credit risk	Volume		Expected loss		Credit VaR*	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Corporate Banking	27,050	25,860	108	77	221	205
Retail Banking	46,158	46,067	278	213	206	199
Financial Markets	139,566	142,903	383	210	1,628	848
Others (banks/local authorities)	4,845	6,056	4	4	180	108
BHW	43,639	41,622	104	66	69	63
Total (incl. portfolio effect)	261,258	262,508	877	570	1,650	877

* 99.93 % confidence level

The overall loan portfolio fell by a slight 0.5 % in the first half of 2009, declining from €262.5 billion at the end of 2008 to €261.3 billion. In the first quarter, Postbank reduced the average default probabilities allocated to the individual rating levels on its master scale to the lower limits of their respective categories, due to the sharp deterioration in the global economic environment. The expected loss rose by 53.9 % as against the year-end, while the unexpected loss rose by 88.1 %. The increase in the figures for the expected and unexpected loss is primarily due to the adjustments made to Postbank's master scale as well as to rating downgrades resulting from the financial market crisis and an additional rise in concentration risk. A further year-on-year decline in Group loans to banks and local authorities and an increase in loans to retail and corporate customers can be observed. By contrast, the portfolio of investment securities at Financial Markets was reduced slightly as instruments matured. The moderate growth in loan volumes planned is expected to lead to a corresponding increase in the expected loss and CVaR in the current fiscal year. In contrast, there will be a further reduction in the Financial Markets portfolios.

As of June 30, 2009, the maximum exposure to credit risk was as follows (compared with December 31, 2008):

Maximum counterparty risk		
Risk-bearing financial instruments	Maximum counterparty risk exposure	
	June 30, 2009 €m	Dec. 31, 2008 €m
Trading assets	20,168	16,573
Held for trading	20,168	16,573
Hedging derivatives	444	474
Held for trading	444	474
Loans and advances to other banks	22,245	18,684
Loans and receivables	22,209	18,616
Available for sale	36	68
Loans and advances to customers	107,402	105,318
Loans and receivables	98,238	96,373
Fair value option	8,884	8,605
Held to maturity	280	340
Investment securities	80,254	83,058
Loans and receivables	67,859	68,859
Held to maturity	72	186
Available for sale	12,323	14,013
Subtotal	230,513	224,107
Contingent liabilities from guarantees	1,141	1,296
Other liabilities (irrevocable loan commitments)	22,897	23,205
Total	254,551	248,608

In contrast to the “Credit risk” table, the “Maximum counterparty risk” table breaks down the maximum exposure to credit risk in accordance with IFRS 7.36 (a) into categories of risk-bearing financial instruments. This figure is reported as a gross amount, since risk-bearing financial instruments are recognized and measured without accounting for credit risk mitigation techniques, recognized transactions are recorded at their carrying amounts, and the maximum counterparty risk exposures resulting from the utilization of irrevocable loan commitments or other off-balance sheet items correspond to all externally approved lines. This representation contains no information on ratings or collateral, in contrast to the economic risk quantification contained in the “Credit risk” table. In addition, reporting date variances exist between the two tables as of June 30, 2009.

Sector structure of the loan portfolio

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

Risk concentration by sector and borrower group

Risk-bearing financial instruments	Retail customers		Banks/ insurers/ financial services		Countries		Services/wholesale and retail		Industry		Other sectors		Total	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Trading assets	216	215	19,224	15,728	164	17	100	128	165	172	299	313	20,168	16,573
Held for trading	216	215	19,224	15,728	164	17	100	128	165	172	299	313	20,168	16,573
Hedging derivatives	0	0	395	429	39	25	6	13	0	0	4	7	444	474
Held for trading	0	0	395	429	39	25	6	13	0	0	4	7	444	474
Loans and advances to other banks	0	0	22,244	18,684	1	0	0	0	0	0	0	0	22,245	18,684
Loans and receivables	0	0	22,208	18,616	1	0	0	0	0	0	0	0	22,209	18,616
Available for sale	0	0	36	68	0	0	0	0	0	0	0	0	36	68
Loans and advances to customers	76,566	75,127	9,514	9,575	3,453	3,755	5,667	5,926	5,734	4,738	6,468	6,197	107,402	105,318
Loans and receivables	67,682	66,522	9,509	9,570	3,348	3,607	5,619	5,874	5,620	4,611	6,460	6,189	98,238	96,373
Fair value option	8,884	8,605	0	0	0	0	0	0	0	0	0	0	8,884	8,605
Held to maturity	0	0	5	5	105	148	48	52	114	127	8	8	280	340
Investment securities	0	0	47,606	49,585	26,832	26,873	930	875	3,625	4,152	1,261	1,573	80,254	83,058
Loans and receivables	0	0	42,070	44,252	20,646	19,369	829	778	3,442	3,569	872	891	67,859	68,859
Held to maturity	0	0	72	186	0	0	0	0	0	0	0	0	72	186
Available for sale	0	0	5,464	5,147	6,186	7,504	101	97	183	583	389	682	12,323	14,013
Subtotal	76,782	75,342	98,983	94,001	30,489	30,670	6,703	6,942	9,524	9,062	8,032	8,090	230,513	224,107
Contingent liabilities	255	290	623	623	21	24	143	251	30	21	69	87	1,141	1,296
Other liabilities	20,535	19,021	13	481	35	32	477	575	781	589	1,056	2,507	22,897	23,205
Total	97,572	94,653	99,619	95,105	30,545	30,726	7,323	7,768	10,335	9,672	9,157	10,684	254,551	248,608

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

Regional distribution of the loan portfolio

Risk concentration by geographical region								
Risk-bearing financial instruments	Germany		Western Europe		Other regions		Total	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Trading assets	4,985	3,776	13,374	11,256	1,809	1,541	20,168	16,573
Held for trading	4,985	3,776	13,374	11,256	1,809	1,541	20,168	16,573
Hedging derivatives	94	128	234	183	116	163	444	474
Held for trading	94	128	234	183	116	163	444	474
Loans and advances to other banks	10,269	9,445	9,721	7,856	2,255	1,383	22,245	18,684
Loans and receivables	10,233	9,377	9,721	7,856	2,255	1,383	22,209	18,616
Available for sale	36	68	0	0	0	0	36	68
Loans and advances to customers	90,130	88,825	12,934	12,346	4,338	4,147	107,402	105,318
Loans and receivables	80,966	79,880	12,934	12,346	4,338	4,147	98,238	96,373
Fair value option	8,884	8,605	0	0	0	0	8,884	8,605
Held to maturity	280	340	0	0	0	0	280	340
Investment securities	30,761	31,713	41,124	42,159	8,369	9,186	80,254	83,058
Loans and receivables	23,284	24,034	37,450	37,648	7,125	7,177	67,859	68,859
Held to maturity	72	176	0	10	0	0	72	186
Available for sale	7,405	7,503	3,674	4,501	1,244	2,009	12,323	14,013
Subtotal	136,239	133,887	77,387	73,800	16,887	16,420	230,513	224,107
Contingent liabilities	1,032	1,143	56	76	53	77	1,141	1,296
Other liabilities	21,909	21,093	327	1,256	661	856	22,897	23,205
Total	159,180	156,123	77,770	75,132	17,601	17,353	254,551	248,608

The regional distribution of the credit volume reveals a concentration on the domestic German market in line with Postbank’s strategy, as well as selected exposures in Western Europe and in North America, some of which were entered into by our foreign subsidiaries and branches. These exposures relate primarily to commercial real estate finance with a total volume of €17.2 billion. Of this figure, some €3.4 billion is attributable to exposures in the United States and €3.2 billion to exposures in the United Kingdom.

Credit structure of the loan portfolio

The breakdown of rating categories in the Group loan portfolio demonstrates the conservative orientation of the Postbank Group. The following table shows the credit quality of the risk-bearing financial instruments for Postbank's non-retail business that were neither past due nor for which impairment losses had been recognized as of the June 30, 2009 reporting date (with the exception of "contingent liabilities" and "other liabilities"). The higher rating categories predominate: 95 % of the rated portfolio is classified as investment grade (rated BBB or higher).

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

Risk-bearing financial instruments	AAA		AA		A		BBB		< BBB		Not rated		Total	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Trading assets	597	417	15,138	12,337	2,952	2,419	261	300	148	167	856	718	19,952	16,358
Held for trading	597	417	15,138	12,337	2,952	2,419	261	300	148	167	856	718	19,952	16,358
Hedging derivatives	22	34	372	387	14	19	24	16	4	11	8	7	444	474
Held for trading	22	34	372	387	14	19	24	16	4	11	8	7	444	474
Loans and advances to other banks	1,236	643	3,568	3,570	16,358	12,877	782	1,212	85	270	124	18	22,153	18,590
Loans and receivables	1,236	643	3,532	3,502	16,358	12,877	782	1,212	85	270	124	18	22,117	18,522
Available for sale	0	0	36	68	0	0	0	0	0	0	0	0	36	68
Loans and advances to customers	2,874	513	5,224	2,818	7,275	5,843	9,083	10,754	4,884	6,877	1,496	642	30,836	27,447
Loans and receivables	2,825	472	5,164	2,715	7,191	5,764	9,022	10,711	4,871	6,803	1,483	642	30,556	27,107
Held to maturity	49	41	60	103	84	79	61	43	13	74	13	0	280	340
Investment securities	31,711	34,823	25,054	25,806	15,540	12,126	2,915	5,194	2,408	2,290	1,394	1,643	79,022	81,882
Loans and receivables	24,696	26,553	23,626	24,441	14,256	10,929	2,224	4,330	1,398	1,060	689	732	66,889	68,045
Held to maturity	72	186	0	0	0	0	0	0	0	0	0	0	72	186
Available for sale	6,943	8,084	1,428	1,365	1,284	1,197	691	864	1,010	1,230	705	911	12,061	13,651
Total	36,440	36,430	49,356	44,918	42,139	33,284	13,065	17,476	7,529	9,615	3,878	3,028	152,407	144,751

Compared with year-end 2008, the table shows an increase in the AAA rating category due to the purchase of government bonds, in the AA rating category as a result of measurement gains on derivatives, and in the A category due to forward and money market transactions and investment securities. As in the first quarter, the current rating distribution for loans and advances to banks, corporates, and countries is in excess of the target rating distribution specified in the credit risk strategy.

Similarly, the following table illustrates the credit quality of the risk-bearing financial instruments for Postbank's retail business that were neither past due nor for which impairment losses had been recognized as of the June 30, 2009 reporting date (with the exception of "contingent liabilities" and "other liabilities"). Postbank's retail business shows a very good credit rating structure. Legacy retail business portfolios (mainly mortgage loans extended before August 2004) and purchased loans and advances are reported using pool ratings. In other words, homogeneous risk pools are established by segment and measured individually according to the relevant Basel II parameters. The proportion of portfolios covered by these pool ratings is declining gradually since each new transaction is rated on an individual basis.

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

Risk-bearing financial instruments	AAA		AA		A		BBB		< BBB		Basel II Pool rating/ not rated		Total	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Trading assets	1	0	11	15	54	68	72	55	68	74	10	3	216	215
Held for trading	1	0	11	15	54	68	72	55	68	74	10	3	216	215
Loans and advances to customers	2,635	2,611	6,034	5,590	7,891	6,625	13,592	11,972	14,144	16,996	29,205	31,333	73,501	75,127
Loans and receivables	2,623	2,609	5,849	5,539	7,103	6,300	11,292	10,517	12,085	14,241	25,707	27,316	64,659	66,522
Fair value option	12	2	185	51	788	325	2,300	1,455	2,059	2,755	3,498	4,017	8,842	8,605
Total	2,636	2,611	6,045	5,605	7,945	6,693	13,664	12,027	14,212	17,070	29,215	31,336	73,717	75,342

Loans past due but not impaired
The following table shows those risk-bearing financial instruments that were past due in the amount of at least €100, but not impaired, as of June 30, 2009:

Time bands for financial instruments past due but not impaired

Risk-bearing financial instruments and collateral	Financial instruments past due but not impaired: Past due ≤ 3 months		Past due > 3 months, ≤ 6 months		Past due > 6 months, ≤ 1 year		Past due > 1 year		Total		Fair value of the collateral for financial instruments past due but not impaired	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Loans and advances to customers	604	656	81	139	63	61	71	61	819	917	874	833
Loans and receivables	593	656	78	139	60	61	67	61	798	917	855	833
Fair value option	11	0	3	0	3	0	4	0	21	0	19	0
Total	604	656	81	139	63	61	71	61	819	917	874	833

The following table shows all impaired financial assets as of the June 30, 2009 and December 31, 2008 reporting dates, broken down into loans and advances to customers for which specific valuation allowances have been recognized and investment securities for which impairment losses have been recognized. The carrying amount after recognition of impairment losses is shown in the table as the difference between the carrying amount before impairment and the amount of the impairment loss.

Impaired financial instruments

Impaired risk-bearing financial instruments and collateral	Carrying amount before impairment		Amount of impairment loss		Carrying amount after impairment		Fair value of collateral for impaired instruments	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Loans and advances to other banks	92	94	55	52	37	42	–	–
Loans and receivables	92	94	55	52	37	42	–	–
Loans and advances to customers	2,246	1,827	1,364	1,180	882	647	965	949
Loans and receivables	2,225	1,827	1,353	1,180	872	647	957	949
Fair value option	21	0	11	0	10	0	8	0
Investment securities	1,232	1,176	852	624	380	552	–	–
Loans and receivables	970	814	705	488	265	326	–	–
Available for sale	262	362	147	136	115	226	–	–
Total	3,570	3,097	2,271	1,856	1,299	1,241	965	949

Securitization positions

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

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

Investor

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

As of June 30, 2009, the total volume of the portfolio amounted to €6.2 billion. The decline in the size of the portfolio as against the reporting date of March 31, 2009 to the December 31, 2008 level is primarily due to exchange rate effects and redemptions. SCP portfolios are very strictly monitored by Postbank and are subject to monthly impairment tests. Regular measurement of the portfolio resulted in the recognition of total impairment losses of €41 million in H1 2009, as well as measurement losses on embedded derivatives amounting to €314 million. This brings the aggregate impairment losses recognized in income for affected portfolios since the beginning of the financial market crisis in mid-2007 to €309 million, and the aggregate measurement losses recognized on embedded derivatives to €1,185 million.

Postbank's securitization exposures as of June 30, 2009 were as follows:

Securitization exposures: volumes by rating category

Securitization exposures	AAA		AA		A		BBB		< BBB		Total	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
CMBSs	114	86	142	124	37	46	5	14	10	0	308	269
RMBSs	425	448	150	91	144	120	39	41	45	12	802	712
Corporate CDOs	510	574	304	275	94	173	215	829	1,624	920	2,749	2,772
Non-corporate CDOs	59	208	82	149	97	270	247	204	1,239	991	1,725	1,822
Other ABSs	374	423	50	110	50	5	84	101	79	69	637	708
Total	1,482	1,739	729	747	421	615	590	1,190	2,997	1,993	6,219	6,283
thereof: in the trading book	19	45	11	13	1	–	–	–	11	–	42	58

As of the reporting date of June 30, 2009, only a small number of securitization exposures (total nominal value: approximately €29 million) were hedged with monoliners.

The volume of Postbank's investor positions in fungible commercial real estate loans (CMBSs) amounted to €308 million as of the reporting date (December 31, 2008: €269 million). These positions consist almost exclusively of European CMBSs with a regional focus on the United Kingdom and Germany.

Originator

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

PB Domicile 2006-1	€2,106 million	(Deutsche Postbank AG)
Provide Blue 2005-1	€914 million	(BHW Bausparkasse AG)
Provide Blue 2005-2	€2,329 million	(BHW Bausparkasse AG)
PB Domicilio 2007-1	€1,141 million	(BHW Bausparkasse AG)

Postbank also structured the PB Consumer 2008-1 and PB Consumer 2009-1 originator securitization transactions as traditional securitization transactions, and the Provide Domicile 2009-1 originator securitization as a synthetic securitization; no significant transfer of risks had taken place as of the reporting date.

Liquidity risk

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

The following table shows the financial liabilities as of June 30, 2009 and December 31, 2008, broken down into residual maturity bands. The undiscounted contractual cash flows from on- and off-balance sheet liabilities have been assigned to the respective categories. In conformity with these requirements, the contractual cash flows of the financial liabilities are presented in accordance with the worst-case scenario, meaning that if the financial liabilities involve options or termination rights that could affect their maturity date, the most unfavorable case from a liquidity perspective is assumed. This is particularly relevant for demand deposits and savings deposits that are subject to call or have a short maturity of usually three months but that are available for the Bank for a longer period of time, statistically speaking.

Liabilities by remaining maturity

Liabilities	Payable on demand		≤ 3 months		> 3 months and ≤ 1 year		> 1 year and ≤ 5 years		> 5 years		Total	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Deposits from other banks	1,045	648	23,608	46,437	12,161	6,283	9,497	4,834	8,309	6,970	54,620	65,171
Due to customers	29,506	26,083	64,874	50,485	22,810	25,096	4,744	4,258	13,763	19,089	135,697	125,011
Securitized liabilities	0	0	4,938	9,415	4,955	3,813	5,301	4,785	3,943	1,533	19,138	19,547
Trading liabilities	0	0	1,958	80	5,626	3,046	11,813	12,411	2,742	4,763	22,139	20,300
Hedging derivatives	0	0	208	61	486	434	1,570	2,209	728	1,292	2,992	3,997
Subordinated debt	0	0	32	142	262	122	1,522	885	6,449	5,212	8,265	6,361
Other liabilities	1	2	574	700	11	20	21	57	20	48	628	826
Irrevocable loan commitments	22,897	23,205	0	0	0	0	0	0	0	0	22,897	23,205
Total	53,449	49,937	96,194	107,321	46,311	38,814	34,469	29,439	35,953	38,906	266,376	264,417

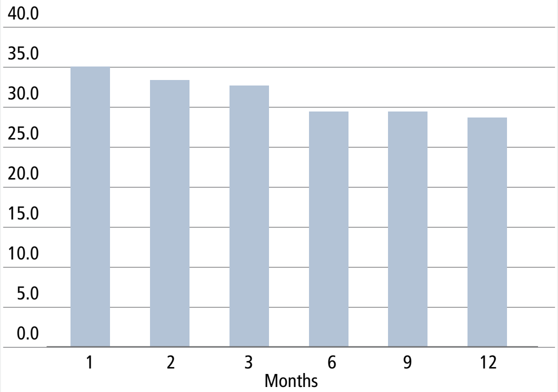
In contrast to the presentation of the contractual cash flows of the financial liabilities, the following overview of the liquidity status of the Postbank Group as of June 30, 2009 presents the expected cash inflows/outflows and the available liquidity sources on a cumulative basis in accordance with the principles of internal liquidity management within a one-year horizon.

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

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

Liquidity status of the Postbank Group as of June 30, 2009

€bn



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

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

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

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

Despite increasing signs of economic stabilization, the global economy will substantially contract this year. The International Monetary Fund (IMF) expects global economic performance to decrease by 1.4 %. World trade will be hit particularly hard by the recession. The IMF expects it to drop by 12.2 % in 2009. This dramatic development primarily results from the steep drop in the international exchange of goods and production during the winter of 2008/2009. But the chances that a moderate recovery could occur in the world economy this year have risen recently. A pivotal role in this possibility is being played by the aggressive interest rate cuts initiated by central banks and the sweeping economic recovery programs introduced by national governments. After the United States experienced an extremely weak first half of the year, we are forecasting a slight recovery as the year progresses. Momentum may come from a reversal in inventory investments and from growing global demand. On the other hand, private consumption may remain weak for the time being. For full-year 2009, we expect GDP in the United States to decrease by 2.2 %. The Chinese economy, on the other hand, has proven to be exceptionally robust. Thanks in particular to a massive infrastructure program, the economic momentum may remain strong in comparison to other countries or regions.

The euro zone's economic output will shrink considerably in 2009. We expect GDP to plunge by 4.0 %. The chief causes of this drop are precipitous decreases in exports and company investments at the beginning of the year. During the second half of the year, however, we consider a moderate recovery to be likely. The driving force of this growth will be slightly increasing global demand, government economic recovery programs and expansionary monetary policies. At minus 6.0 %, German GDP may fall more steeply than in the rest of the euro zone because the massive drop in world trade has hit the export-oriented German industry particularly hard. The sinking trade surplus may also be responsible for the major share of the sharp decline in economic performance. In addition, capital expenditure on machinery and equipment will fall dramatically in 2009 compared with the prior year. But private consumption may even grow in 2009. It is profiting from the very low inflation rate and the government scrapping bonus for older cars. We expect that Germany will indeed experience a slight economic recovery during the second half of the year. But that will not be enough to even remotely offset the impact of the downturn experienced at the beginning of the year.

Given the continued weakness of the U.S. economy and the lack of inflationary pressure, the U.S. Federal Reserve may leave its key interest rate at the current extremely low level for the rest of the year. The European Central Bank is likely to keep its key refinancing rate at 1.0 % through the rest of the year. With a rise in the capital market rates in both the United States and the euro zone already at the start of Q3 and the forecast of a moderate economic recovery during the rest of the year, we expect stabilization at the current level. The same is expected of the yield curve in the euro zone. Thus, our outlook remains essentially unchanged since our last report.

Sector situation

All banks listed in the Deutsche Börse Prime Standard increased their allowances for losses on loans and advances during the first quarter of 2009. In the process, the growth of net interest income was even exceeded in individual cases. This underscores the problem confronting banks in their economic role as lenders. In addition to the negative effects resulting from the global financial market crisis, the recession, with its increasing number of insolvencies and lower market growth, is also impacting the balance sheets of many banks. As a result of the weak economic situation, nothing is likely to change at least in the second quarter. Only a few banks with the necessary business focus may have profited from the strong corporate-bond issuing activities in the first half of the year that resulted in rising fee and commission income. As the year progresses, issuing activities for corporate bonds may slow somewhat. Furthermore, the situation on the capital markets remains difficult, and the M&A business is not expected to recover quickly. For this reason, net trading income and net income from investment securities as well as income from investment banking are expected to remain uncertain, particularly because the global financial market crisis, with its negative impacts, cannot be considered over just yet. The long-term earnings at many institutions may remain below the level of recent years. The extent to which German banks will use the bad bank model set up by the German federal government remains unclear. The amendment of the KonÜV, however, may already have had a positive effect on the capital ratios at many German banks since the start of Q2 2009.

During the rest of the year, we expect consolidations in the German banking sector, but they should not alter the industry's fundamental three-pillar structure. The focus will probably be on the Landesbanken. Break-ups of individual banks and mergers have become more likely in this area.

Postbank's objectives

For the remainder of 2009, difficult conditions in the capital markets and the real economy – as previously stated – are expected to continue.

In the second half of the year as well, we will continue to focus our business model on retail, business and corporate customers, as we began to do in 2008. As a result of the solid performance of our operating customer business with its relatively stable revenue streams and our sound refinancing base, we believe that we remain well positioned. The continuing low level of interest rates creates a special challenge for banks with high deposit volumes like Postbank and could have a negative impact on the development of net interest income from our savings and checking account business compared with the prior year. We expect offsetting effects to arise from the steepening of the yield curve that has occurred since last year, which should for instance have a positive impact on earnings due to the natural liquidity maturity structure of our retail business with its relatively short-term customer deposits and long-term lending business. Overall, we assume that net interest income in the remaining quarters of the ongoing year will noticeably exceed the level from the second quarter.

The high volatility being experienced by stock markets has unsettled private investors, leading them to turn away from securities products. We expect this trend to continue throughout the year, a development that year-on-year could hurt net fee and commission income.

We will continue our program to enhance earnings quality, which is connected with a focus on reducing capital market risks and portfolios. The goal in the medium term is to strengthen the customer business earnings lines – net interest income and net fee and commission income – whereas the volatile net trading income and net income from investment securities should play a significantly smaller role than in past years. Furthermore, we will intensify our cost management even though we have already achieved sustained successes in this area.

The continued tension in the markets and economic trends are capable of having a further negative impact on our results of operations that will extend beyond the first half of 2009. In particular, we expect continued negative effects on our net trading income and our net income from investment securities. We also believe that the intensity of the negative effects peaked in the first half of 2009 and will subside as the year progresses. Defaults of individual issuers can have a broad impact, however, and disturb this positive trend.

Given the state of the economy, allowances for losses on loans and advances will increase – particularly for exposures outside our home market – but only to a relatively moderate level compared with our competitors. During the first half of the year, developments largely reflected our expectations, resulting in only a relatively slight worsening of credit quality. With a credit business that is largely focused on highly collateralized German private mortgage loans, Postbank should be significantly less affected overall than the market.

In summary, assuming that there is no further macroeconomic deterioration beyond the level currently expected, we continue to believe that the overall impact will be noticeably lower in 2009 than in 2008.

Over the mid-term and once the extraordinary effects caused by the crisis no longer apply, we will continue our efforts to achieve a sustainable return on equity of 13 % to 15 % after tax generated on the basis of our increased strategic focus on business with retail, business and corporate customers.

Interim Financial Statements

Consolidated Statement of Comprehensive Income for the Period January 1 to June 30, 2009

	Note	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008[1] €m
Interest income	(5)	4,211	4,827
Interest expense	(5)	–3,012	–3,648
Net interest income	(5)	1,199	1,179
Allowance for losses on loans and advances	(6)	–281	–161
Net interest income after allowance for losses on loans and advances		918	1,018
Fee and commission income	(7)	787	837
Fee and commission expense	(7)	–142	–128
Net fee and commission income	(7)	645	709
Net trading income	(8)	–210	73
Net income from investment securities	(9)	–118	–79
Administrative expenses	(10)	–1,403	–1,420
Other income	(11)	67	86
Other expenses	(12)	–59	–47
Profit/loss before tax		–160	340
Income tax		231	–101
Profit from ordinary activities after tax		71	239
Minority interest		–1	–1
Consolidated net profit		70	238
Basic earnings per share (€)[2]		0.32	1.45
Diluted earnings per share (€)[2]		0.32	1.45

Condensed Statement of Comprehensive Income

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008[1] €m
Profit from ordinary activities after tax	71	239
Other comprehensive income after tax	–94	–1,073
Change in revaluation reserve	–146	–1,345
thereof remeasurement losses	–203	–1,341
thereof disposals and impairment	57	–4
Change in currency translation reserve	1	–30
Income tax relating to other comprehensive income	51	302
Total comprehensive income for the period attributable to minority interest	–1	–1
Total comprehensive income	–24	–835

Income tax recognized directly in comprehensive income is attributable exclusively to the revaluation reserve.

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

[2] The average number of shares outstanding in the first half of 2009 was 218,800,000 (H1 2008: 164,000,000)

Consolidated Income Statement: Quarterly Overview

	2009		2008[1]			
	Q2 €m	Q1 €m	Q4 €m	Q3 €m	Q2 €m	Q1 €m
Interest income	2,006	2,205	2,636	2,475	2,510	2,317
Interest expense	–1,440	–1,572	–1,898	–1,897	–1,888	–1,760
Net interest income	566	633	738	578	622	557
Allowance for losses on loans and advances	–157	–124	–104	–143	–86	–75
Net interest income after allowance for losses on loans and advances	409	509	634	435	536	482
Fee and commission income	402	385	425	421	418	419
Fee and commission expense	–65	–77	–65	–59	–68	–60
Net fee and commission income	337	308	360	362	350	359
Net trading income	–103	–107	–406	–56	61	12
Net income from investment securities	–14	–104	–700	–470	–80	1
Administrative expenses	–719	–684	–808	–741	–718	–702
Other income	38	29	93	39	44	42
Other expenses	–17	–42	–39	–17	–21	–26
Profit/loss before tax	–69	–91	–866	–448	172	168
Income tax	55	176	156	99	–51	–50
Profit/loss from ordinary activities after tax	–14	85	–710	–349	121	118
Minority interest	0	–1	0	0	0	–1
Consolidated net profit/loss	–14	84	–710	–349	121	117

Condensed Statement of Comprehensive Income: Quarterly Overview

	2009		2008[1]			
	Q2 €m	Q1 €m	Q4 €m	Q3 €m	Q2 €m	Q1 €m
Profit/loss from ordinary activities after tax	–14	85	–710	–349	121	118
Other comprehensive income after tax	37	–131	1,206	–301	–416	–657
Change in revaluation reserve	49	–195	1,580	–437	–540	–805
thereof remeasurement gains/losses	34	–237	914	–560	–552	–789
thereof disposals and impairment	15	42	666	123	12	–16
Change in currency translation reserve	–7	8	3	27	–2	–28
Income tax relating to other comprehensive income	–5	56	–377	109	126	176
Total comprehensive income for the period attributable to minority interest	0	–1	0	0	0	–1
Total comprehensive income	23	–47	496	–650	–295	–540

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

Consolidated Balance Sheet as of June 30, 2009

Assets	Note	June 30, 2009 €m	Dec. 31, 2008 €m
Cash reserve		2,765	3,417
Loans and advances to other banks	(13)	22,245	18,684
Loans and advances to customers	(14)	107,402	105,318
Allowance for losses on loans and advances	(16)	–1,419	–1,232
Trading assets	(17)	20,168	16,573
Hedging derivatives		444	474
Investment securities	(18)	80,254	83,058
Intangible assets	(19)	2,375	2,371
Property and equipment	(20)	863	879
Investment property		73	73
Current tax assets		292	162
Deferred tax assets		956	835
Other assets	(21)	747	670
Total assets		237,165	231,282

Equity and Liabilities	Note	June 30, 2009 €m	Dec. 31, 2008 €m
Deposits from other banks	(22)	53,134	62,790
Due to customers	(23)	129,839	117,472
Securitized liabilities	(24)	16,205	16,342
Trading liabilities	(25)	21,630	16,987
Hedging derivatives		2,170	2,693
Provisions	(26)	2,156	2,138
Current tax liabilities		142	192
Deferred tax liabilities		906	1,087
Other liabilities	(27)	522	826
Subordinated debt	(28)	5,466	5,736
Equity		4,995	5,019
a) Issued capital		547	547
b) Share premium		2,010	2,010
c) Retained earnings		2,365	3,280
d) Consolidated net profit/loss		70	–821
Minority interest		3	3
Total equity and liabilities		237,165	231,282

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/loss €m	Equity before minority interest €m	Minority interest €m	Total €m
Balance at Jan. 1, 2008	410	1,160	3,502	–149	–556	856	5,223	2	5,225
Dividend payment			–205				–205		–205
Changes in retained earnings			856			–856	0		0
Total comprehensive income Jan. 1 – June 30, 2008				–30	–1,043	235	–838	1	–837
IAS restatement						3	3		3
Treasury shares							–		–
Other changes							–	–1	–1
Balance at June 30, 2008	410	1,160	4,153	–179	–1,599	238	4,183	2	4,185
Capital increase	137	850					987		987
Total comprehensive income July 1 – Dec. 31, 2008				30	875	–1,059	–154		–154
IAS restatement							–		–
Treasury shares							–		–
Other changes							–	1	1
Balance at Dec. 31, 2008	547	2,010	4,153	–149	–724	–821	5,016	3	5,019
Dividend payment							–		–
Changes in retained earnings			–821			821	0		0
Total comprehensive income Jan. 1 – June 30, 2009				1	–95	70	–24	1	–23
Treasury shares							–		–
Other changes							–	–1	–1
Balance at June 30, 2009	547	2,010	3,332	–148	–819	70	4,992	3	4,995

Condensed Cash Flow Statement

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Cash and cash equivalents at start of period	3,417	3,352
Net cash from/used in operating activities	−3,028	15,641
Net cash from/used in investing activities	2,609	−17,873
Net cash used in financing activities	−233	−105
Effects of exchange rate differences	–	1
Cash and cash equivalents at end of period	2,765	1,016

Reported cash and cash equivalents correspond to the cash reserve.

Notes to the Interim Financial Statements

(1) Segment reporting

Segment reporting by business division

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

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

The result of this segment comprises the operating results of Deutsche Postbank AG's Retail Banking, the BHW subgroup, Postbank Filialvertrieb AG, and VÖB-ZVD Bank für Zahlungsverkehrsdienstleistungen GmbH. In addition, the result of purchase price allocation from the acquisition of BHW has been allocated to the Retail Banking segment for the first time in the financial statements for fiscal year 2009.

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

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

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

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

Intersegmental cost allocations accounted for 58 % of Transaction Banking income (previous year: 57 %).

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

Consolidation items have been reported separately in the financial statements for fiscal year 2009 for the first time. These comprise Group consolidation less intra-segment consolidation adjustments.

The Others segment contains items not attributable to the businesses, unallocated overhead costs, and the result of Postbank's own-account transactions. The net interest expense is due among other things to the results of asset/liability management, to the transfer pricing system in place up to and including 2004, and to the acquisition of the BHW and Filialvertrieb equity interests. The following table contains other key earnings components for the segment.

		Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Net trading income		–114	–4
of which:	Net loss on embedded derivatives from structured credit products	–204	–136
	Net gain/loss on capital-guaranteed promissory note loans (CPPI structures)	16	–24
	Other promissory note loans	–	–31
	Asset/liability management	87	268
	Other items	–13	–81
Net income from investment securities		–90	–24
of which:	Net loss on structured credit products	–33	–65
	Other debt instruments	–22	–
	Writedowns of retail funds	–29	–10
	Sale of BHW Bank credit portfolio	–	30
	Other items	–6	21
Administrative expenses		–413	–403
of which:	Cost of central services	–143	–105
	IT and other services	–212	–217
	Other items	–58	–81
Other income/expenses		284	283
of which:	IT and other services	214	211
	Other items	70	72

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

	Retail Banking[1]		Corporate Banking[1]		Transaction Banking		Financial Markets		Others[1]		Consolidation		Group[1]	
	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Net interest income	1,053	1,138	250	178	1	2	82	67	–213	–208	26	2	1,199	1,179
Net trading income	–34	31	–83	–23	–	–	46	67	–114	–4	–25	2	–210	73
Net income from investment securities	1	–	–16	–40	–	–	–13	–15	–90	–24	–	–	–118	–79
Net fee and commission income	538	580	57	52	162	175	18	32	–30	–19	–100	–111	645	709
Total income	1,558	1,749	208	167	163	177	133	151	–447	–255	–99	–107	1,516	1,882
Administrative expenses	–1,089	–1,107	–95	–83	–158	–162	–45	–44	–413	–403	397	379	–1,403	–1,420
Allowance for losses on loans and advances	–160	–133	–122	–30	–	–	1	2	–	–	–	–	–281	–161
Other income/expenses	5	21	2	1	14	7	1	–1	284	283	–298	–272	8	39
Profit/loss before tax	314	530	–7	55	19	22	90	108	–576	–375	0	0	–160	340
Cost/income ratio (CIR)	69.9%	63.3%	45.7%	49.7%	96.9%	91.5%	33.8%	29.1%	–	–			92.5%	75.5%
Return on equity before taxes (RoE)	28.2%	44.4%	–2.8%	27.1%	–	–	26.0%	32.0%	–74.3%	–56.4%			–6.4%	14.2%
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Segment assets	90,969	87,048	30,994	28,668	426	351	32,683	31,437	113,343	115,857	–31,250	–32,079	237,165	231,282
Segment liabilities	118,353	107,579	26,616	23,041	426	351	27,135	27,113	95,885	105,277	–31,250	–32,079	237,165	231,282

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

In addition to the results in the income statement of the companies allocated to the business divisions, imputation procedures for the originator-based calculation of the segment results are used. The allocation of net interest income from customer products to the segments follows the market rate method, under which the customer interest rate is compared with imputed money and capital market rates at matching terms. Administrative expenses are based on the results of cost center accounting. The amount of the allowance for losses on loans and advances is determined for the first time on the basis of the actually recognized allowance for losses on loans and advances in the financial statements for fiscal year 2009.

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

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

The allocation of assets and liabilities to the segments is based on the segments' operating activities. The balance sheet items of the subsidiaries as well as the assets and liabilities relating to customer products are allocated to the business divisions by product/customer category. The imputed valuation rates used in the market rate method do not result in any additional imputed asset positions. As a result, the volumes of assets and liabilities recognized in the segments do not match. The Others segment comprises assets and liabilities from subsidiaries which have not been allocated to the operating segments and from Deutsche Postbank AG, e.g., from own-account transactions.

In addition to the above-mentioned modifications, the Corporate Banking and Retail Banking segments recorded a negative net interest spread resulting from cash holdings at the tellers' counters and in ATMs for the first time in the financial statements for fiscal year 2009. Further modifications have been made as part of the product/customer segment-based allocation of income from electronic cash payments and of expenses from third-party loan brokerage activities within the Retail Banking segment.

The prior-year figures were adjusted.

In the first half of 2008, the above-mentioned adjustments to segment reporting resulted in the following changes to the profit before tax: Retail Banking up €6 million, Corporate Banking down €18 million, Others up €12 million.

Geographical regions

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

The Others segment contains the entities from the Europe, U.S.A. (PB Capital), and Asia (Postbank Home Finance) regions. The London Branch, the Luxembourg entities Deutsche Postbank International S.A., and Deutsche Postbank Vermögensmanagement S.A., and the branches of BHW in Italy, Luxembourg, and Belgium form part of the Europe region. The prior-year figures for the Europe region were adjusted as follows: income €17 million, profit before tax €9 million.

Germany comprises all domestic business units including all consolidation adjustments.

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

	Assets		Liabilities		Income[1]		Profit/loss before tax[1]	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Germany	200,684	192,954	200,684	192,954	1,403	1,807	–183	305
Others	36,481	38,328	36,481	38,328	113	75	23	35
Europe	28,591	30,241	28,591	30,241	151	85	112	57
U.S.A.	7,297	7,523	7,297	7,523	–49	–17	–95	–27
Asia	593	564	593	564	11	7	6	5
Total	237,165	231,282	237,165	231,282	1,516	1,882	–160	340

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

Basis of preparation

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

(2) Basis of accounting

The interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the EU, and the additional requirements of German commercial law under section 315a (1) of the *Handelsgesetzbuch* (HGB – German Commercial Code), insofar as these were applicable at the balance sheet date. In particular, the interim financial statements comply with the IAS 34 requirements for interim financial reports. In accordance with section 37w of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) in conjunction with section 37y no. 2 of the WpHG, Postbank prepares a half-yearly financial report, which also comprises an interim management report, including an interim risk report (see management report), in addition to the condensed financial statements presented here. Unless otherwise stated below, the same accounting policies used in preparing the 2008 consolidated financial statements were applied in preparing the interim financial statements as of June 30, 2009.

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

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

Valuation techniques are used to measure the fair value of selected financial instruments (structured credit products – SCPs) such as CDOs, consumer ABSs, commercial ABSs, CMBSs, and RMBSs where indicative prices cannot be verified. To do this, Postbank uses a simulation model that is based on portfolio loss distribution and that takes the individual securitization structures into account. The cash flows resulting from such products are forecasted taking into account the respective risks from the securitized portfolios and the structure of the securitizations, and are discounted using discount rates for equivalent maturities and risks. The valuation technique makes maximum use of market inputs in accordance with IAS 39.48A. In individual cases, the actual values may differ from the assumptions and estimates made.

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

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

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

Deferred taxes amounting to approximately €186 million were reversed in the first half of the year due to the clarification of the underlying tax issues.

(3) Basis of consolidation

In addition to the parent company Deutsche Postbank AG, 44 (December 31, 2008: 43) subsidiaries that are presented in the following overview are included in the consolidated financial statements as of June 30, 2009.

Consolidated companies

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

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

Deutsche Postbank Privat Investment Kapitalanlagegesellschaft mbH was sold by way of an agreement dated July 15, 2009. The company manages the Postbank Group's retail funds in Germany. Total assets amounted to €14.2 million as of June 30, 2009 and consisted primarily of loans and advances to other banks of €13.5 million. Profit after tax amounted to €–45 thousand; this mainly comprised net fee and commission income of €3.1 million, administrative expenses of €2.7 million and other expenses of €0.7 million. Postbank has elected not to provide any more detailed information in view of the small amounts involved for the total assets and profit.

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, two special purpose entities formed to securitize installment loans were consolidated. The special fund launched in the previous year was closed and deconsolidated in March 2009.

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

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

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

Additional measurement parameters were employed for the fair value measurement of mortgage loans. The retrospective adjustments performed in fiscal year 2008 led to a reduction in loans and advances to customers and in deferred tax liabilities.

The changes in the measurement methodology resulted in an increase of €5.8 million in net trading income and of €1.8 million in the deferred tax expense in the first half of 2008, increasing net profit for H1 2008 by €4.0 million overall.

Postbank's acquisition of BHW led to the identification of hidden liabilities for intangible assets (liabilities whose carrying amount is lower than their negative fair value) during purchase price allocation in accordance with IFRS 3. These amounts had to be restated. As a result, impairment losses of €3.6 million on intangible assets were recognized as an expense in the first half of 2008.

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

Statement of comprehensive income disclosures

(5) Net interest income

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Interest and current income		
Interest income from:		
Lending and money market transactions	2,794	3,080
Fixed-income and book-entry securities	1,394	1,587
Trading operations	14	114
Net gains/losses on hedges	8	–1
	4,210	4,780
Current income from:		
Equities and other non-fixed income securities	–	38
Investments in associates	1	9
	1	47
	4,211	4,827
Interest expense on:		
Deposits	2,279	3,086
Securitized liabilities	306	258
Subordinated debt	138	155
Swaps	289	30
Trading operations	–	119
	3,012	3,648
Total	1,199	1,179

€3,951 million (previous year: €3,564 million) of interest income relates to financial instruments classified as loans and receivables, €10 million (previous year: €25 million) to financial instruments classified as held to maturity, and €227 million (previous year: €1,078 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 (unwinding in accordance with IAS 39).

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

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Gains/losses on the fair value remeasurement of hedged items	151	–379
Losses on the fair value remeasurement of hedging instruments	–143	378
Total	8	–1

(6) Allowance for losses on loans and advances

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Cost of additions to allowance for losses on loans and advances		
Specific valuation allowances	314	180
Portfolio-based valuation allowances	19	30
Cost of additions to provisions for credit risks	8	5
Direct loan write-offs	17	14
Income from the reversal of the allowance for losses on loans and advances		
Specific valuation allowances	61	52
Portfolio-based valuation allowances	1	6
Income from the reversal of provisions for credit risks	7	2
Recoveries on loans previously written off	8	8
Total	281	161

€280 million (previous year: €158 million) of the allowance for losses on loans and advances relates to the loans and receivables category. €1 million was added to the allowance for losses on loans and advances in respect of guarantees, warranties, and irrevocable loan commitments (previous year: €3 million).

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

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Additions		
Private mortgage lending	120	90
Home savings loans	2	3
Commercial loans	112	29
Public sector	–	–
Installment credits	35	19
Other loans and advances	42	39
Portfolio-based valuation allowances	19	30
Total	330	210

€3 million (previous year: €0 million) of the cost of additions to the allowance for losses on loans and advances relates to loans and advances to other banks.

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Reversal		
Private mortgage lending	43	36
Home savings loans	1	1
Commercial loans	6	10
Public sector	–	–
Installment credits	1	1
Other loans and advances	10	4
Portfolio-based valuation allowances	1	6
Total	62	58

(7) Net fee and commission income

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Giro business	175	177
Securities business	63	77
Lending and guarantee business	74	60
Branch business	220	233
Other fee and commission income	113	162
Total	645	709

(8) Net trading income

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008[1] €m
Net income from interest rate products	27	−8
Net gain/loss on derivatives carried in the trading portfolio and the banking book	−267	65
Net gain/loss from application of the fair value option	−26	23
Net income from equities	3	−1
Foreign exchange gain/loss	57	−4
Net fee and commission income in the trading portfolio	−4	−2
Total	−210	73

The net loss on derivatives in the trading portfolio and the banking book includes income from asset/liability management amounting to €87 million (previous year: €268 million).

The net loss on derivatives also includes losses on the measurement of embedded derivatives from structured credit products of €314 million (previous year: losses of €166 million), gains on capital-guaranteed promissory note loans (CPPIs) of €16 million (previous year: losses of €24 million) and gains on other promissory note loans of €0 million (previous year: losses of €31 million).

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

(9) Net income from investment securities

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Net income from loans-and-receivables investment securities	–74	–111
thereof: net income from sale	–5	–1
Gains on sale	55	11
Losses on sale	60	12
thereof: net impairment loss	–69	–110
Net income from available-for-sale investment securities	–57	3
thereof: net income from sale	–9	23
Gains on sale	27	118
Losses on sale	36	95
thereof: net impairment loss	–48	–20
Net income from loans to other banks	–2	–
thereof: net income from sale of loans and receivables	–2	–
Net income from loans to customers	15	29
thereof: net income from sale of loans and receivables	15	29
Total	–118	–79

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Net income from bonds and promissory note loans	–1	44
Net income from equities and other non-fixed-income securities	–	7
Impairment	–117	–130
Total	–118	–79

€41 million (previous year: €120 million) of the net impairment loss on investment securities relates to structured credit products, €43 million (previous year: €0 million) to other debt instruments, and €33 million (previous year: €10 million) to writedowns of retail funds and investments.

(10) Administrative expenses

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008[1] €m
Staff costs	703	689
Other administrative expenses	632	658
Amortization of intangible assets	37	38
Depreciation and writedowns of property and equipment	31	35
Total	1,403	1,420

(11) Other income

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Income from property and equipment	15	16
Miscellaneous	52	70
Total	67	86

(12) Other expenses

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008[1] €m
Other taxes	6	7
Expenses for property and equipment	1	1
Miscellaneous	52	39
Total	59	47

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

Balance sheet disclosures

(13) Loans and advances to other banks

	June 30, 2009 €m	Dec. 31, 2008 €m
Payable on demand	6,199	3,176
Other loans and advances	16,046	15,508
Total	22,245	18,684

Loans and advances to other banks comprise financial instruments classified as loans and receivables in the amount of €22,209 million (December 31, 2008: €18,616 million) and financial instruments classified as available for sale in the amount of €36 million (December 31, 2008: €68 million).

€4,962 million (December 31, 2008: €5,220 million) of loans and advances to other banks is due after more than 12 months.

The loans and advances to other banks can be broken down by product group as follows:

	June 30, 2009 €m	Dec. 31, 2008 €m
Securities repurchase agreements	9,820	7,846
Overnight money	6,028	3,010
Loans	4,814	5,548
Registered bonds	443	765
Term deposits	442	280
Other loans and advances	698	1,235
Total	22,245	18,684

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, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Financial collateral	10,036	10,136	1,043	2,855
Non-financial collateral	–	–	–	–
Total	10,036	10,136	1,043	2,855

(14) Loans and advances to customers

	June 30, 2009 €m	Dec. 31, 2008 €m
Private mortgage lending	69,344	69,370
Home savings loans	3,726	3,581
Commercial loans	26,841	24,277
Public sector	1,577	2,182
Installment credits	3,427	2,973
Other loans and advances	2,487	2,935
Total	107,402	105,318

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

	June 30, 2009 €m	Dec. 31, 2008 €m
Loans and receivables	98,238	96,373
Held to maturity	280	340
Fair value option	8,884	8,605
Total	107,402	105,318

€81,018 million (December 31, 2008: €78,577 million) of loans and advances to customers is due after more than 12 months.

(15) Total credit extended

	June 30, 2009 €m	Dec. 31, 2008 €m
Loans and advances to other banks	22,245	18,684
Loans and advances to customers	107,402	105,318
Guarantees	1,141	1,296
Total	130,788	125,298

(16) Allowance for losses on loans and advances

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

	June 30, 2009 €m	Dec. 31, 2008 €m
Specific valuation allowances	1,287	1,118
Portfolio-based valuation allowances	132	114
Total allowances for losses on loans and advances	1,419	1,232
Provisions for credit risks	46	48
Total	1,465	1,280

€55 million of the allowance for losses on loans and advances relates to loans and advances to other banks and €1,364 million to loans and advances to customers classified as loans and receivables.

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

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

	Specific valuation allowances		Portfolio-based valuation allowances		Total	
	2009 €m	2008 €m	2009 €m	2008 €m	2009 €m	2008 €m
Balance at January 1	1,118	1,071	114	83	1,232	1,154
Additions						
Allowance charged to the income statement	314	180	19	30	333	210
Disposals						
Utilization	67	68	–	–	67	68
Allowance reversed to the income statement	61	52	1	6	62	58
Unwinding	15	15	–	–	15	15
Currency translation differences	2	1	–	–	2	1
Balance at June 30	1,287	1,115	132	107	1,419	1,222

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

	June 30, 2009 €m	Dec. 31, 2008 €m
Specific valuation allowances		
Private mortgage lending	423	394
Home savings loans	10	12
Commercial loans	307	222
Public sector	–	–
Installment credits	152	118
Other loans and advances	340	320
Portfolio-based valuation allowances	132	114
Total	1,364	1,180

(17) Trading assets

	June 30, 2009 €m	Dec. 31, 2008 €m
Bonds and other fixed-income securities	742	486
Equities and other non-fixed-income securities	22	18
Building loans held for trading	216	216
Positive fair values of derivatives carried as trading assets	18,353	15,209
Positive fair values of banking book derivatives	618	459
Positive fair values from derivatives relating to hedged items accounted for under the fair value option	217	185
Total	20,168	16,573

€14,895 million (December 31, 2008: €13,211 million) of trading assets is due after more than 12 months.

(18) Investment securities

	June 30, 2009 €m	Dec. 31, 2008 €m
Bonds and other fixed-income securities		
Loans and receivables	67,859	68,859
Held to maturity	72	186
Available for sale	11,856	13,427
	79,787	82,472
Investment fund shares (available for sale)	379	475
Investments in associates (available for sale)	18	19
Investments in unconsolidated subsidiaries (available for sale)	70	92
Total	80,254	83,058

Investment securities amounting to €68,644 million (December 31, 2008: €70,654 million) are due after more than 12 months.

Investment securities were furnished as collateral for the following liabilities:

	June 30, 2009 €m	Dec. 31, 2008 €m
Liabilities	25,825	40,800
Contingent liabilities	–	–
Total	25,825	40,800

In the third quarter of 2008, Postbank reclassified bonds with a principal amount of €1,6 billion and a fair value of €1,5 billion out of the "available-for-sale" category to the "loans and receivables" category due to a change in its intention to hold the bonds. It also reclassified securities with a nominal amount of €33,2 billion and a fair value of €32,9 billion out of the "available-for-sale" category to the "loans and receivables" category in the fourth quarter of 2008.

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

As of June 30, 2009, the total amount of securities reclassified in accordance with IAS 39.50E had a fair value of €34.6 billion and a carrying amount of €35.2 billion.

Prior to the three above-mentioned reclassification dates, the changes in fair value recognized in the revaluation reserve for the securities that were reclassified amounted to €–469 million before tax, €–64 million of this amount relates to reclassifications in 2009 (previous year: €–73 million). Had Postbank not changed its intention to hold the securities, the loss recognized in the revaluation reserve would have increased by a further €582 million up to June 30, 2009.

Given a nominal weighting of the reclassified securities, the effective interest rate calculated on the basis of their restated cost as of the date of the reclassifications in the first half of 2009 was 9.4 % (range of effective interest rates: 3.7 % to 34.5 %), The estimated cash flows that Postbank expects as of the date of the reclassifications in the first half of 2009 amount to €534 million. Interest amounting to €11 million accrued from the date of the reclassifications in the first half of 2009.

€19 million of impairments were charged for all reclassified securities as of June 30, 2009 as were disposal losses of €4 million on reclassified securities.

Interest amounting to €621 million accrued for the reclassifications in fiscal year 2008.

(19) Intangible assets

	June 30, 2009 €m	Dec. 31, 2008 €m
Acquired goodwill	1,651	1,631
Acquired software, concessions, industrial rights	638	649
Internally generated intangible assets and software	75	80
Advance payments on intangible assets and in-process intangible assets	11	11
Total	2,375	2,371

Acquired goodwill increased by €20 million in Q1 2009 due to the initial consolidation of Betriebs-Center für Banken Processing GmbH.

The acquired software, concessions, industrial rights item includes the capitalized BHW brand in the amount of €319 million. The capitalized amounts for customer relationships amounted to €84 million (December 31, 2008: €86 million); those for beneficial contracts amounted to €56 million (December 31, 2008: €59 million).

(20) Property and equipment

	June 30, 2009 €m	Dec. 31, 2008 €m
Land and buildings	712	721
Operating and office equipment	137	141
Advance payments and assets under development	14	17
Total	863	879

(21) Other assets

	June 30, 2009 €m	Dec. 31, 2008 €m
Prepaid expenses	529	452
Trade receivables	134	116
Advances to members of the mobile sales force	17	12
Receivables from tax authorities	5	12
Miscellaneous	62	78
Total	747	670

Other assets amounting to €388 million (December 31, 2008: €377 million) have a maturity of more than 12 months.

(22) Deposits from other banks

	June 30, 2009 €m	Dec. 31, 2008 €m
Payable on demand	3,368	3,576
With an agreed maturity or withdrawal notice	49,766	59,214
Total	53,134	62,790

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

€18,121 million (December 31, 2008: €10,689 million) of deposits from other banks is due after more than 12 months.

(23) Due to customers

	June 30, 2009 €m	Dec. 31, 2008 €m
Savings deposits	41,987	35,024
Home savings deposits	16,082	16,196
Other amounts due		
Payable on demand	30,425	26,891
With an agreed maturity or withdrawal notice	41,345	39,361
	71,770	66,252
Total	129,839	117,472

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

€34,997 million (December 31, 2008: €32,729 million) of amounts due to customers is due after more than 12 months.

(24) Securitized liabilities

	June 30, 2009 €m	Dec. 31, 2008 €m
Mortgage bonds (*Hypothekenpfandbriefe*)	4,552	3,675
Other debt instruments	11,653	12,667
Total	16,205	16,342

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

€7,165 million (December 31, 2008: €6,897 million) of securitized liabilities is due after more than 12 months.

(25) Trading liabilities

	June 30, 2009 €m	Dec. 31, 2008 €m
Negative fair values of trading derivatives	18,793	14,638
Negative fair values of banking book derivatives	1,800	1,577
Negative fair values from derivatives relating to hedged items accounted for under the fair value option	982	772
Delivery obligations under securities sold short	55	–
Total	21,630	16,987

€16,137 million (December 31, 2008: €11,335 million) of trading liabilities is due after more than 12 months.

(26) Provisions

	June 30, 2009 €m	Dec. 31, 2008 €m
Provisions for pensions and other employee benefits	1,163	1,149
Provisions for home savings business	726	715
Other provisions	267	274
Total	2,156	2,138

€1,787 million (December 31, 2008: €1,779 million) of recognized provisions is due after more than 12 months.

(27) Other liabilities

	June 30, 2009 €m	Dec. 31, 2008 €m
Trade payables	102	116
Liabilities from expenses for management bonuses	69	79
Liabilities from expenses for outstanding vacation entitlements and other compensated absences	56	54
Liabilities from expenses for outstanding invoices	52	56
Liabilities from expenses for commissions and premiums	43	52
Deferred income	43	45
Liabilities from other taxes	40	243
Liabilities from expenses for services performed by Deutsche Post AG	–	73
Miscellaneous liabilities	117	108
Total	522	826

€49 million (December 31, 2008: €64 million) of other liabilities is due after more than 12 months.

(28) Subordinated debt

	June 30, 2009 €m	Dec. 31, 2008 €m
Subordinated liabilities	2,594	2,774
Hybrid capital instruments	1,647	1,687
Profit participation certificates outstanding	1,209	1,237
Contributions by typical silent partners	16	38
Total	5,466	5,736

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

€5,273 million (December 31, 2008: €5,426 million) of subordinated debt is due after more than 12 months.

Other disclosures

(29) Contingencies and other obligations

	June 30, 2009 €m	Dec. 31, 2008 €m
Contingent liabilities		
on guarantees and warranties	1,141	1,296
Other obligations		
Irrevocable loan commitments	22,897	23,205
of which: building loans provided	5,384	5,426
Total	24,038	24,501

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

	June 30, 2009		Dec. 31, 2008	
	Carrying amount €m	Full fair value €m	Carrying amount €m	Full fair value €m
Assets				
Cash reserve	2,765	2,765	3,417	3,417
Loans and advances to other banks (loans and receivables)	22,209	21,982	18,616	18,424
Loans and advances to customers (loans and receivables)	98,238	102,826	96,373	99,759
Loans and advances to customers (held to maturity)	280	280	340	340
Allowance for losses on loans and advances	−1,419	−1,419	−1,232	−1,232
Investment securities (loans and receivables)	67,859	66,155	68,859	67,754
Investment securities (held to maturity)	72	72	186	186
	190,004	192,661	186,559	188,648
Liabilities				
Deposits from other banks (liabilities at amortized cost)	53,134	52,712	62,790	62,476
Due to customers (liabilities at amortized cost)	129,839	130,001	117,472	118,009
Securitized liabilities and subordinated debt	21,671	20,115	22,078	20,496
	204,644	202,828	202,340	200,981

(31) Derivatives

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

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

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

Holdings of derivatives are composed of the following items:

	Notional amounts		Positive fair values		Negative fair values	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Trading derivatives	825,504	665,517	19,188	15,853	21,575	16,987
Hedging derivatives	43,622	46,557	444	474	2,170	2,693
Total	869,126	712,074	19,632	16,327	23,745	19,680

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

	Notional amounts		Fair Value			
			Positive fair values		Negative fair values	
	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m	June 30, 2009 €m	Dec. 31, 2008 €m
Trading derivatives						
Foreign currency derivatives	26,776	36,987	322	1,075	290	965
Interest rate derivatives	791,294	620,143	18,655	14,486	20,163	15,059
Equity/index derivatives	944	367	11	21	16	11
Credit derivatives	6,490	8,020	200	271	1,106	952
Total holdings of trading derivatives	825,504	665,517	19,188	15,853	21,575	16,987
Hedging derivatives						
Fair value hedges	43,622	46,557	444	474	2,170	2,693
Total holdings of hedging derivatives	43,622	46,557	444	474	2,170	2,693
Total holdings of derivatives	869,126	712,074	19,632	16,327	23,745	19,680

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

(32) Risk-weighted assets and capital ratio

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

	June 30, 2009 €m	Dec. 31, 2008 €m
Credit and counterparty risk	61,600	61,038
Market risk positions	11,263	9,100
Operational risk	6,538	6,450
Total capital charge	79,401	76,588
Tier 1 capital	5,459	4,997
thereof: hybrid capital instruments	1,615	1,615
Tier 2 capital	2,739	3,155
thereof: profit participation certificates outstanding	1,107	1,152
thereof: subordinated liabilities	2,363	2,445
Tier 3 capital	0	0
Eligible own funds	8,198	8,152
Tier 1 ratio in %	8.0	7.4
Capital ratio in %	10.3	10.6

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

The Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority) published an amendment to the *Konzernabschlussüberleitungsverordnung* (KonÜV – Consolidated Financial Statements Reconciliation Regulation) in the Federal Law Gazette on July 24, 2009. According to this, unrealized gains and losses on debt instruments are to be disregarded when calculating regulatory capital pursuant to sections 10 and 10a of the *Kreditwesengesetz* (KWG – German Banking Act). This amendment can be used for the first time for the reporting date of June 30, 2009.

(33) Risk capital

The following table shows the allocation of the Postbank Group's risk cover amount, broken down by risk types on the basis of the authorized risk capital, before and after factoring in correlation effects and the unallocated risk cover amount, as of June 30, 2009 compared with December 31, 2008.

Risk capital by risk types

Capital and risk components	Allocated risk capital	
	June 30, 2009 €m	Dec. 31, 2008 €m
Market risk	2,781	2,884
Credit risk	2,200	1,191
Operational risk	635	635
Investment and real estate risk	126	126
Collective risk	1,000	1,000
Business risk	1,893	1,893
Total before diversification	8,635	7,729
Diversification effects	1,508	1,332
Total after diversification	7,127	6,397
Unallocated risk cover amount	4,946	4,358
Total risk cover amount	12,073	10,755

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

(34) Related party disclosures

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

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

Related party receivables

	June 30, 2009 €m	Dec. 31, 2008 €m
Loans and advances to other banks		
Companies with a significant influence	548	–
	548	–
Loans and advances to customers		
Deutsche Post AG	–	130
Companies with a significant influence	80	–
Subsidiaries	11	12
	91	142

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

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

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

	June 30, 2009 €m	Dec. 31, 2008 €m
Trading assets		
Companies with a significant influence	2,414	–
	2,414	–
Hedging derivatives		
Companies with a significant influence	28	–
	28	–

Transactions involving trading assets and hedging derivatives relate solely to Deutsche Bank AG.

	June 30, 2009 €m	Dec. 31, 2008 €m
Investment securities		
Companies with a significant influence	278	–
	278	–

Investment securities relate to bonds issued by Deutsche Bank AG.

	June 30, 2009 €m	Dec. 31, 2008 €m
Other assets		
Deutsche Post AG	–	35
Companies with a significant influence	6	–
Subsidiaries	1	1
Other related parties	–	2
	7	38

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

Related party payables

	June 30, 2009 €m	Dec. 31, 2008 €m
Deposits from other banks		
Companies with a significant influence	26	–
	26	–
Due to customers		
Deutsche Post AG	–	37
Companies with a significant influence	6	–
Subsidiaries	59	56
Other related parties	–	44
	65	137
Trading liabilities		
Companies with a significant influence	2,895	–
	2,895	–
Hedging derivatives		
Companies with a significant influence	28	–
	28	–
Other liabilities		
Deutsche Post AG	–	80
Companies with a significant influence	36	–
Subsidiaries	3	2
Other related parties	–	8
	39	90
Subordinated debt		
Subsidiaries	100	101
	100	101

The trading liabilities, hedging derivatives, and deposits from other banks with a significant influence relate in full to Deutsche Bank AG. The deposits from other banks primarily comprise liabilities from money market transactions.

€6 million of the amounts due to companies with a significant influence relates to Deutsche Post AG.

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

€36 million of the other liabilities to companies with a significant influence relates to Deutsche Post AG; this concerns in particular liabilities from the retail outlet business as stipulated in the cooperation agreement.

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

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

Income and expenses from related parties

	Jan. 1 – June 30, 2009 €m	Jan. 1 – June 30, 2008 €m
Interest income		
Deutsche Post AG	3	19
Companies with a significant influence	10	–
Subsidiaries	1	9
Other related parties	–	2
	14	30
Interest expense		
Deutsche Post AG	1	–
Companies with a significant influence	14	–
Subsidiaries	3	5
Other related parties	–	1
	18	6
Fee and commission income		
Deutsche Post AG	76	239
Companies with a significant influence	18	–
Subsidiaries	1	1
	95	240
Fee and commission expense		
Subsidiaries	6	7
	6	7
Net trading income		
Companies with a significant influence	–84	–
	–84	–
Administrative expenses		
Deutsche Post AG	45	159
Companies with a significant influence	73	–
Subsidiaries	10	9
Other related parties	24	79
	152	247
Other income		
Deutsche Post AG	–	1
Subsidiaries	4	2
Other related parties	3	13
	7	16
Other expenses		
Deutsche Post AG	–	1
Companies with a significant influence	3	–
	3	1

€8 million of the interest income from companies with a significant influence relates to Deutsche Bank AG and €2 million to Deutsche Post AG.

The €14 million interest expense to companies with a significant influence relates to Deutsche Bank AG.

The fee and commission income from companies with a significant influence in the amount of €18 million mainly relates to income from Deutsche Post AG for the postal services provided in Deutsche Postbank AG's branches.

The net trading income relates in full to Deutsche Bank AG.

The administrative expenses attributable to companies with a significant influence in the amount of €73 million relate to payments to Deutsche Post AG for the financial services provided in its retail outlets and for postage expenses.

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

(35) Members of executive bodies

Management Board

The members of the Management Board of Deutsche Postbank AG are:	
Stefan Jütte, Bonn (Chairman since July 1, 2009)	
Wolfgang Klein, Bonn (Chairman)	until June 30, 2009
Dirk Berensmann, Unkel	until May 29, 2009
Mario Daberkow, Bonn	since May 30, 2009
Marc Hess, Bonn	since January 1, 2009
Horst Küpker, Bad Honnef	
Michael Meyer, Bonn	
Hans-Peter Schmid, Baldham	
Ralf Stemmer, Königswinter	

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

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

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

Responsibility Statement

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

Bonn, July 28, 2009
Deutsche Postbank Aktiengesellschaft

The Management Board

Stefan Jütte

Mario Daberkow

Marc Hess

Horst Küpker

Michael Meyer

Hans-Peter Schmid

Ralf Stemmer

Review Report

To Deutsche Postbank AG, Bonn

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, statement of comprehensive income, condensed statement of cash flows, statement of changes in equity and selected explanatory notes – and the interim group management report of Deutsche Postbank AG, Bonn for the period from January 1 to June 30, 2009, 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 IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Düsseldorf, July 29, 2009

PricewaterhouseCoopers
Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

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

Financial Calendar

Fiscal year 2009

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

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

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