



Deutsche Postbank Funding Trust IV
Wilmington, Delaware, United States of America
(a subsidiary of Deutsche Postbank AG, Bonn, Federal Republic of Germany)

€500,000,000 non-cumulative Trust Preferred Securities
(Liquidation Preference Amount of €50,000 per Trust Preferred Security)

Offering Price: 100% of Liquidation Preference Amount

Deutsche Postbank Funding Trust IV, a statutory trust created under the laws of the State of Delaware, United States of America (the “**Trust**”), will offer for sale €500,000,000 non-cumulative trust preferred securities (the “**Trust Preferred Securities**”), liquidation preference amount €50,000 per security (the “**Liquidation Preference Amount**”). The Trust Preferred Securities represent preferred undivided beneficial ownership interests in the assets of the Trust. The Trust will issue one common security to Deutsche Postbank AG, a stock corporation (*Aktiengesellschaft*) organized under the laws of the Federal Republic of Germany (“**Postbank**”), or a wholly-owned subsidiary of Postbank. The Trust will use the proceeds from the sale of the Trust Preferred Securities and the common security to buy non-cumulative Class B Preferred Securities (the “**Class B Preferred Securities**”) issued by Deutsche Postbank Funding LLC IV (the “**Company**”), a Delaware limited liability company. The Class B Preferred Securities will be the only assets of the Trust. The terms of the Trust Preferred Securities will be substantially identical to the terms of the Class B Preferred Securities. The Company will invest the proceeds from the sale of the Class B Preferred Securities in subordinated debt securities issued by Postbank.

Distributions in respect of the Trust Preferred Securities and the Class B Preferred Securities, referred to as Capital Payments (as defined herein), are non-cumulative and will accrue on the Liquidation Preference Amount (i) from and including June 29, 2007 (the “**Issue Date**”) to but excluding June 29, 2017 (the “**Reset Date**”), at a fixed rate of 5.983% per annum, payable annually in arrears on June 29 of each year (including on the Reset Date) and (ii) for each Capital Payment Period (as defined herein) commencing on or after the Reset Date, at 3-month EURIBOR (as defined herein) for such Capital Payment Period plus 2.07% per annum, payable quarterly in arrears on March 29, June 29, September 29 and December 29 of each year. Capital Payments are subject to certain conditions, including that Postbank has an amount of Distributable Profits (as defined herein) for the preceding financial year at least equal to the Capital Payments.

The Trust Preferred Securities and the Class B Preferred Securities will not have a maturity date and will not be redeemable at any time at the option of the holder thereof. The Trust and the Company may redeem the Trust Preferred Securities and the Class B Preferred Securities, as the case may be, in whole, but not in part, on the Initial Redemption Date (as defined herein) scheduled to occur on June 29, 2017 or any Capital Payment Date (as defined herein) thereafter, or at any time upon the occurrence of certain tax and capital disqualification events as more fully described herein.

The Trust Preferred Securities are expected, on issue, to be assigned a rating of “BBB” by Standard & Poor’s, “A1” by Moody’s Investors Service and “A-” by Fitch Ratings Ltd.. The rating for the Trust Preferred Securities is derived from the ratings of Postbank. The current credit ratings of Postbank are “A-” by Standard & Poor’s, “Aa2” by Moody’s Investor Service and “A” by Fitch Ratings Ltd. A rating is not a recommendation to buy, hold or sell securities, and may be subject to revision, suspension or withdrawal at any time by the rating agency.

This document constitutes a single prospectus pursuant to Article 5(3) of Directive 2003/71/EC. Application has been made in order for the Trust Preferred Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is an EU-regulated market within the meaning of Directive 2004/39/EC (the “**Luxembourg Stock Exchange**”).

THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”).

An investment in the Trust Preferred Securities involves certain risks. See “Risk Factors” beginning on page 26 for a discussion of certain factors that should be considered by prospective investors.

Joint Lead Managers and Joint Bookrunners

Deutsche Bank

Morgan Stanley

Co-Managers

Dresdner Kleinwort

Société Générale Corporate & Investment Banking

The date of this Prospectus is June 27, 2007.

This Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

RESPONSIBILITY STATEMENT

Postbank with its registered office at Friedrich-Ebert-Allee 114-126, D-53113 Bonn, Federal Republic of Germany, assumes responsibility for the information contained in this Prospectus (the “**Prospectus**”). To the best of the knowledge of Postbank, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Company and the Trust with its respective registered office in Wilmington, Delaware accepts responsibility for the information contained in this Prospectus about itself and the description of the Company Securities (as defined herein) and the Trust Securities (as defined herein), respectively and to the best of their knowledge, the information is in accordance with the facts and does not omit anything likely to affect the import of such information. Neither the Company nor the Trust accepts responsibility for any other information contained in this Prospectus.

NOTICE

Each of Postbank, the Company and the Trust further confirms (the Company and the Trust only in respect of itself and the Company Securities and the Trust Securities, respectively) the following:

- this Prospectus contains all information with respect to Postbank, the Company and the Trust, the Trust Preferred Securities, the Class B Preferred Securities and the Debt Securities (as defined herein) that is material in the context of the listing, issue and offering of the Trust Preferred Securities, including all information which, according to the particular nature of Postbank, the Company and the Trust and of the Trust Preferred Securities, the Class B Preferred Securities and the Debt Securities is necessary to enable investors and their investment advisors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of Postbank, the Company and the Trust and of the rights attached to the Trust Preferred Securities, the Class B Preferred Securities and the Debt Securities;
- the statements contained in this Prospectus relating to Postbank, the Company and the Trust are in every material respect true and accurate and not misleading;
- the opinions and intentions expressed in this Prospectus with regard to Postbank, the Company and the Trust are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions;
- there are no other facts the omission of which would in the context of the issue and offering of the Trust Preferred Securities make any statement in this Prospectus misleading in any material respect; and
- reasonable enquiries have been made by Postbank, the Company and the Trust to ascertain such facts and to verify the accuracy of all such information and statements.

Postbank, the Trust and the Company have not authorized any person to provide any information or to make any representation not contained in this Prospectus. You must not rely on any information or representation not contained in this Prospectus as having been authorized by Postbank, the Trust or the Company or by the Managers (as defined herein). The delivery of this Prospectus at any time does not imply that the information contained herein is correct as of any time subsequent to its date.

This Prospectus comprises a prospectus for the purposes of (i) Article 5.3 of the Prospectus Directive and (ii) the relevant implementing measures in the Grand Duchy of Luxembourg and, in each case, for the purpose of giving information with regard to Postbank, the Company and the Trust.

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**Relevant Persons**”). The Trust Preferred Securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Trust Preferred Securities will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

This Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of Postbank, the Trust, the Company or the Managers or any affiliate of any of them to subscribe for or purchase, any Trust Preferred Securities in any jurisdiction by any person to whom it is unlawful to make such an offer, invitation or solicitation in such jurisdiction. None of the Trust, the Company, Postbank or the Managers has taken any action

that would permit a public offering of the Trust Preferred Securities or distribution of this Prospectus in any jurisdiction where action would be required for such a purpose. Applicable law in certain jurisdictions may restrict the distribution of this Prospectus and the offering, sale or delivery of the Trust Preferred Securities. Postbank, the Trust, the Company and the Managers require all recipients of this Prospectus to inform themselves about and to observe any such restrictions. In particular, the Trust Preferred Securities have not been and will not be registered under the Securities Act. Subject to certain limited exceptions, the Trust Preferred Securities may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Trust Preferred Securities and distribution of this Prospectus, see “Subscription and Sale” below.

An investment in the Trust Preferred Securities is suitable only for financially sophisticated investors who are capable of fully evaluating the risks involved in making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making such investments.

Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their residence and domicile for the acquisition, holding or disposal of Trust Preferred Securities and any foreign exchange restrictions that might be relevant to them.

Prospective investors should satisfy themselves that they understand all of the risks associated with making investments in the Trust Preferred Securities. If a prospective investor is in any doubt whatsoever as to the risks involved in investing in the Trust Preferred Securities, he should consult professional advisers.

STABILIZATION

IN CONNECTION WITH THE ISSUE OF THE TRUST PREFERRED SECURITIES, DEUTSCHE BANK AKTIENGESELLSCHAFT (“DEUTSCHE BANK”) (THE “STABILIZING MANAGER”) AS STABILIZING MANAGER (OR ANY PERSON ACTING ON ITS BEHALF) MAY OVER-ALLOT THE TRUST PREFERRED SECURITIES (PROVIDED THAT THE AGGREGATE PRINCIPAL AMOUNT OF THE SECURITIES ALLOTTED DOES NOT EXCEED 105% OF THE AGGREGATE LIQUIDATION PREFERENCE AMOUNT OF THE TRUST PREFERRED SECURITIES (OR SUCH OTHER PERCENTAGE AS MAY BE APPLICABLE TO ANY SUCH ACTIONS) IN THE JURISDICTION WHERE SUCH ACTIONS ARE TO BE EFFECTED) OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE TRUST PREFERRED SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN AT ANY TIME AFTER THE ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE TRUST PREFERRED SECURITIES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE DATE OF THE RECEIPT OF THE PROCEEDS OF THE ISSUE BY THE TRUST OR 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE TRUST PREFERRED SECURITIES OR, AS THE CASE MAY BE, SUCH OTHER DATE(S) AS MAY BE APPLICABLE TO ANY SUCH ACTION IN THE JURISDICTION WHERE SUCH ACTIONS ARE TO BE EFFECTED. SUCH STABILIZING SHALL BE IN COMPLIANCE WITH ALL LAWS, REGULATIONS AND RULES OF ANY RELEVANT JURISIDITION.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements relating to the business, financial performance and results of operations of Postbank and to the business segments in which Postbank operates. Forward-looking statements concern future circumstances and results and other circumstances that are not historical facts, and may be identified by words such as “believes,” “expects,” “predicts,” “intends,” “projects,” “plans,” “estimates,” “aims,” “foresees,” “anticipates,” “targets,” and similar expressions. Such statements only reflect the current views of Postbank with respect to future events and are subject to risks and uncertainties.

In this Prospectus, forward-looking statements include, among others, statements relating to:

- the development of aspects of Postbank’s results of operations;
- expectations of the impact of risks that affect Postbank’s business, including the risks of loss on our credit exposures and risks relating to changes in interest and currency exchange rates and in asset prices; and
- other statements relating to Postbank’s future business development and economic performance.

In addition, Postbank may from time to time make forward-looking statements in its annual and interim reports, Prospectus and prospectuses, press releases and other written materials. Postbank may also make oral forward-looking statements to third parties, including financial analysts.

By their very nature, forward-looking statements involve risks and uncertainties, both general and specific. These statements are based on current plans, estimates, projections and expectations. Prospective investors should therefore not place undue reliance on them. Forward-looking statements speak only as of the date made, and Postbank undertakes no obligation to update any of them in light of new information or future events.

TABLE OF CONTENTS

Cautionary Note regarding Forward-Looking Statements	6
Prospectus Summary	8
SUMMARY IN RESPECT OF RISK FACTORS	21
SUMMARY OF Postbank, the Company and the Trust.....	24
Risk Factors	26
Distributable Profits of Postbank.....	32
Description of the Trust Securities	33
Description of the Company Securities	44
Description of the Support Undertaking.....	54
Description of the Initial Debt Securities	55
Deutsche Postbank Funding Trust IV	58
Deutsche Postbank Funding LLC IV	60
Capitalization of Postbank and Postbank Group	63
Postbank Group	66
Taxation.....	81
Subscription and Sale	86
General Information	88
Incorporation by Reference	90
Definitions	92
Appendix A: Form of Support Undertaking	99

PROSPECTUS SUMMARY

The following summary should be read as an introduction to the Prospectus. It contains a transaction overview, a summary of the terms of the Trust Preferred Securities and the Class B Preferred Securities, as well as information relating to Postbank and this Offering. For a more complete description of the terms of the Trust Preferred Securities, the Class B Preferred Securities, the Initial Debt Securities and the Support Undertaking, see “Description of the Trust Securities,” “Description of the Company Securities,” “Description of the Initial Debt Securities” and “Description of the Support Undertaking,” as well as “Distributable Profits of Postbank.” For a description of the Trust, the Company and Postbank, see “Deutsche Postbank Funding Trust IV”, “Deutsche Postbank Funding LLC IV” and “Postbank Group.” Capitalized terms used in this Prospectus have the meanings as set forth under “Definitions”. Except where specified otherwise, financial data of Postbank Group presented herein is in accordance with International Financial Reporting Standards, as applied in the European Union (“IFRS”).

The following summary is qualified in its entirety by the detailed information and financial data presented elsewhere in this Prospectus or incorporated by reference and any decision to invest in the Trust Preferred Securities should be based on consideration of the Prospectus as a whole, including the document incorporated by reference. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the place of jurisdiction, have to bear the costs of translating the Prospectus, including the document incorporated by reference, before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

Transaction Overview

Deutsche Postbank Funding Trust IV (the “**Trust**”) exists for the sole purposes of (i) issuing the non-cumulative Trust Preferred Securities and one non-cumulative Trust Common Security, (ii) investing the gross proceeds thereof in the non-cumulative Class B Preferred Securities issued by Deutsche Postbank Funding LLC IV (the “**Company**”), and (iii) engaging in activities necessary or incidental thereto. The Trust Securities will represent all of the ownership interests in the Trust. The Trust Common Security will initially be owned by Postbank or a Postbank Group Company.

In addition to the Class B Preferred Securities to be acquired by the Trust, the Company will also issue the Company Common Security and the Class A Preferred Security. The Company Securities will represent all of the ownership interests in the Company. The Company Common Security and the Class A Preferred Security will initially be owned by Postbank or a Postbank Group Company.

The Company will use the gross proceeds from the issuance of the Company Securities to acquire the Initial Debt Securities. The Initial Debt Securities to be issued by Postbank will have a Principal Amount of €500,076,000 and will have a Maturity Date of June 29, 2037. They will be subordinated to the claims of other creditors of Postbank pursuant to their terms. The income received by the Company from the Initial Debt Securities and any Substitute Debt Securities will be available for distribution, as appropriate, to the holders of the Class B Preferred Securities, the Class A Preferred Security and the Company Common Security.

In accordance with the Trust Agreement (as to be amended prior to the issuance of the Trust Securities) among, *inter alia*, the Trustees, Postbank and the Company, the Trust will pass through to the holders of the Trust Preferred Securities any periodic distributions declared (or deemed declared) and paid by the Company in accordance with the LLC Agreement (as to be amended prior to the issuance of the Company Securities) between Postbank and the Trust and received by the Trust on the Class B Preferred Securities. These Capital Payments on the Trust Preferred Securities will be limited to the amount of the Capital Payments on the Class B Preferred Securities.

Pursuant to the LLC Agreement, Capital Payments on the Class B Preferred Securities shall, for any given Capital Payment Period, be paid out of the excess of (i) the amounts paid on the Initial Debt Securities and the Substitute Debt Securities by the issuer thereof, or, after the Maturity Date, on Permitted Investments that the Company may then hold or, if applicable, under the Support Undertaking over (ii) any operating expenses of the Company not paid or reimbursed by Postbank during such Capital Payment Period.

Subject to the provisions of the LLC Agreement and the Trust Agreement, Capital Payments on the Class B Preferred Securities and the Trust Preferred Securities will accrue on the respective liquidation preference amount of €50,000 thereof (i) from (and including) the Issue Date to (but excluding) the Reset Date at the Fixed Rate and be payable annually in arrears on June 29 in each year (including on the Reset Date) and (ii) for each Capital

Payment Period commencing on or after the Reset Date, at the Floating Rate and be payable quarterly in arrears on March 29, June 29, September 29 and December 29 in each year.

For each Capital Payment Period ending prior to the Reset Date, Capital Payments will be calculated on the basis of the actual number of days elapsed, divided by the actual number of days (365 or 366) in the relevant Capital Payment Period. For each Capital Payment Period beginning on or after the Reset Date, Capital Payments will be calculated on the basis of the actual number of days elapsed in a 360-day year.

If the Company does not declare (and is not deemed to have declared) a Capital Payment on the Class B Preferred Securities in respect of any Capital Payment Period, holders of the Class B Preferred Securities will have no right to receive a Capital Payment on the Class B Preferred Securities in respect of such Capital Payment Period, and the Company will have no obligation to make a Capital Payment in respect of such Capital Payment Period, whether or not Capital Payments on the Class B Preferred Securities are declared (or deemed to have been declared) and paid in respect of any future Capital Payment Period. In such a case, investors will not receive any corresponding Capital Payments on the Trust Preferred Securities in relation to such Capital Payment Period.

For a summary of the terms of the Trust Preferred Securities and the Class B Preferred Securities, see “Description of the Trust Securities” and “Description of the Company Securities – Class B Preferred Securities.”

Postbank and the Company will enter into the Support Undertaking for the benefit of the holders of the Class B Preferred Securities upon the terms set forth in Appendix A hereto. Pursuant to the Support Undertaking, Postbank undertakes to ensure, among other things, that (i) the Company shall at all times be in a position to meet its obligations if and when such obligations are due and payable, including Capital Payments declared (or deemed declared) on the Class B Preferred Securities (plus Additional Amounts thereon, if any), any payments due on redemption of the Class B Preferred Securities, and (ii) in liquidation or dissolution of the Company, the Company will have sufficient funds to pay the aggregate liquidation preference amount of the Class B Preferred Securities, including accrued and unpaid Capital Payments on the Class B Preferred Securities for the then current Capital Payment Period to, but excluding, the date of liquidation or dissolution and Additional Amounts, if any.

The Support Undertaking does not constitute a guarantee or an undertaking of any kind that the Company will at any time have sufficient assets to declare a Capital Payment on the Class B Preferred Securities or another distribution. Postbank’s obligations under the Support Undertaking will be subordinated to all senior and subordinated debt obligations of Postbank, will rank at least *pari passu* with each class of the most senior ranking preference shares, if any, and other instruments of Postbank qualifying as Tier I regulatory capital, and will rank senior to any other preference shares and the common stock of Postbank.

The holders of Class B Preferred Securities will be third-party beneficiaries of the Support Undertaking. For a summary of the terms of the Support Undertaking, see “Description of the Support Undertaking.”

The Class B Preferred Securities and the Trust Preferred Securities will not have any scheduled maturity date and will not be redeemable at any time at the option of the holders thereof.

On or after the Initial Redemption Date, the Company may, at its option, redeem the Class B Preferred Securities, in whole but not in part, on any Capital Payment Date at a redemption price per Class B Preferred Security equal to the liquidation preference amount thereof, plus any accrued and unpaid Capital Payments for the then current Capital Payment Period to but excluding the Redemption Date (the “**Redemption Price**”), plus Additional Amounts, if any. The Company may also, at any time, redeem the Class B Preferred Securities, in whole but not in part, upon the occurrence of a Company Special Redemption Event (i) at the Redemption Price, in the case of a Gross-up Event or (ii) upon the occurrence of any other Company Special Redemption Event, the Early Redemption Price, plus, in each case, Additional Amounts, if any.

Subject to the provisions of the Trust Agreement, upon redemption of the Class B Preferred Securities, the Trust must apply the redemption price received in connection therewith to redeem the Trust Securities.

Upon the occurrence of a Trust Special Redemption Event or in the event of any dissolution, liquidation, winding up or termination of the Trust, holders of the Trust Preferred Securities will be entitled to receive a corresponding number of the Class B Preferred Securities. See “Description of the Trust Securities – Redemption.”

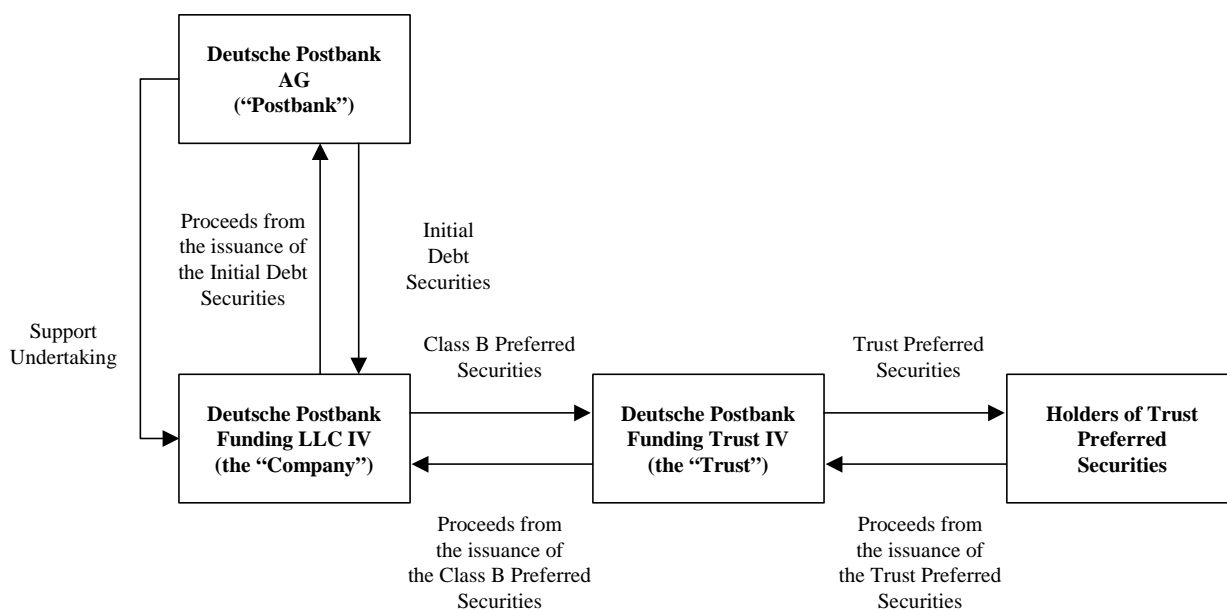
Since the sole assets of the Trust consist of the Class B Preferred Securities and because the holders of the Trust Preferred Securities may receive the Class B Preferred Securities in certain circumstances, prospective purchasers of the Trust Preferred Securities are also making an investment decision with respect to the Class B Preferred Securities and, accordingly, should carefully review all of the information

regarding the Class B Preferred Securities. See “Description of the Company Securities – Class B Preferred Securities” and “Risk Factors – Special Redemption Risks.”

Concurrently with the purchase of the Trust Preferred Securities by the Managers as described under “Subscription and Sale”, the Company, the Trust and Postbank will engage in the following transactions: (i) the Company will issue to Postbank the Company Common Security; (ii) the Company will issue to Postbank the Class A Preferred Security; (iii) the Trust will issue to Postbank the Trust Common Security; (iv) the Trust will issue the Trust Preferred Securities, which will be registered in the name of the Common Depositary, to the Managers, who will sell the Trust Preferred Securities to investors; (v) the Company will issue to the Trust the Class B Preferred Securities and (vi) the Company will acquire from Postbank the Initial Debt Securities.

Postbank or a Postbank Group Company, as the holder of the Company Common Security, will elect the board of directors of the Company (the “**Board of Directors**”), which initially will consist of four directors.

The following diagram outlines the key relationships among the Company, the Trust and Postbank upon completion of the Offering.



The Offering

The Trust Deutsche Postbank Funding Trust IV is a Delaware statutory trust formed for the purpose of issuing the Trust Preferred Securities and acquiring the Class B Preferred Securities.

The Company..... Deutsche Postbank Funding LLC IV, a Delaware limited liability company, is a subsidiary of Postbank. The sole assets of the Company will be the Debt Securities and Permitted Investments.

Trust Securities..... The Trust Common Security together with the Trust Preferred Securities. The Trust Common Security means one common security of the Trust and the Trust Preferred Securities means € 500,000,000 registered non-cumulative Trust Preferred Securities offered in the Offering as described below.

Company Securities The Company Common Security and the Company Preferred Securities: the Class A Preferred Security and the Class B Preferred Securities.

Subject Matter of the Offering €500,000,000 registered non-cumulative Trust Preferred Securities with a Liquidation Preference Amount of €50,000 per Trust Preferred Security. The terms of the Trust Preferred Securities will be substantially identical to the terms of the Class B Preferred Securities. The offering consists of an international offer in the form of private placements outside the United States in reliance on Regulation S. See “Subscription and

Sale.”

Issue Price 100% (equivalent to €50,000 per Trust Preferred Security).

Use of Proceeds The gross proceeds from the sale of the Trust Securities will be invested by the Trust in the Class B Preferred Securities. The Company will use the funds from the sale of the Class B Preferred Securities, together with funds contributed by Postbank in return for the Class A Preferred Security and in return for the Company Common Security, to make an investment in the Initial Debt Securities. Postbank intends to treat the Class B Preferred Securities or, as the case may be, the Trust Preferred Securities, as consolidated Tier I regulatory capital. Postbank intends to use the proceeds from the sale of the Initial Debt Securities for general corporate purposes.

Postbank’s Support

Undertaking Postbank will execute a Support Undertaking with the Company for the benefit of the Company and the holders of the Class B Preferred Securities under which it will agree that:

- (i) the Company will at all times be in a position to meet its obligations if and when such obligations are due and payable, including Capital Payments declared (or deemed declared) on the Class B Preferred Securities, plus Additional Amounts thereon, if any, and any payment due on redemption of the Class B Preferred Securities, and
- (ii) in liquidation or dissolution, the Company will have sufficient funds to pay the liquidation preference amounts of the Class B Preferred Securities, plus accrued and unpaid Capital Payments for the then current Capital Payment Period to, but excluding, the date of liquidation or dissolution and Additional Amounts, if any.

The Support Undertaking is not a guarantee of any kind that the Company will at any time have sufficient assets to declare a Capital Payment or other distribution.

Postbank’s obligations under the Support Undertaking will be subordinated to all senior and subordinated debt obligations of Postbank, will rank at least *pari passu* with the most senior ranking preference shares, if any, and other instruments of Postbank qualifying as Tier I regulatory capital, and will rank senior to any other preference shares and the common stock of Postbank. The holders of the Class B Preferred Securities will be third party beneficiaries of the Support Undertaking. If a holder of the Class B Preferred Securities has notified the Company that Postbank has failed to perform any obligation under the Support Undertaking, and such failure continues for 60 days or more after such notice is given, the holders of a majority in liquidation preference amount of the Class B Preferred Securities will have the right to elect the Independent Enforcement Director who will be required to enforce the rights of the Company under the Support Undertaking without prejudice to the rights of the holders of the Class B Preferred Securities thereunder.

Postbank will also undertake not to give any guarantee or similar undertaking with respect to, or enter into any other agreement relating to the support of, any other preference shares or similar securities of any other affiliated entity that would rank senior in any regard to the Support Undertaking unless the Support Undertaking is amended so that it ranks at least *pari passu* with and contains substantially equivalent rights of priority as to payment as any such other guarantee or other support agreement.

Summary of the Terms of the Trust Preferred Securities and the Class B Preferred Securities

Form and

Denomination..... The Trust Preferred Securities will be issued in registered book-entry form only, in denominations of €50,000 Liquidation Preference Amount and will be evidenced by one or more global certificates deposited with the Common Depositary (except for special circumstances, in which definitive securities will be issued; see “Description of the Trust Securities – Clearing and Settlement, Certifications by the Holder”)

Maturity..... The Trust Preferred Securities and the Class B Preferred Securities will not have a maturity date and will not be redeemable at any time at the option of the holders thereof. The Company may, under certain circumstances, redeem the Class B Preferred Securities, in whole but not in part, on any Capital Payment Date falling on or after June 29, 2017. See “Description of the Company Securities – Class B Preferred Securities – Redemption of the Class B Preferred Securities.”

Capital Payments Subject to the terms of the Trust Agreement and LLC Agreement, as applicable, Capital Payments will accrue on the respective liquidation preference amounts of €50,000 per Trust Preferred Security (the “**Liquidation Preference Amount**”) and €50,000 per Class B Preferred Security (i) from and including the Issue Date to but excluding the Reset Date, at a rate of 5.983% per annum (the “**Fixed Rate**”), payable annually in arrears on June 29 of each year (including on the Reset Date) and (ii) for each Capital Payment Period commencing on or after the Reset Date, at 3-month EURIBOR plus 2.07% per annum (the “**Floating Rate**”), payable quarterly in arrears on March 29, June 29, September 29 and December 29 of each year.

For each Capital Payment Period ending prior to the Reset Date, Capital Payments will be calculated on the basis of the actual number of days elapsed, divided by the actual number of days (365 or 366) in the relevant Capital Payment Period. For each Capital Payment Period beginning on or after the Reset Date, Capital Payments will be calculated on the basis of the actual number of days elapsed in a 360-day year.

Declaration of

Capital Payments Capital Payments on the Class B Preferred Securities are expected to be paid out of payments with respect to interest received by the Company on the Debt Securities or Permitted Investments held by the Company from time to time.

If the Company does not declare (and is not deemed to have declared) a Capital Payment on the Class B Preferred Securities in respect of any Capital Payment Period, holders of the Class B Preferred Securities will have no right to receive a Capital Payment on the Class B Preferred Securities in respect of such Capital Payment Period, and the Company will have no obligation to pay a Capital Payment on the Class B Preferred Securities in respect of such Capital Payment Period, whether or not Capital Payments on the Class B Preferred Securities are declared (or deemed to have been declared) and paid on the Class B Preferred Securities in respect of any future Capital Payment Period.

Capital Payments on the Class B Preferred Securities are authorized to be declared and paid on any Capital Payment Date to the extent that:

- (i) the Company has an amount of Operating Profits for the Capital Payment Period ending on the day immediately preceding such Capital Payment Date at least equal to the amount of such Capital Payments, and
- (ii) Postbank has Distributable Profits for the preceding financial year for which audited unconsolidated financial statements are available in an amount at least equal to the aggregate amount of such Capital Payments and all capital payments, dividends or other distributions on Parity Securities, if any, which Distributable Profits for the preceding financial year are allocated among Capital Payments and capital payments, dividends or other distributions on Parity Securities, pro rata.

In determining the availability of sufficient Distributable Profits of Postbank related to any financial year to permit Capital Payments to be declared with respect to the Class B Preferred Securities, any Capital Payments already paid on the Class B Preferred Securities and any capital payments, dividends or other distributions already paid on Parity Securities, if any, on the basis of such Distributable Profits for such financial year will be deducted from such Distributable Profits (to the extent not yet reflected in the calculation of Distributable Profits).

Deemed

Declaration of

Capital Payments The Company will be deemed to have declared Capital Payments on the Class B Preferred Securities if Postbank or any of its subsidiaries declares or pays any capital payments, dividends or other distributions on any Parity Securities (excluding payments by subsidiaries of Postbank exclusively to Postbank or a wholly-owned subsidiary of Postbank). If such capital payment, dividend or other distribution on such Parity Securities was in the full stated amount payable on such Parity Securities in the then current financial year through the Capital Payment Date, then Capital Payments will be deemed declared at the Stated Rate in full for the then current financial year through such Capital Payment Date. If such capital payment, dividend or other distribution on such Parity Securities was only a partial payment of the amount so owing, the amounts of the Capital Payments deemed declared on the Class B Preferred Securities will be adjusted proportionally.

Further, notwithstanding the foregoing, if Postbank or any of its subsidiaries declares or pays any Junior Distributions, the Company will be deemed to have declared Capital Payments on the Class B Preferred Securities in amounts that vary according to how often the relevant Junior Securities pay capital payments, dividends or other distributions.

If following its most recent annual general meeting Postbank or any of its subsidiaries redeems, repurchases or otherwise acquires any Parity Securities or Junior Securities for any consideration except by conversion into or exchange for shares of common stock of Postbank and subject to certain exceptions set forth in "Description of the Company Securities – Class B Preferred Securities – Capital Payments", the Company will be deemed to have declared Capital Payments on the Class B Preferred Securities at the Stated Rate in full for the Capital Payment Date falling contemporaneously with and/or immediately following the date on which such redemption, repurchase or other acquisition occurred.

Prohibition of

Capital Payments Even if there are sufficient Operating Profits of the Company and sufficient Distributable Profits of Postbank or the Company would otherwise be deemed to have declared Capital Payments, the Company will not be permitted to make Capital Payments on the Class B Preferred Securities on any Capital Payment Date (or a date set for redemption or liquidation) if on such date there is in effect an order of the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (the "**BaFin**") (or any other relevant regulatory authority) prohibiting Postbank from making any distributions of profits (including to the holders of Parity Securities, if any).

Payments of

Additional

Amounts..... All payments on the Class B Preferred Securities and the Trust Preferred Securities, as the case may be (including any amount payable in liquidation or repayment upon redemption thereof) will be made without deduction or withholding for or on account of Withholding Taxes, unless such deduction or withholding is required by law. In such event, the Company or the Trust, as the case may be, will pay, as additional Capital Payments, such additional amounts as may be necessary in order that the net amounts received by the holders of the Class B Preferred Securities and the Trust Preferred Securities, after such deduction or withholding, will equal the amounts that would have been received had no such deduction or withholding been required ("**Additional Amounts**"). However, no such Additional Amounts will be payable in respect of the

Class B Preferred Securities and the Trust Preferred Securities:

- if and to the extent that the Company is unable to pay such Additional Amounts because such payment would exceed the Distributable Profits of Postbank for the preceding financial year (after subtracting from such Distributable Profits the amount of Capital Payments on the Class B Preferred Securities and, to the extent not yet reflected in the calculation of Distributable Profits, capital payments, dividends or other distributions on Parity Securities, if any, already paid on the basis of such Distributable Profits on or prior to the date on which such Additional Amounts will be payable);
- with respect to any amounts of Withholding Taxes that are payable by reason of the holder or beneficial owner of the Class B Preferred Securities (other than the Trust) or Trust Preferred Securities having some connection with any Relevant Jurisdiction other than by reason only of the mere holding of the Class B Preferred Securities or the Trust Preferred Securities;
- with respect to any amounts of Withholding Taxes if such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- with respect to any amounts of Withholding Taxes imposed on account of any inheritance, thrift, estate, personal property, sales or transfer taxes, or on account of any taxes that are payable otherwise than by withholding from payments in respect of the Class B Preferred Securities or the Trust Preferred Securities;
- with respect to any amounts of Withholding Taxes that can be avoided or reduced if the holder or beneficial owner of the Class B Preferred Securities or the Trust Preferred Securities makes a declaration of non-residence or other similar claim for exemption to the relevant tax authority or complies with any reasonable certification, documentation, information or other reporting requirement imposed by the relevant tax authority;
- with respect to any amounts of Withholding Taxes that the holder or beneficial owner of the Class B Preferred Securities or the Trust Preferred Securities can avoid or reduce by presenting the relevant Class B Preferred Securities or Trust Preferred Securities to another paying agent in a Member State of the European Union; or
- with respect to any amounts of Withholding Taxes that would not have been so imposed if the holder of the Class B Preferred Securities or the Trust Preferred Securities would have presented the relevant Class B Preferred Securities or Trust Preferred Securities for payment within 30 days of the date that payment was due or became available for payment, except to the extent that such holder would have been entitled to such Additional Amounts on presenting such Class B Preferred Securities or Trust Preferred Securities for payment on the last day of such period of 30 days.

Redemption..... If the Company redeems the Class B Preferred Securities, the Trust must redeem the Trust Preferred Securities. The Class B Preferred Securities are redeemable at the option of the Company, in whole but not in part, on the Initial Redemption Date and on each Capital Payment Date thereafter at the Redemption Price plus Additional Amounts, if any.

The Company will also have the right, at any time, to redeem the Class B Preferred Securities, in whole but not in part, upon the occurrence of a Company Special Redemption Event (i) at the Redemption Price, in the case of a Gross-up Event or (ii) upon the occurrence of any other Company Special Redemption Event, the Early Redemption Price, plus, in each case, Additional Amounts, if any. The Company may exercise its right to redeem the Class B Preferred Securities only if it has:

- (i) given at least 30 days' prior notice (or such longer period as required by the relevant regulatory authorities) to the holders of the Class B Preferred Securities of its intention to redeem the Class B Preferred Securities on the Redemption Date;
- (ii) simultaneously therewith received notice from the issuer of the Debt Securities of the redemption of an aggregate principal amount of Debt Securities equivalent to the liquidation preference amount of the Class B Preferred Securities; and
- (iii) obtained any required regulatory approvals. See "Description of the Company Securities – Class B Preferred Securities – Redemption of the Class B Preferred Securities."

The Class B Preferred Securities may only be redeemed for any reason if on the Redemption Date:

- the Company has sufficient funds (by reason of payments on the Debt Securities, Permitted Investments or pursuant to the Support Undertaking) to pay the relevant redemption price and to pay in full an amount corresponding to the Capital Payments accrued and unpaid as of the Redemption Date, plus Additional Amounts, if any;
- Postbank has an amount of Distributable Profits for the preceding financial year at least equal to the Capital Payments on the Class B Preferred Securities accrued and unpaid as of the Redemption Date or the excess, if any, of the Make-Whole Amount over the aggregate liquidation preference amount of the Class B Preferred Securities, as applicable, plus, in each case, Additional Amounts, if any;
- no order of the BaFin (or any other relevant regulatory authority) is in effect prohibiting Postbank from making any distributions of profits (including to the holders of Parity Securities, if any); and
- all required regulatory approvals have been obtained.

Upon the occurrence of a Trust Special Redemption Event or in the event of any voluntary or involuntary dissolution, liquidation, winding up or termination of the Trust, holders of Trust Securities will be entitled to receive a corresponding number of the Class B Preferred Securities, but, in the event of any such distribution of Class B Preferred Securities, the rights of the holder of the Trust Common Security will be subordinated to the rights of the holders of the Trust Preferred Securities. See "Description of the Trust Securities – Redemption."

The Class B Preferred Securities and the Trust Preferred Securities will not have any scheduled maturity date and will not be redeemable at any time at the option of the holders thereof.

Liquidation..... In the event of any voluntary or involuntary liquidation, dissolution, winding up or termination of the Trust, the holders of the Trust Securities will be entitled to receive a corresponding amount of the Class B Preferred Securities. The holders of the Trust Preferred Securities will effectively have a preference over the holder of the Trust Common Security with respect to distributions upon liquidation of the Trust.

Upon liquidation or dissolution of the Company, (i) the holder of the Class A Preferred Security will be entitled to receive the Debt Securities or Permitted Investments (including accrued and unpaid interest thereon) as its liquidation distribution and (ii) each holder of the Class B Preferred Securities will be entitled to receive the liquidation preference amount of such Class B Preferred Securities, plus accrued and unpaid Capital Payments in respect of the current Capital Payment Period up to, but excluding, the date of liquidation or dissolution and Additional Amounts, if any. The Company expects that the liquidation distribution to the holders of the Class B Preferred Securities will be paid out of funds received from Postbank under the Support Undertaking. Under the terms of the LLC Agreement and to the fullest extent permitted by law, the Company will not be

dissolved until all obligations under the Support Undertaking have been paid in full pursuant to its terms.

Ranking of Trust

Securities Payment of Capital Payments and other distributions and amounts on redemption of the Trust Securities will be made *pro rata* among the Trust Common Security and the Trust Preferred Securities based on the liquidation preferences thereof; *provided*, however, that upon the occurrence and during the continuance of a default under the Debt Securities or the Support Undertaking, no payment of Capital Payments or any other distributions or amounts on redemption will be made to the holder of the Trust Common Security, unless payment in full in cash of all accrued and unpaid Capital Payments on, and amounts on redemption of, the Trust Preferred Securities have been made or provided for, and all funds immediately available to the Property Trustee will first be applied to payment in full in cash of all Capital Payments or other amounts on redemption of, the Trust Preferred Securities then due and payable before any such funds are applied to any payment on the Trust Common Security.

*Ranking of
Company*

Securities In the event of any voluntary or involuntary liquidation, dissolution, winding up or termination of the Company, the Class B Preferred Securities will rank junior to the Class A Preferred Security, and the Class B Preferred Securities will rank senior to the Company Common Security; *provided* that any payments made by Postbank pursuant to the Support Undertaking will be payable by the Company solely to the holders of the Class B Preferred Securities.

So long as any Class B Preferred Securities are outstanding, the Company will not, without the vote of the holders of at least 66²/3% in aggregate liquidation preference amount of the Class B Preferred Securities, voting separately as a class (excluding any Class B Preferred Securities held by Postbank or any of its affiliates, other than the Trust), (i) amend, alter, repeal or change any provision of the LLC Agreement (including the terms of the Class B Preferred Securities) if such amendment, alteration, repeal or change would materially adversely affect the rights, preferences, powers or privileges of the Class B Preferred Securities, (ii) agree to modify or amend any provision of the Debt Securities, or waive any default in the payment of any amount under the Debt Securities, in any manner that would have a material adverse effect on the interests of the holders of the Class B Preferred Securities or (iii) effect any merger, consolidation, or business combination involving the Company, or any sale of all or substantially all of the assets of the Company, *provided* that any such merger, consolidation, or business combination involving the Company, or any sale of all or substantially all of the assets of the Company also must comply with the provisions of the LLC Agreement. For a description of these provisions set forth in the LLC Agreement, see "Description of the Company Securities – Mergers, Consolidations and Sales."

Further Issues The Company will not, without the consent of all the holders of the Class B Preferred Securities (excluding any Class B Preferred Securities held by Postbank or any of its affiliates, other than the Trust), issue any additional securities of the Company ranking senior to or *pari passu* with the Class B Preferred Securities as to periodic distribution rights or rights on liquidation or dissolution of the Company; *provided*, however, that the Company may, from time to time, and without the consent of the holders of the Class B Preferred Securities, issue further Class B Preferred Securities having the same terms and conditions as the Class B Preferred Securities (in all respects except for the date of issue, the date as of which Capital Payments accrue, at the issue price, and any other deviations required for compliance with law) so as to form a single series with the Class B Preferred Securities.

Enforcement Rights .. Upon the occurrence of any event causing a liquidation or dissolution of the Company or if (i) the Company fails to pay Capital Payments (plus Additional Amounts thereon, if any) on the Class B Preferred Securities at the Stated Rate in full as and when due for two consecutive Capital Payment Periods, or (ii) the Property Trustee or a holder of the Class B Preferred Securities or a holder of the Trust Preferred Securities has notified the Company that Postbank has failed to perform any obligation under the Support

Undertaking and such failure continues for 60 days after such notice is given, then a majority in liquidation preference amount of the Class B Preferred Securities will have the right to appoint an Independent Enforcement Director. Any Independent Enforcement Director so appointed will vacate office if, in such Independent Enforcement Director's sole determination: (i) Capital Payments (plus Additional Amounts thereon, if any) on the Class B Preferred Securities have been made on the Class B Preferred Securities at the Stated Rate in full by the Company for two consecutive Capital Payment Periods and (ii) Postbank is in compliance with its obligations under the Support Undertaking.

Upon the occurrence of an Enforcement Event, the Property Trustee will have the right to enforce certain rights of the holders of the Class B Preferred Securities. If the Property Trustee fails to enforce such rights under the Class B Preferred Securities, the holder of record of the Trust Preferred Securities, *i.e.*, the Common Depositary, but not an investor in the Trust Preferred Securities, may directly institute legal proceedings against the Company to enforce the Property Trustee's rights under the Class B Preferred Securities without first instituting any legal proceeding against the Property Trustee, the Trust or any other person or entity. See "Description of the Trust Securities – Enforcement Events."

Voting Rights..... Except as expressly required by applicable law, or except as provided for in the Trust Agreement or the LLC Agreement, the holders of the Trust Preferred Securities will not be entitled to vote on the affairs of the Trust or the Company. So long as the Trust holds any Class B Preferred Securities, the holders of the Trust Preferred Securities will have the right to direct the Property Trustee to enforce the voting rights attributable to such Class B Preferred Securities. These voting rights may be waived by the holders of the Trust Preferred Securities by written notice to the Property Trustee and in accordance with applicable laws. For more information, see "Description of the Trust Securities – Voting and Enforcement Rights."

The Class B Preferred Securities will have no voting rights except as expressly required by applicable law or except as indicated in the LLC Agreement. For more information, see "Description of the Company Securities – Class B Preferred Securities – Voting and Enforcement Rights."

Listing..... Application has been made to list the Trust Preferred Securities on the Official List of the Luxembourg Stock Exchange.

Clearing and Settlement Delivery of the Trust Preferred Securities will be made on or about June 29, 2007 to the Common Depositary. The Trust Preferred Securities will be delivered to investors, in book-entry form, against payment on the second business day following the Issue Date. Payment and delivery will be effected through the facilities of Euroclear and Clearstream. See "Description of the Trust Securities – Clearing and Settlement, Certifications by the Holders."

Principal Paying Agent Deutsche Bank AG, Frankfurt am Main.

Calculation Agent..... Deutsche Bank AG, Frankfurt am Main.

Quotation Agent Deutsche Bank AG, Frankfurt am Main.

Notices..... For so long as the Trust Preferred Securities are listed on the Official List of the Luxembourg Stock Exchange, all notices concerning the Trust Preferred Securities will be published in a daily newspaper having general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange on www.bourse.lu.

Governing Law..... The LLC Agreement, including the terms of the Company Securities, and the Trust Agreement, including the terms of the Trust Securities, will be governed by Delaware law. The Support Undertaking will be governed by the laws of the Federal Republic of Germany.

Summary of the Terms of the Class A Preferred Security

Class A Preferred

Security..... The Company expects the Class A Preferred Security to receive capital payments only to the extent that (i) Capital Payments are not permitted to be paid on the Class B Preferred Securities in full on any Capital Payment Date due to insufficient Distributable Profits of Postbank or an order of the BaFin (or any other relevant regulatory authority) prohibiting Postbank from making any distributions of profits (including to the holders of Parity Securities, if any), and (ii) the Company has sufficient Operating Profits.

Summary of the Terms of the Initial Debt Securities

Maturity Date June 29, 2037.

Principal Amount €500,076,000, equal to the gross proceeds from the offer and sale of the Trust Securities and the resulting issuance of the Class B Preferred Securities plus the aggregate amounts contributed by Postbank for the Class A Preferred Security and the Company Common Security, (as the same may be reduced by redemptions from time to time, the “**Principal Amount**”), provided, however, that the Initial Debt Securities do not include any obligation of Postbank shown as a liability on the books of a U.S. branch of Postbank.

Interest Payments Interest will accrue on the Principal Amount of the Initial Debt Securities (i) from and including the Issue Date to but excluding the Reset Date, at a fixed rate of at least 5.983% per annum, payable annually in arrears on June 29 of each year (including on the Reset Date) and (ii) for each Interest Payment Period commencing on or after the Reset Date at a rate at least 2.07% above the 3-month EURIBOR, payable quarterly in arrears on March 29, June 29, September 29 and December 29 of each year.

For each Interest Payment Period ending prior to the Reset Date, interest will be calculated on the basis of the actual number of days elapsed, divided by the actual number of days (365 or 366) in the relevant Interest Payment Period. For each Interest Payment Period beginning on or after the Reset Date, interest will be calculated on the basis of the actual number of days elapsed in a 360-day year.

The rate of interest payable on the Initial Debt Securities will be at least equal to the rate at which Capital Payments will accrue on the Class B Preferred Securities and the Trust Preferred Securities.

Payment of Additional

Amounts..... Payment of interest on the Initial Debt Securities and any repayment upon redemption thereof will be made without deduction or withholding for Withholding Taxes imposed by the Federal Republic of Germany or any political subdivision thereof or any other jurisdiction from which such payment is made unless such deduction or withholding is required by law. In such event, Postbank will pay as additional interest such amounts (“**Additional Interest Amounts**”) as may be necessary in order that the net amounts received by the Company, after such withholding or deduction, will equal the amounts that would have been received had no such withholding or deduction been required; *provided*, that the obligation of Postbank (or Postbank as guarantor) to pay the Additional Interest Amounts will not apply:

- (i) with respect to any amounts of Withholding Taxes that are payable by reason of the holder of the Initial Debt Securities having some connection with any Relevant Jurisdiction other than by reason only of the mere holding of the Initial Debt Securities;
- (ii) with respect to any amounts of Withholding Taxes if such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of

November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (iii) with respect to any amounts of Withholding Taxes imposed on account of any inheritance, thrift, estate personal property, sales or transfer taxes, or on account of any taxes that are payable otherwise than by withholding from payments in respect of the Initial Debt Securities.

Ranking The obligations under the Initial Debt Securities will constitute direct, unconditional, unsecured and subordinated obligations of Postbank ranking *pari passu* with all other subordinated obligations of Postbank. In the event of dissolution, liquidation, bankruptcy, composition or other proceedings for the avoidance of bankruptcy of, or against, Postbank such obligations will be subordinated to the claims of all unsubordinated creditors of Postbank so that in any event no amounts shall be payable under such obligations until the claims of all unsubordinated creditors of Postbank shall have been satisfied in full.

Redemption..... The Initial Debt Securities will not be redeemable prior to June 29, 2017 (the “**Initial Debt Redemption Date**”), except upon the occurrence of a Company Special Redemption Event (and the redemption of the Class B Preferred Securities):

- at the Principal Amount of the Initial Debt Securities in the case of a Gross-up Event or
- upon the occurrence of any other Company Special Redemption Event, at the greater of
 - the Principal Amount of the Initial Debt Securities or
 - the Debt Make-Whole Amount,

plus, in each case, any accrued and unpaid interest, plus Additional Interest Amounts, if any.

Exercise by Postbank of such redemption right is conditioned upon replacement of the Principal Amount to be redeemed by paying in other, at least equivalent own funds (*haftendes Eigenkapital*) within the meaning of the German Banking Act (*Kreditwesengesetz*), or prior approval of the BaFin of such early redemption. Except as set forth under “– Substitution” below, the Initial Debt Securities may not be redeemed for any reason prior to maturity (except upon the occurrence of a Company Special Redemption Event) unless the Company has the right to, and has given notice that it will, redeem the Class B Preferred Securities in an amount equal to the Principal Amount of the Initial Debt Securities plus any accrued and unpaid interest up to, but excluding, the Debt Redemption Date, plus Additional Interest Amounts, if any. See “Description of the Initial Debt Securities.”

Substitution..... At any time, Postbank will have the right to (i) substitute as obligor of the Debt Securities a Qualified Subsidiary, or (ii) replace the Debt Securities with Substitute Debt Securities issued by Postbank (including on behalf of a branch other than a U.S. branch) or by a Qualified Subsidiary (including on behalf of a branch other than a U.S. branch), in each case, with identical terms to those of the Initial Debt Securities; provided, in each case, that (a) such substitution or replacement does not result in a Company Special Redemption Event, (b) Postbank (if it is not itself the substitute obligor) guarantees on a subordinated basis the obligations of any such Qualified Subsidiary, and (c) for this purpose, a Qualified Subsidiary does not include a subsidiary organized under the laws of the United States of America or any of its states.

Reinvestment..... The LLC Agreement provides that after the Maturity Date, if the Class B Preferred Securities have not been redeemed, the Company will invest in debt obligations of one or more Qualified Subsidiaries, unconditionally guaranteed by Postbank on a subordinated basis or in U.S. Treasury securities (together, “**Permitted Investments**”); provided, in each case, that such investment does not result in a Company Special

Redemption Event.

Governing Law..... The Initial Debt Securities will be governed by the laws of the Federal Republic of Germany.

SUMMARY IN RESPECT OF RISK FACTORS

Risk Factors related to the Offering

Risks associated with the financial condition of Postbank and its affiliates

There can be no assurances that Postbank will have sufficient Distributable Profits for the Company (and the Trust) to declare and pay Capital Payments at the Stated Rate in full. In case of an insolvency of Postbank, the Company will not have sufficient assets to pay the Liquidation Preference Amount, and holders of the Trust Preferred Securities may lose all or part of their investment.

No Guaranteed Capital Payments

The declaration of Capital Payments by the Company on the Class B Preferred Securities (and, accordingly, the payment of Capital Payments on the Trust Preferred Securities by the Trust) is limited by the terms of the LLC Agreement. The Board of Directors of the Company has discretion in declaring and making Capital Payments, except with respect to deemed declarations of Capital Payments which are mandatory.

Even if Postbank has sufficient Distributable Profits and the Company has sufficient Operating Profits or the Company would otherwise be deemed to have declared Capital Payments, the Company will not be permitted to make Capital Payments on the Class B Preferred Securities on any Capital Payment Date if on such date there is in effect an order of the BaFin or any other relevant regulatory authority prohibiting Postbank from making any distributions of profits (including to the holders of Parity Securities, if any). To the extent the Company is not permitted to make Capital Payments on the Class B Preferred Securities on any Capital Payment Date, this will reduce the amount available to the Trust to make Capital Payments on the Trust Preferred Securities.

Non-cumulative Capital Payments

The right of the holders of the Trust Preferred Securities to receive Capital Payments is non-cumulative; *i.e.*, Capital Payments in subsequent periods will not be increased to compensate for any shortfalls in Capital Payments in previous Capital Payment Periods.

No voting rights; relationships with Postbank and its affiliates; certain conflicts of interest

Postbank will control the Company through its or a Postbank Group Company's power, as holder of the Company Common Security, to elect a majority of the Board of Directors. Generally, the Trust, to the extent that it is the holder of the Class B Preferred Securities, will have no right to vote to elect members of the Board of Directors. As a result of the relationships between the Company and the Trust, on the one hand, and Postbank and its affiliates, on the other, certain conflicts of interest may arise.

Special redemption risk

Redemption upon occurrence of a Company Special Redemption Event

The Class B Preferred Securities (and, consequently, the Trust Preferred Securities) will be redeemable at any time at the option of the Company, in whole but not in part, upon the occurrence of a Company Special Redemption Event. A Company Special Redemption Event will arise if, as a result of certain changes in law, there are:

- changes in the tax status of the Company or the Trust,
- Additional Amounts or Additional Interest Amounts, as the case may be, become applicable to payments on the Class B Preferred Securities, the Trust Securities or the Debt Securities,
- Postbank is permitted to treat neither the Class B Preferred Securities nor, as the case may be, the Trust Preferred Securities, as Tier I regulatory capital on a consolidated basis, or
- the Company will be considered an "investment company" within the meaning of the 1940 Act.

Liquidation of the Trust upon occurrence of a Trust Special Redemption Event

If there has occurred a Tax Event or an Investment Company Act Event, each solely with respect to the Trust, then the Trust will be dissolved and liquidated. Upon such dissolution and liquidation of the Trust, each holder of the Trust Preferred Securities will receive as its liquidation distribution a corresponding number of the Class B Preferred Securities. Upon such distribution, the Class B Preferred Securities might never be listed on any securities exchange or eligible for trading through Euroclear or Clearstream. Accordingly, and as a result of the

potential tax liability accruing to holders of Class B Preferred Securities received on dissolution and liquidation of the trust, the Class B Preferred Securities may trade at a discount to the price of the Trust Preferred Securities for which they were exchanged.

The Support Undertaking is not a guarantee that Capital Payments will be made

Postbank and the Company have entered into the Support Undertaking for the benefit of the Company and the holders of the Class B Preferred Securities. However, the Support Undertaking does not represent a guarantee (*Garantie*) from Postbank that the Company will be authorized to declare and make a Capital Payment for any Capital Payment Period. The obligations of Postbank under the Support Undertaking rank junior to all indebtedness of Postbank and *pari passu* with amounts payable to the holders of the most senior preference shares of Postbank, if any, that rank senior to the common stock of Postbank as to liquidation rights and with other instruments qualifying as Tier I regulatory capital.

No fixed redemption date

There is no fixed redemption date for the Class B Preferred Securities and, hence, for the Trust Preferred Securities. Neither the Class B Securities nor the Trust Preferred Securities will be redeemable at the option of the holder thereof.

Regulatory restrictions on the Company's operations

The Company is a subsidiary of Postbank. German bank regulatory authorities could make determinations in the future with respect to Postbank that could adversely affect the Company's ability to make Capital Payments in respect of the Class B Preferred Securities.

No prior public market

There was no prior public market for the Trust Preferred Securities. Application has been made to admit the Trust Preferred Securities to trading and official quotation on the Luxembourg Stock Exchange's regulated market. The Trust Preferred Securities may trade at a discount to the price that the investor paid to purchase the Trust Preferred Securities. There can be no assurance that an active secondary market for the Trust Preferred Securities will develop. The liquidity and the market prices for the Trust Preferred Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of Postbank and other factors that generally influence the secondary market prices of securities. Such fluctuations may significantly affect liquidity and market prices for the Trust Preferred Securities.

Risk Factors related to Postbank

The amount of the customer deposits of Postbank and its consolidated subsidiaries ("**Postbank Group**") historically exceeds the volume of its lending business. This liquidity surplus is predominantly invested on the money markets and capital markets in interest-bearing instruments such as bonds and certificates of indebtedness (*Schuldscheindarlehen*) and other interest-bearing investments mostly with short and medium terms. Due to this balance sheet structure and the accompanying large portfolio of securities and derivatives, Postbank Group is especially exposed to market risks (in particular interest rate risks).

Postbank Group is exposed to credit risks as a result of engaging in lending. Postbank plans to further expand its lending activities. An expansion of the lending business will lead to additional risks of loan losses which – despite Postbank's conservative risk policy and the measures taken to manage risks – may result in substantial losses.

The reliability and accuracy of Postbank Group's risk management is subject to high demands. This is primarily due to the large volume of securities held by Postbank Group as a result of investing its liquidity surplus, but also to the holdings in its bank and trading book that are not associated with the investment of the liquidity surplus. Although Postbank Group invests considerably in the development of risk management strategies and technologies and updates its risk management on an ongoing basis, in view of the complexity and volume of the business activities of Postbank Group and the volatility of the markets, it cannot be excluded that individual market risks may not, or may not completely, be taken into account, assessed and hedged against, or that risk management systems under certain circumstances may fail, in particular in the case of risks that Postbank fails to recognize or anticipate.

In addition, uncertainties exist whether (i) the financing by the Federal Republic of Germany of the majority of the pension benefits of civil servants employed by Postbank and/or (ii) the compensation paid by Postbank for the use of Deutsche Post AG's retail outlet network constitutes prohibited state aid.

Furthermore, the use of tax carry forwards of Postbank may be jeopardized.

Risk Factors related to the Trust

The Trust is a funding vehicle for Postbank Group. In the event that the Company fails to make a payment under the Class B Preferred Securities and Postbank fails to make a payment under the Support Undertaking, the Trust will not be in a position to meet its payment obligations under the Trust Preferred Securities.

Risk Factors related to the Company

The Company is a funding vehicle for Postbank Group. In the event that Postbank fails to make a payment under the Debt Securities, the Company will not be in a position to meet its payment obligations under the Class B Preferred Securities and, in turn, unless sufficient payments are made by Postbank under the Support Undertaking, the Trust will not be in a position to meet its payment obligations under the Trust Preferred Securities.

SUMMARY OF POSTBANK, THE COMPANY AND THE TRUST

Summary in respect of Postbank

Information about Postbank

Postbank is a stock corporation (*Aktiengesellschaft*) incorporated under German law. Until 1989, Postbank formed an undifferentiated part of Deutsche Bundespost, a special asset and agency (*Sondervermögen*) of the Federal Republic of Germany. In 1989, Deutsche Bundespost was reorganized into three parts, Deutsche Bundespost POSTDIENST, Deutsche Bundespost POSTBANK and Deutsche Bundespost TELEKOM. In 1990, the Postbank of the former German Democratic Republic was integrated into Deutsche Bundespost POSTBANK. Deutsche Bundespost POSTBANK was then incorporated on December 20, 1994 for an unlimited duration, as a stock corporation under German law under the corporate name “Deutsche Postbank AG” by virtue of the “Act on the Conversion of the Enterprises of Deutsche Bundespost into a Stock Corporation” (*Gesetz zur Umwandlung der Unternehmen der Deutschen Bundespost in die Rechtsform der Aktiengesellschaft*) of September 14, 1994, and, by statutory provision, obtained a full banking license in the Federal Republic of Germany. On January 2, 1995, Postbank was registered with the commercial register of the Local Court of Bonn (*Amtsgericht Bonn*) under HRB 6793. Postbank’s registered head office and business address are located at Friedrich-Ebert-Allee 114-126, 53113 Bonn, Federal Republic of Germany (Tel. ++49-228-920-0).

Business Overview

With approximately 14.6 million active customers and approximately 4.6 million checking accounts, Postbank Group is the largest retail bank (single institution) in the Federal Republic of Germany (according to estimates of Postbank based on annual reports of other German banks). The business of Postbank Group is mainly focused on the German market. Postbank Group also has corporate banking activities in the United Kingdom and the United States of America.

As a so-called “multi-channel” bank, Postbank Group offers its customers access to its products and services through its 850 retail outlets acquired from Deutsche Post AG in the beginning of 2006 and the remaining retail outlets of Deutsche Post AG as well as through the Internet, call-centers, mobile sales organizations and third-party sales organizations.

Postbank Group has organized its operations into the following business segments:

- The **Retail Banking** business segment, offers Postbank Group’s private and business customers a broad range of banking and financial services. In addition to checking and savings accounts, the product range covers credit and debit cards, real estate finance, installment loans, brokerage of home savings and loan contracts (*Bausparverträge*), securities brokerage and custody service, mutual funds, structured securities products and life and casualty insurance.
- The **Corporate Banking** business segment provides services relating to payment transactions. In addition, this business segment offers selective commercial finance products (especially in connection with real estate, factoring and leasing).
- The **Financial Markets** business segment is mainly responsible for investing Postbank Group’s liquidity and the loan portfolio management. In addition to proprietary trading activities, this business segment is also responsible for the activities of Deutsche Postbank International S.A. as well as the administration and management of various Postbank Group retail mutual and institutional investment funds.
- The **Transaction Banking** business segment offers organizational and technical services relating to the clearance and processing of domestic and cross-border payment transactions within Postbank Group and to other banks.
- The business segment **Other** includes the results of Postbank Group’s own-account business and treasury activities. In addition, the historical issuance business of DSL Bank and the portion of provisions for losses on loans and advances in the Retail Banking, Corporate Customers and Financial Markets business segments that exceeds standard loan loss costs are accounted for in this segment.

Summary in respect of the Company

The Company is a limited liability company that was formed under the LLC Act on June 1, 2007 pursuant to an initial limited liability company agreement (as subsequently amended and restated, the “**LLC Agreement**”) and the filing of a certificate of formation of the Company with the Secretary of State of the State of Delaware. The

location of the principal executive offices of the Company is c/o PB Capital Corporation, 230 Park Avenue, New York, New York 10169, United States of America.

Pursuant to the LLC Agreement, the Company will issue two classes of preferred securities representing limited liability company interests in the Company, the Class A Preferred Security and the Class B Preferred Securities, and one class of common security representing limited liability company interests in the Company, the Company Common Security. The Property Trustee will initially hold 100% of the issued and outstanding Class B Preferred Securities. A Postbank Group Company will hold the issued and outstanding Company Common Security and the Class A Preferred Security.

The sole purposes of the Company are:

- to issue the Class A Preferred Security, the Class B Preferred Securities and the Company Common Security,
- to invest the proceeds thereof in the Initial Debt Securities,
- upon any redemption of the Initial Debt Securities prior to the Maturity Date, which does not involve a redemption of the Class B Preferred Securities, to accept Substitute Debt Securities issued by Postbank (including on behalf of a branch other than a U.S. branch) or by a Qualified Subsidiary (other than a U.S. Qualified Subsidiary) (including on behalf of a branch other than a U.S. branch) in replacement for the Initial Debt Securities, so long as any such reinvestment does not result in a Company Special Redemption Event,
- in the event of any default on the Debt Securities, to enforce its rights for payment of any overdue amounts,
- after the Maturity Date, if the Class B Preferred Securities have not been redeemed, to invest in Permitted Investments,
- to enter into and, in certain circumstances, to enforce the Support Undertaking for the sole benefit of the holders of the Class B Preferred Securities, and
- to engage in those other activities necessary or incidental thereto.

The Company may also, from time to time and without the consent of the holders of the Class B Preferred Securities, issue additional Class B Preferred Securities having the same terms and conditions as the Class B Preferred Securities (in all respects except for the issue date, the date from which Capital Payments accrue on the Class B Preferred Securities, the issue price, and any other deviations required for compliance with applicable law) so as to form a single series with the Class B Preferred Securities in consideration for Debt Securities of a principal amount equal to the aggregate liquidation preference amount of such additional Class B Preferred Securities.

Summary in respect of the Trust

The Trust is a statutory trust formed under the Delaware Statutory Trust Act, as amended (the “**Trust Act**”), pursuant to the declaration of trust executed by the Company, as sponsor, the Property Trustee and the Delaware Trustee, and the filing of a certificate of trust with the Secretary of State of the State of Delaware on June 1, 2007. The location of the principal executive office of the Trust is c/o PB Capital Corporation, 230 Park Avenue, New York, New York 10169, United States of America, telephone ++1-212-756-5500. A Postbank Group Company will be the holder of the Trust Common Security representing a capital contribution in respect thereof equal to € 50,000.

The Trust has been established as a special purpose vehicle. It will use the proceeds derived from the issuance of the Trust Securities to purchase the Class B Preferred Securities from the Company, and, accordingly, the assets of the Trust will consist solely of the Class B Preferred Securities. The Trust exists for the sole purposes of:

- issuing the Trust Securities representing undivided beneficial ownership interests in the Class B Preferred Securities,
- investing the proceeds from the issuance of the Trust Securities in the Class B Preferred Securities, and
- engaging in those other activities necessary or incidental thereto. The Trust may also, from time to time, issue additional Trust Preferred Securities, provided it receives from the Company an equal number of additional Class B Preferred Securities.

RISK FACTORS

An investment in the Trust Preferred Securities involves certain risks. An investor should carefully consider the following discussion, in conjunction with the other information contained in this Prospectus, before deciding whether an investment in the Trust Preferred Securities is suitable.

Risks Factors related to the Offering

Risks associated with the financial condition of Postbank and its affiliates

If the financial condition of Postbank or its affiliates were to deteriorate, then it could result in: (i) Postbank having insufficient Distributable Profits for the Company to declare and pay Capital Payments on the Class B Preferred Securities at the Stated Rate in full, or (ii) the Company receiving reduced payments from Postbank under the Initial Debt Securities or the Support Undertaking. This could reduce the amounts received by the Trust in respect of the Class B Preferred Securities, which, in turn, would reduce the amounts available to the Trust for periodic distributions to holders of the Trust Preferred Securities. In addition, if a voluntary or involuntary liquidation, dissolution or winding up of Postbank were to occur, holders of the Trust Preferred Securities may lose part or all of their investment.

The Company is not required to make Capital Payments

The declaration of Capital Payments by the Company on the Class B Preferred Securities (and, accordingly, the payment of Capital Payments on the Trust Preferred Securities by the Trust) is limited by the terms of the LLC Agreement. Although it is the policy of the Company to distribute the full amount of Operating Profits for each Capital Payment Period as Capital Payments to the holders of the Class B Preferred Securities if Postbank has sufficient Distributable Profits, the Board of Directors of the Company has discretion in declaring and making Capital Payments (except with respect to deemed declarations which are mandatory). Notwithstanding the foregoing, however, the Company will be deemed to have authorized Capital Payments on the Class B Preferred Securities under certain circumstances involving payments made in respect of Parity Securities or Junior Securities. See “Description of the Company Securities – Class B Preferred Securities – Capital Payments.”

In addition, even if Postbank has sufficient Distributable Profits and the Company has sufficient Operating Profits, the Company will not be permitted to make Capital Payments on the Class B Preferred Securities on any Capital Payment Date if on such date there is in effect an order of the BaFin or any other relevant regulatory authority prohibiting Postbank from making any distributions of profits (including to the holders of Parity Securities, if any). To the extent the Company is not permitted to make Capital Payments on the Class B Preferred Securities on any Capital Payment Date, this will reduce the amount available to the Trust to make Capital Payments on the Trust Preferred Securities. See “Description of the Company Securities – Class B Preferred Securities – Capital Payments” and “Description of the Trust Securities.”

Capital Payments are non-cumulative

The right of the holders of the Trust Preferred Securities to receive Capital Payments is non-cumulative. Accordingly, if the Trust does not have funds available for payment of a Capital Payment in respect of any Capital Payment Period, the holders of the Trust Preferred Securities will have no right to receive a Capital Payment in respect of such Capital Payment Period, and the Trust will have no obligation to pay a Capital Payment in respect of such Capital Payment Period, whether or not Capital Payments are paid in respect of any future Capital Payment Period.

No voting rights; relationships with Postbank and its affiliates; certain conflicts of interest

Postbank will control the Company through its or a Postbank Group Company’s power, as holder of the Company Common Security, to elect a majority of the Board of Directors. Generally, the Trust, to the extent that it is the holder of the Class B Preferred Securities, will have no right to vote to elect members of the Board of Directors. The only exception is that it will have the right to elect one independent member to the Board of Directors, the Independent Enforcement Director, upon the occurrence of any event causing a liquidation or dissolution of the Company or if (i) the Company fails to make Capital Payments (and Additional Amounts thereon, if any) on the Class B Preferred Securities at the Stated Rate in full as and when due for two consecutive Capital Payment Periods, or (ii) a holder of the Class B Preferred Securities has notified the Company that Postbank has failed to perform any obligation under the Support Undertaking and such failure continues for 60 days after such notice is given. As a result of the relationships between the Company and the Trust, on the one hand, and Postbank and its affiliates, on the other, certain conflicts of interest may arise.

Special redemption risk

Redemption upon occurrence of a Company Special Redemption Event. The Class B Preferred Securities (and, consequently, the Trust Preferred Securities) will be redeemable at any time at the option of the Company, in whole but not in part, upon the occurrence of a Company Special Redemption Event. Any such redemption will be at (i) a the Redemption Price, in the case of a Gross-up Event or (ii), upon the occurrence of any other Company Special Redemption Event, the Early Redemption Price, plus, in each case, Additional Amounts, if any. A Company Special Redemption Event will arise if, as a result of certain changes in law, there are: (i) changes in the tax status of the Company or the Trust, (ii) Additional Amounts or Additional Interest Amounts, as the case may be, become applicable to payments on the Class B Preferred Securities, the Trust Preferred Securities or the Debt Securities, (iii) Postbank is permitted to treat neither the Class B Preferred Securities nor, as the case may be, the Trust Preferred Securities, as Tier I regulatory capital on a consolidated basis or (iv) the Company will be considered an “investment company” within the meaning of the 1940 Act. See “Description of the Trust Securities – Redemption.”

Liquidation of the Trust upon occurrence of a Trust Special Redemption Event. If there has occurred a Tax Event or an Investment Company Act Event, each solely with respect to the Trust, then the Trust will be dissolved and liquidated. Upon such dissolution and liquidation of the Trust, each holder of the Trust Preferred Securities would receive as its liquidation distribution a corresponding number of the Class B Preferred Securities. Upon such distribution, the Class B Preferred Securities might never be listed on any securities exchange or eligible for trading through Euroclear and Clearstream, and holders of the Class B Preferred Securities and their nominees would become subject to Form K-1 and nominee reporting requirements under the Code. Accordingly, the Class B Preferred Securities which an investor may subsequently receive on dissolution and liquidation of the Trust may trade at a discount to the price of the Trust Preferred Securities for which they were exchanged.

The Support Undertaking is not a guarantee that Capital Payments will be made

Postbank and the Company have entered into the Support Undertaking for the benefit of the Company and the holders of the Class B Preferred Securities. However, the Support Undertaking does not represent a guarantee (*Garantie*) from Postbank that the Company will be authorized to declare and make a Capital Payment for any Capital Payment Period. Furthermore, the obligations of Postbank under the Support Undertaking rank junior to all indebtedness of Postbank with the effect that, if Postbank (and therefore the Company) were liquidated, holders of the Trust Preferred Securities would have the right to receive, if any, payments equal to the Liquidation Preference Amount, plus any accrued and unpaid Capital Payments for the then current Capital Payment Period to, but excluding, the date of liquidation, and Additional Amounts, if any, pursuant to the Support Undertaking ranking *pari passu* with amounts payable to the holders of the most senior preference shares of Postbank, if any, and other instruments qualifying as Tier 1 regulatory capital. See “Description of the Support Undertaking.”

No prior public market

There was no prior public market for the Trust Preferred Securities. Application has been made to admit the Trust Preferred Securities to trading and official quotation on the Luxembourg Stock Exchange’s regulated market. The Trust Preferred Securities may trade at a discount to the price that the investor paid to purchase the Trust Preferred Securities. There can be no assurance that an active secondary market for the Trust Preferred Securities will develop. The liquidity and the market prices for the Trust Preferred Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of Postbank and other factors that generally influence the secondary market prices of securities. Such fluctuations may significantly affect liquidity and market prices for the Trust Preferred Securities.

Regulatory restrictions on the Company’s operations

The Company is a subsidiary of Postbank. German bank regulatory authorities could make determinations in the future with respect to Postbank that could adversely affect the Company’s ability to make Capital Payments in respect of the Class B Preferred Securities. In addition, German and European Union regulatory authorities and regulatory authorities in other countries have regulatory authority over Postbank and/or Postbank’s subsidiaries. Under certain circumstances, any of such regulatory authorities could make determinations or take decisions in the future with respect to Postbank and/or any of Postbank’s subsidiaries or a portion of their respective operations or assets that could adversely affect the ability of any of them to, among other things, make distributions to their respective securityholders, engage in transactions with affiliates, purchase or transfer assets, pay their respective obligations or make any redemption or liquidation payments to their securityholders.

No fixed maturity date

There is no fixed maturity date for the Class B Preferred Securities and, hence, for the Trust Preferred Securities. Neither the Class B Securities nor the Trust Preferred Securities will be redeemable at the option of the holder thereof. Even though the Class B Preferred Securities and the Trust Preferred Securities may be redeemed on the Initial Redemption Date, there can be no assurance that the Company will opt to redeem the Class B Preferred Securities on the Initial Redemption Date.

Whether or not the Company decides to redeem the Class B Preferred Securities will depend on a number of factors (most of which are outside the control of Postbank and the Company) including, for example:

- the regulatory capital position/requirements and the refinancing options of Postbank at such time;
- the regulatory assessment of the Class B Preferred Securities, the Debt Securities and/or the Trust Preferred Securities;
- whether the required prior consent of the BaFin has been obtained; and
- the interest rate and credit spread environment for hybrid capital instruments and general capital market conditions.

Risk Factors related to Postbank

Postbank Group is exposed to market risks and credit risks

The amount of the customer deposits of Postbank Group historically exceeds the volume of its lending business. This liquidity surplus is predominantly invested on the money markets and capital markets in interest-bearing instruments such as bonds and certificates of indebtedness (*Schuldscheindarlehen*) and other interest-bearing investments mostly with short and medium terms. Due to this balance sheet structure and the accompanying large portfolio of securities and derivatives, Postbank Group is especially exposed to market risks (in particular interest rate risks). Postbank Group is also susceptible to market-related risks with regard to the holdings in its bank and trading book that are not associated with the investment of liquidity surplus. These holdings primarily include fixed-income securities, stocks, foreign currency and financial derivatives.

Despite its risk management measures, Postbank Group's trading income and income from investment securities are influenced by a number of factors beyond Postbank's control, in particular the development of interest rate levels and the stock market. Postbank Group's trading income and income from investment securities, just as for other banks in the Federal Republic of Germany and the rest of Europe in general, have fluctuated significantly in the past few years due to the volatility of the markets. Adverse changes in general market conditions, downward developments on the stock, bond or currency markets and the materialization of other market risks could have material adverse effects on Postbank Group's trading income, income from investment securities and shareholders' equity (revaluation reserve).

Although Postbank Group's credit volume is relatively low as compared to other large German banks, it is exposed to credit risks. Postbank plans to expand its lending activities. An expansion of the lending business will lead to additional risks of loan losses which – despite Postbank's conservative risk policy and the measures taken to manage risks – may result in substantial losses. Generally, additional loan default risks are also reflected in an increase in provisions for losses on loans and advances.

The reliability and accuracy of Postbank Group's risk management is subject to high demands. This is primarily due to the large volume of securities held by Postbank Group as a result of investing its liquidity surplus, but also to the holdings in its bank and trading book that are not associated with the investment of the liquidity surplus. Although Postbank Group invests considerably in the development of risk management strategies and technologies and updates its risk management on an ongoing basis, in view of the complexity and volume of the business activities of Postbank Group and the volatility of the markets, it cannot be excluded that individual market risks may not, or may not completely, be taken into account, assessed and hedged against, or that risk management systems under certain circumstances may fail, in particular in the case of risks that Postbank fails to recognize or anticipate.

Based on a decision by the European Commission, uncertainty exists as to whether the financing by the Federal Republic of Germany of the majority of the pension benefits of civil servants employed by Postbank constitutes prohibited state aid

As a result of the privatization of Deutsche Bundespost, civil servants of the partial special asset (*Teilsondervermögen*) Deutsche Bundespost POSTBANK were transferred to Postbank with effect as of January 1, 1995. By law, the Federal Republic of Germany continued to be responsible for the pensions payable to the transferred civil servants. The pension claims of civil servants employed by Postbank therefore continue to be obligations of the Federal Republic of Germany. In connection with the privatization, a cost sharing arrangement between the Federal Republic of Germany and the private successor companies of Deutsche Bundespost with regard to the pensions of civil servants was devised. In this regard, particular consideration was given to the fact that pension benefits due to civil servants typically involve additional costs that could not be imposed in full on the private successor companies, as competitors do not bear any comparable costs. It was also taken into account that many of the eligible civil servants had retired or served as civil servants prior to the privatization, and that the corresponding pension obligations should be allocated to the Federal Republic of Germany and not to Postbank. At the same time, the costs had to be shared in such a way so as to avoid granting competitive advantages to the successor companies. The cost sharing arrangement provided for in the privatization laws requires Postbank to contribute to the special pension fund (*Postbeamtenversorgungskasse*, “PBVK”) set up pursuant to the German Postal Employees Act (*Postpersonalrechtsgesetz*) from which the pension payments of civil servants are made. To this end, an amount corresponding to 33% of the gross salaries of active civil servants and the notional gross salaries of civil servants eligible for pensions who are on leave is contributed by Postbank to the PBVK. The Federal Republic of Germany must bear any shortfall between current payment obligations and current income or earnings from other assets of the PBVK. The Federal Republic of Germany is subject to a statutory obligation to ensure that the PBVK will be in a position to meet its obligations at all times. Postbank has no obligation to reimburse the Federal Republic of Germany for payments into the PBVK under the provisions of the law.

The European Commission has not objected to state financing of pension obligations as prohibited state aid in its decisions in comparable cases thus far (Deutsche Post AG, Poste Italiane, La Poste Belgie, Deutsche Lufthansa AG). In its decision of June 19, 2002 concerning the proceeding against Deutsche Post AG, the European Commission conducted a detailed analysis of the regulatory framework for the financing of the PBVK. However, despite a thorough investigation over several years and, as opposed to other aspects under review in this matter, the European Commission did not find the provisions governing the PBVK to constitute prohibited state aid, nor did it subsequently revisit this question. The provisions on the contributions to PBVK by Deutsche Post AG and the assumptions of pension liabilities of Deutsche Post AG by PBVK are based on the same laws applicable to the contributions to PBVK by Postbank and the assumptions of pension liabilities of Postbank by PBVK. Postbank is therefore of the view that its contributions to the PBVK and the assumption of its pension liabilities by PBVK do not constitute prohibited state aid. No court or governmental authority has issued a decision to the contrary thus far.

Against this background it is unclear how a decision of the European Commission of January 21, 2004 should be assessed. This decision concerns the contractual assumption of pension claims of civil servants of the Belgian telecommunications company Belgacom S.A./N.V. (“Belgacom”) by the Belgian State. In its decision, the European Commission determined that the transfer of the obligations of the retired civil servants to the Belgian State did not constitute prohibited state aid because Belgacom had paid compensation to the Belgian State in an amount corresponding to the discounted cash value of these obligations. In the press, this decision was partially interpreted in such a manner that it could also be understood as a precedent for the financing of the PBVK by Deutsche Postbank AG. In the view of Postbank, the Belgacom case differs from the situation of Postbank described here in one decisive respect. After Belgacom had been converted from a state enterprise into a stock corporation in 1992, the pension obligations that were the subject of the European Commission’s decision were explicitly transferred to Belgacom. Belgacom established a pension fund to finance these pension obligations, the assets and liabilities of which were then transferred back to the Belgian State. In this respect, the Belgacom decision concerns an obligation initially expressly allocated to a private company that was transferred back to the state at a later time, while the pension payment obligation to the civil servants of the predecessor of Postbank constitutes an original obligation of the Federal Republic of Germany. Therefore, Postbank presumes that, consistent with the European Commission’s previous decisions, the provisions for financing the PBVK do not represent prohibited state aid by the Federal Republic of Germany. Nonetheless, it cannot be excluded that in the future the European Commission may revisit the matter and conclude that the criteria for state aid requiring authorization to have been met. Whether, and to what extent, the Belgacom decision is applicable to the situation of Postbank, and whether any application could result in payment obligations of Postbank, cannot be determined at present. If prohibited state aid were found to have been provided, this would have material adverse effects on the assets and liabilities, financial condition and results of operations of Postbank.

The compensation paid by Postbank for the use of Deutsche Post AG’s retail outlet network may constitute prohibited state aid

Until January 2006, Postbank and Deutsche Post AG had a cooperation agreement entitling Postbank to use Deutsche Post AG’s retail outlet network against compensation payments. An allegation by the German Monopolies Commission in its special report “*Telekommunikation und Post 2003: Wettbewerbsintensivierung in*

der Telekommunikation – Zementierung des Postmonopols” (Telecommunications and the Postal Service 2003: Intensifying Competition in the Telecommunications Industry – Cementation of the Postal Service Monopoly) resulted in requests for information by the European Commission in October 2004 in response to a third-party complaint to the German Federal Government. The allegation is that the compensation paid by Postbank to Deutsche Post AG for the use of Deutsche Post AG’s retail outlet under the cooperation agreement represented prohibited state aid. As a rationale for this view, the Monopolies Commission stated that Postbank was cross-subsidized by Deutsche Post AG from the income derived from the postal service (operated on the basis of an exclusive license). The Monopolies Commission argues that the compensation that was payable under the then existing cooperation agreement between Postbank and Deutsche Post AG for the use of Deutsche Post AG’s retail outlet network does not meet the “market compensation” test called for by the case law of the European Court of Justice.

In the opinion of Postbank, the allegation of prohibited state aid by Deutsche Post AG to Postbank has no merits. The European Court of Justice has proceeded to clarify its earlier decisions calling for “market compensation” in the “Chronopost” decision of July 3, 2003. In this decision, the European Court of Justice stressed that compensation for the use of postal infrastructures that are established to meet basic public needs and the size of which is geared toward their role in public service does not constitute prohibited state aid, if the compensation covers the additional variable costs, an appropriate contribution to the fixed costs arising from the use of the postal network and an adequate return on the capital investment insofar as it is used for the competitive activity. Postbank believes that the compensation paid by Postbank for the use of the retail outlet network of Deutsche Post AG under the cooperation agreement existing until January 2006 meets these requirements under European state aid rules. Therefore, the prerequisites of the elements of prohibited state aid under the provisions of EU law have not been met in the view of Postbank.

Nonetheless, it cannot be excluded that the European Commission or the European courts could alter, develop or interpret the “Chronopost” decision in a way that is detrimental to Postbank, and could deem payments under the cooperation agreement between Deutsche Post AG and Postbank in effect until the beginning of 2006 to have constituted prohibited state aid. Any potential resulting payments due with regard to state aid granted in the past could result in a large one-time payment to Deutsche Post AG. In January 2006, Postbank acquired 850 retail outlets from Deutsche Post AG and the then existing cooperation agreement was replaced by one new cooperation agreement pursuant to which Deutsche Post AG provides certain financial services to Postbank in remaining outlets of Deutsche Post AG not acquired by Postbank against compensation and another new cooperation agreement pursuant to which Postbank provides certain postal services for Deutsche Post AG in the retail outlets acquired by Postbank against compensation. Subsequently, a third new cooperation agreement was entered into between Deutsche Post AG and Postbank, pursuant to which Deutsche Post AG provides New Services (Neue Dienstleistungen) via its sales channels on behalf of and for the account of Postbank or of third parties by order of Postbank. Although Postbank is of the view that the two new cooperation agreements and any compensation paid or received by Postbank thereunder do not constitute state aid, it cannot be ruled out that the same risks as described above apply to these agreements, too.

The use of tax loss carryforwards of Postbank may be jeopardized

As of January 1, 1999, Postbank had tax loss carryforwards in the amount of approximately €1.6 billion for corporate income tax and trade tax purposes. These were subsequently partly offset against Postbank’s taxable income. The tax loss carryforwards are subject to audit by the tax authorities.

Under current law, one prerequisite for using Postbank’s tax loss carryforwards is that Postbank is legally and economically identical to the company which sustained the losses. Economic identity no longer exists in particular if over half of the shares of the Company has been transferred and the Company continues its business operations with predominantly new assets.

With effect as of January 1, 1999, over half of the shares of Postbank were transferred as a result of the sale of Postbank to Deutsche Post AG.

The use of the tax loss carryforwards depends on whether Postbank continues its business operations with predominantly new assets. According to the German tax authorities, economic identity generally is only lost if predominantly new assets are infused within a period of five years following the transfer of the shares. The use of the tax loss carryforwards of Postbank may therefore generally only be denied if predominantly new assets have been infused to Postbank during the five-year period applied by the tax authorities (through December 31, 2003).

Taking the special features of the banking business into account, Postbank does not believe that predominantly new assets were infused to Postbank during this period. In Postbank’s view, this also applies to the merger of DSL Bank with Postbank as of January 1, 2000. However, a reliable assessment is not possible because there is considerable uncertainty regarding the interpretation of the prerequisite “infusion of new assets.”

It cannot be excluded that the tax authorities will assess the substantive issues related to the infusion of new assets differently from the view of Postbank. This would on the one hand result in a release of the deferred tax assets that are based on the tax loss carryforwards with effect on the profit and loss statement. On the other hand, back taxes would be due for corporate income tax and trade tax on the income of Postbank generated in periods after the loss of economic identity. Postbank's taxable income would therefore be subject to income taxation. For the 1999 and 2000 assessment periods under the German tax imputation system (*Anrechnungsverfahren*), an average rate of taxation of Postbank of 44.2% applies. Under the half-income system (*Halbeinkünfteverfahren*), an average tax rate of 39.9% applies to Postbank for the 2001 and subsequent assessment periods. Exclusively for the 2003 assessment period, a tax rate of 41.6% applies. The above-mentioned tax rates are comprised of the average trade tax rates and of the corresponding corporate income tax rates after deduction of trade tax as an operating expense. Any back taxes due for corporate income tax and trade tax are currently subject to a monthly interest rate of 0.5%. In this regard, the interest begins to accrue 15 months after the end of the calendar year in which the tax arises.

In light of potential procedural defects of the legislative process, it is unclear whether the provision jeopardizing the tax loss carryforwards was enacted in accordance with constitutional requirements. In a proceeding pending with regard to a different rule enacted in the same legislative process, the German Constitutional Court (*Bundesverfassungsgericht*) may hold that the legislative process was unconstitutional. If it does so, the legal basis for the law that is relevant in this case could be rescinded.

For a more detailed description of risk factors and related measures, please refer to the Risk Report contained in the Audited Consolidated Financial Information for the Year 2006 (pages F-104 to F-127) and the Group Interim Report as per March 31, 2007 (unaudited) (pages F-219 to F-261), see Section "Incorporation by Reference").

Risk Factors related to the Trust

The Trust is a funding vehicle for Postbank and has been established solely for the purpose of issuing the Trust Securities and investing the proceeds from the issue of the Trust Securities in the Class B Preferred Securities, which are expected to constitute the sole assets of the Trust. In the event that the Company fails to make a payment under the Class B Preferred Securities and Postbank fails to make a payment under the Support Undertaking, the Trust will not be in a position to meet its payment obligations under the Trust Preferred Securities.

Risk Factors related to the Company

The Company is a funding vehicle for Postbank and has been established solely for the purpose of issuing the Company Securities and investing the proceeds from the issue of the Company Securities in the Initial Debt Securities, which are expected to constitute the sole assets of the Company. In the event that Postbank fails to make a payment under the Debt Securities, the Company will not be in a position to meet its payment obligations under the Class B Preferred Securities and, in turn, unless sufficient payments are made by Postbank under the Support Undertaking, the Trust will not be in a position to meet its payment obligations under the Trust Preferred Securities.

DISTRIBUTABLE PROFITS OF POSTBANK

The Company's authority to declare Capital Payments on the Class B Preferred Securities for any Capital Payment Period depends, among other things, on the Distributable Profits of Postbank for the preceding financial year.

Distributable Profits of Postbank for any financial year is the balance sheet profit (*Bilanzgewinn*) as of the end of such financial year, as shown in the audited unconsolidated balance sheet of Postbank as of the end of such financial year. Such balance sheet profit includes the annual surplus or loss (*Jahresüberschuss/Jahresfehlbetrag*), *plus* any profit carried forward from previous years, *minus* any loss carried forward from previous years, *plus* transfers from capital reserves and earnings reserves, *minus* allocations to earnings reserves, all as determined in accordance with the provisions of the German Stock Corporation Act (*Aktiengesetz*) and accounting principles generally accepted in the Federal Republic of Germany as described in the German Commercial Code (*Handelsgesetzbuch*) and other applicable German law then in effect.

The following table sets forth, as of December 31, 2005, and 2006, the items derived from Postbank's audited unconsolidated balance sheet that affect the calculation of Postbank's Distributable Profits:

	Year Ended December 31,	
	2005	2006
	_____	_____
	(€in millions)	
Annual Profit After Allocations to Retained Earnings	282	262
Other Revenue Reserves	514	591
Capital Reserves	1,159	1,159
	_____	_____
	1,955	2,012
	=====	=====

Postbank paid total dividends on its ordinary shares of € 205 million in each of the financial years ended December 31, 2005 and 2006.

DESCRIPTION OF THE TRUST SECURITIES

The Trust Securities will be issued pursuant to the terms of the Trust Agreement. The following summary sets forth the material terms and provisions of the Trust Securities. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Trust Agreement and the Trust Act.

General

The Trust Securities will be issued in fully registered form without coupons, in denominations of €50,000 Liquidation Preference Amount. The Trust Securities will not be issued in bearer form.

The Trust Agreement authorizes the Regular Trustees of the Trust to issue the Trust Securities, which represent undivided beneficial ownership interests in the assets of the Trust, which consist solely of Class B Preferred Securities. Title to the Class B Preferred Securities will be held by the Property Trustee for the benefit of the holders and beneficial owners of the Trust Securities. The Trust Agreement does not permit the Trust to acquire any assets other than the Class B Preferred Securities, issue any securities other than the Trust Securities or incur any indebtedness, *provided* that, as the Company may, from time to time and without the consent of the Trust as the holder of the Class B Preferred Securities, issue additional Class B Preferred Securities having the same terms as the Class B Preferred Securities so as to form a single series with the Class B Preferred Securities (in all respects except for the issue date, the date as of which Capital Payments accrue on the Class B Preferred Securities, the issue price, and any other deviations required for compliance with applicable law), the Trust, accordingly, may also, from time to time and without the consent of the holders of the Trust Preferred Securities, issue additional Trust Preferred Securities having the same terms and conditions as the Trust Preferred Securities (in all respects except for the issue date, the date as of which Capital Payments accrue on the Trust Preferred Securities, the issue price, and any other deviations required for compliance with applicable law) so as to form a single series with the Trust Preferred Securities in consideration for receipt of additional Class B Preferred Securities equal to the aggregate Liquidation Preference Amount of such Trust Preferred Securities.

Capital Payments

Subject to the terms of the Trust Agreement, Capital Payments will accrue on the Liquidation Preference Amount of each Trust Preferred Security (i) from and including the Issue Date to but excluding the Reset Date, at a fixed rate of 5.983% per annum (the “**Fixed Rate**”), payable annually in arrears on June 29 of each year (including on the Reset Date) and (ii) for each Capital Payment Period commencing on or after the Reset Date, at 3-month EURIBOR plus 2.07% per annum (the “**Floating Rate**”), payable quarterly in arrears on March 29, June 29, September 29 and December 29 in each year. For each Capital Payment Period ending prior to the Reset Date, Capital Payments will be calculated on the basis of the actual number of days elapsed, divided by the actual number of days (365 or 366) in the relevant Capital Payment Period. For each Capital Payment Period beginning on or after the Reset Date, Capital Payments will be calculated on the basis of the actual number of days elapsed in a 360-day year.

If any Capital Payment Date or any Redemption Date that occurs on or before the Reset Date falls on a day that is not a Business Day, the relevant payment will be payable on the first following Business Day without adjustment, interest or further payment as a result thereof. If any Capital Payment Date or any Redemption Date that occurs after the Reset Date falls on a day that is not a Business Day, such Capital Payment Date or Redemption Date shall be postponed to the next succeeding Business Day, unless it would thereby fall into the next calendar month, in which case such Capital Payment Date or Redemption Date shall be the immediately preceding Business Day.

For so long as the Trust Preferred Securities are listed on the Official List of the Luxembourg Stock Exchange, the Luxembourg Stock Exchange will be notified no later than the first day of each Capital Payment Period, of the rate at which Capital Payments will accrue on the Trust Preferred Securities during such Capital Payment Period, of the beginning and ending dates of the relevant Capital Payment Period and the relevant Capital Payment Date.

Capital Payments on the Trust Preferred Securities are expected to be paid out of Capital Payments received by the Trust with respect to the Class B Preferred Securities. See “Description of the Company Securities – Class B Preferred Securities – Capital Payments.” If the Company does not declare (and is not deemed to have declared) a Capital Payment on the Class B Preferred Securities in respect of any Capital Payment Period, holders of the Class B Preferred Securities will have no right to receive a Capital Payment on the Class B Preferred Securities in respect of such Capital Payment Period, and the Company will have no obligation to pay a Capital Payment on the Class B Preferred Securities in respect of such Capital Payment Period, whether or not Capital Payments are declared (or deemed to be declared) and paid on the Class B Preferred Securities in respect of any future Capital

Payment Period. In such a case, no Capital Payments will be made on the Trust Preferred Securities in respect of such Capital Payment Period.

Each declared Capital Payment will be payable to the holders of record of the Trust Preferred Securities as they appear on the books and records of the Trust at the close of business on the corresponding record date. The holder of record will be the Common Depositary, in whose name the Global Certificates will be registered. See “Form, Clearing and Settlement, Certifications by Holders.” The record dates for the Trust Preferred Securities will be (i) so long as the Trust Preferred Securities remain in book-entry form, one Business Day prior to the relevant Capital Payment Date, and (ii) in all other cases, 15 calendar days prior to the relevant Capital Payment Date.

Such Capital Payments will be paid through the Property Trustee who will hold amounts received in respect of the Class B Preferred Securities in the Property Account for the benefit of the holders of the Trust Preferred Securities, subject to any applicable laws and regulations and the provisions of the Trust Agreement.

The right of the holders of the Trust Preferred Securities to receive Capital Payments is non-cumulative. Accordingly, if the Trust does not have funds available for payment of a Capital Payment in respect of any Capital Payment Period, the holders will have no right to receive a Capital Payment in respect of such Capital Payment Period, and the Trust will have no obligation to pay a Capital Payment in respect of such Capital Payment Period, whether or not Capital Payments are paid in respect of any future Capital Payment Period.

Except as described under “– Subordination of Trust Common Security” below, all Capital Payments and other payments to holders of the Trust Securities will be distributed among holders of record *pro rata*, based on the proportion that the aggregate liquidation preference amount of the Trust Securities held by each holder bears to the aggregate liquidation preference amount of all Trust Securities.

Payments of Additional Amounts

All payments on the Trust Preferred Securities by the Trust (including any amount payable in liquidation or upon redemption thereof) will be made without deduction or withholding for or on account of Withholding Taxes unless such deduction or withholding is required by law. In such event, the Trust will pay, as additional Capital Payments, such Additional Amounts as may be necessary in order that the net amounts received by the holders of the Trust Preferred Securities will equal the amounts that otherwise would have been received had no such deduction or withholding been required. However, no such Additional Amounts will be payable in respect of the Trust Preferred Securities:

- if and to the extent that the Company is unable to pay such Additional Amounts because such payment would exceed the Distributable Profits of Postbank for the preceding financial year (after subtracting from such Distributable Profits the amount of Capital Payments on the Class B Preferred Securities and, to the extent not yet reflected in the calculation of Distributable Profits, capital payments, dividends or other distributions on Parity Securities, if any, already paid on the basis of such Distributable Profits on or prior to the date on which such Additional Amounts will be payable);
- with respect to any amounts of Withholding Taxes that are payable by reason of the holder or beneficial owner of the Trust Preferred Securities having some connection with any Relevant Jurisdiction other than by reason only of the mere holding of the Class B Preferred Securities or the Trust Preferred Securities;
- with respect to any amounts of Withholding Taxes if such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- with respect to any amounts of Withholding Taxes imposed on account of any inheritance, thrift, estate, personal property, sales or transfer taxes, or on account of any taxes that are payable otherwise than by withholding from payments in respect of the Class B Preferred Securities or the Trust Preferred Securities;
- with respect to any amounts of Withholding Taxes that can be avoided or reduced if the holder or beneficial owner of the Class B Preferred Securities or the Trust Preferred Securities makes a declaration of non-residence or other similar claim for exemption to the relevant tax authority or complies with any reasonable certification, documentation, information or other reporting requirement imposed by the relevant tax authority;
- with respect to any amounts of Withholding Taxes that the holder or beneficial owner of the Class B Preferred Securities or the Trust Preferred Securities can avoid or reduce by presenting the relevant Class B

Preferred Securities or Trust Preferred Securities to another paying agent in a Member State of the European Union; or

- with respect to any amounts of Withholding Taxes that would not have been so imposed if the holder of the Class B Preferred Securities or the Trust Preferred Securities would have presented the relevant Class B Preferred Securities or Trust Preferred Securities for payment within 30 days of the date that payment was due or became available for payment, except to the extent that such holder would have been entitled to such Additional Amounts on presenting such Class B Preferred Securities or Trust Preferred Securities for payment on the last day of such period of 30 days.

Enforcement Events

If, at any time, any of the following occurs (each, an “**Enforcement Event**”): (i) non-payment of Capital Payments (plus Additional Amounts thereon, if any) on the Trust Preferred Securities or the Class B Preferred Securities at the Stated Rate in full as and when due, for two consecutive Capital Payment Periods; or (ii) a default by Postbank in respect of any of its obligations under the Support Undertaking, then the Property Trustee will have the right to enforce its rights as holder of the Class B Preferred Securities, for the benefit of the holders of the Trust Securities, including claims to receive Capital Payments (only if and to the extent declared or deemed to have been declared) (plus Additional Amounts thereon, if any) on the Class B Preferred Securities, the appointment of an Independent Enforcement Director (to the extent that such Enforcement Event results from non-payment of Capital Payments on the Class B Preferred Securities for two consecutive Capital Payment Periods or the continuation of a failure by Postbank to perform any obligation under the Support Undertaking for a period of 60 days after notice thereof has been given to the Company by the Property Trustee or any holder of the Trust Preferred Securities or any holder of the Class B Preferred Securities), and assertion of the rights under the Support Undertaking as it relates thereto.

Pursuant to the Trust Agreement, the holder of the Trust Common Security will be deemed to have waived any Enforcement Event with respect to the Trust Common Security until all Enforcement Events with respect to the Trust Preferred Securities have been cured, waived or otherwise eliminated. Until such Enforcement Events with respect to the Trust Preferred Securities have been so cured, waived or otherwise eliminated, the Property Trustee will be deemed to be acting solely on behalf of the holders of the Trust Preferred Securities and only the holders of the Trust Preferred Securities will have the right to direct the Property Trustee with respect to certain matters under the Trust Agreement. In the event of an Enforcement Event described above, holders of a majority in liquidation preference amount of the Class B Preferred Securities will have the right to appoint an Independent Enforcement Director. See “Description of the Company Securities – Class B Preferred Securities – Voting and Enforcement Rights.”

If the Property Trustee fails to enforce its rights under the Class B Preferred Securities after a holder of record of the Trust Preferred Securities has made a written request, such holder of record of the Trust Preferred Securities, *i.e.*, the Common Depositary, but not an investor in the Trust Preferred Securities, may directly institute a legal proceeding against the Company to enforce the Property Trustee’s rights under the Class B Preferred Securities without first instituting any legal proceeding against the Property Trustee, the Trust or any other person or entity. See “– Form, Clearing and Settlement; Certifications by Holders.”

Redemption

If the Company redeems the Class B Preferred Securities, the Trust must redeem the Trust Securities. The Class B Preferred Securities are redeemable at the option of the Company, in whole but not in part, on any Capital Payment Date falling on or after the Initial Redemption Date at the Redemption Price plus Additional Amounts, if any. The Company will also have the right at any time to redeem the Class B Preferred Securities, in whole but not in part, upon the occurrence of a Company Special Redemption Event (i) at the Redemption Price, in the case of a Gross-up Event or (ii) upon the occurrence of any other Company Special Redemption Event, the Early Redemption Price, plus, in each case, Additional Amounts, if any.

The Company may exercise its right to redeem the Class B Preferred Securities only if it has (i) given at least 30 days’ prior notice (or such longer period as required by the relevant regulatory authorities) to the holders of the Class B Preferred Securities of its intention to redeem the Class B Preferred Securities on the Redemption Date, (ii) simultaneously therewith received notice from the issuer of the Debt Securities of the redemption of an aggregate principal amount of Debt Securities equivalent to the aggregate liquidation preference amount of the Class B Preferred Securities, and (iii) obtained any required regulatory approvals.

The Trust Agreement will provide that the Property Trustee will promptly give notice to the holders of the Trust Securities of the Company’s intention to redeem the Class B Preferred Securities on the Redemption Date. Notice of any redemption shall be given to holders of the Trust Preferred Securities in the manner described below under “– Notices.”

The Class B Preferred Securities and the Trust Preferred Securities will not have any scheduled maturity date and will not be redeemable at any time at the option of the holders thereof. Upon any redemption of the Class B Preferred Securities, the proceeds of such redemption will simultaneously be applied to redeem the Trust Preferred Securities. All Class B Preferred Securities or Trust Preferred Securities that are redeemed will be cancelled, and not reissued, following their redemption.

Upon the occurrence of a Trust Special Redemption Event or in the event of any voluntary or involuntary liquidation, dissolution, winding up or termination of the Trust, holders of Trust Securities will be entitled to receive a corresponding number of the Class B Preferred Securities, but, in the event of any such distribution of Class B Preferred Securities, the rights of the holder of the Trust Common Security will be subordinated to the rights of the holders of the Trust Preferred Securities.

If, at any time, a Trust Special Redemption Event occurs and is continuing, the Regular Trustees will, within 90 days following the occurrence of such Trust Special Redemption Event, dissolve the Trust upon not less than 30 nor more than 60 days' notice to the holders of the Trust Securities and upon not less than 30 nor more than 60 days' notice to, and consultation with the Principal Paying Agent, the registrar/transfer agent for the Trust Preferred Securities, the Property Trustee, Euroclear and Clearstream, with the result that, after satisfaction of the claims of creditors of the Trust, if any, Class B Preferred Securities would be distributed on a *pro rata* basis to the holders of the Trust Preferred Securities and the holder of the Trust Common Security in liquidation of such holders' interest in the Trust, *provided, however*, that, if, at such time, the Trust has the opportunity to eliminate, within such 90-day period, the Trust Special Redemption Event by taking some ministerial action, such as filing a form or making an election, or some other similar reasonable measures, which in the sole judgment of Postbank will cause no adverse effect on the Company, the Trust, Postbank or the holders of the Trust Securities and will involve no material costs, then the Trust will pursue any such measure in lieu of dissolution.

On the date fixed for any distribution of the Class B Preferred Securities, upon dissolution of the Trust, (i) the Trust Securities will no longer be deemed to be outstanding and (ii) certificates representing Trust Securities will be deemed to represent Class B Preferred Securities having a liquidation preference amount equal to the Liquidation Preference Amount of, and bearing accrued and unpaid Capital Payments equal to accrued and unpaid Capital Payments on, the Trust Preferred Securities and the liquidation preference amount of the Trust Common Security until such certificates are presented to the Company or its agent for transfer or reissuance.

If the Class B Preferred Securities are distributed to the holders of the Trust Preferred Securities, Postbank will use its commercially reasonable efforts to cause the Class B Preferred Securities (i) to be eligible for clearing and settlement through Euroclear or Clearstream or a successor clearing agent and (ii) to be listed on the Official List of the Luxembourg Stock Exchange or such other securities exchange or other organization on which the Trust Preferred Securities are then listed.

Redemption Procedures

On the date specified for redemption of the Trust Preferred Securities in a notice of redemption issued by the Trust in respect of the Trust Preferred Securities (which notice shall be irrevocable and given at least 30 calendar days prior to the Redemption Date), if the Company has paid to the Property Trustee a sufficient amount of cash in connection with the related redemption of the Class B Preferred Securities, then, by 9:00 a.m., Central European time, the Trust will irrevocably deposit with the Principal Paying Agent funds sufficient to pay the amount payable on redemption of the Trust Preferred Securities. If notice of redemption will have been given and funds are deposited as required, then upon the date of such deposit, all rights of holders of the Trust Preferred Securities will cease, except the right of the holders of the Trust Preferred Securities to receive the relevant redemption price, but without interest on such redemption price.

If any Redemption Date that occurs on or before the Reset Date falls on a day that is not a Business Day, payment of all amounts otherwise payable on such date will be made on the first following Business Day without adjustment, interest or further payment as a result thereof. If any Redemption Date that occurs after the Reset Date falls on a day that is not a Business Day, such Redemption Date shall be postponed to the next succeeding Business Day, unless it would thereby fall into the next calendar month, in which case such Redemption Date shall be the immediately preceding Business Day.

Purchases of the Trust Preferred Securities

Subject to applicable law (including, without limitation, applicable securities laws and the regulations of any stock exchange and the BaFin), Postbank or its subsidiaries may at any time and from time to time purchase outstanding Trust Preferred Securities by tender, in the secondary market or by private agreement.

Subordination of the Trust Common Security

Payment of Capital Payments and other distributions on, and amounts on redemption of, the Trust Securities will generally be made *pro rata* based on the liquidation preference amount of the Trust Securities. However, upon the liquidation of the Trust and upon the occurrence and during the continuance of a default under the Debt Securities or a failure by Postbank to perform any obligation under the Support Undertaking, holders of the Trust Preferred Securities will effectively have a preference over the holder of the Trust Common Security with respect to payments of Capital Payments and other distributions and amounts upon redemption or liquidation of the Trust, as no such payments on the Trust Common Security shall be made to the holder thereof unless payment in full has been made on the Trust Preferred Securities to the holders thereof.

In the case of any Enforcement Event, the holder of the Trust Common Security will be deemed to have waived any and all Enforcement Events until all Enforcement Events with respect to the Trust Preferred Securities have been cured, waived or otherwise eliminated. Until all Enforcement Events with respect to the Trust Preferred Securities have been so cured, waived or otherwise eliminated, the Property Trustee will act solely on behalf of the holders of the Trust Preferred Securities and not on behalf of the holder of the Trust Common Security, and only the holders of the Trust Preferred Securities will have the right to direct the Property Trustee to act on their behalf.

Liquidation Distribution upon Dissolution

Pursuant to the Trust Agreement, the Trust will dissolve (i) upon the insolvency, liquidation or dissolution of Postbank, (ii) upon the consent of the holders of at least a majority in liquidation preference amount of the outstanding Trust Securities, voting together as a single class, to dissolve the Trust, (iii) upon the distribution of all of the Class B Preferred Securities upon the occurrence of a Trust Special Redemption Event, (iv) upon the entry of a decree of a judicial dissolution of the Company or the Trust, or (v) upon the redemption of all of the Trust Securities; *provided* that, if a claim has been made under the Support Undertaking, the Trust shall not, to the fullest extent permitted by law, dissolve until (a) such claim has been satisfied and the proceeds therefrom have been distributed to the holders of the Trust Securities or (b) the Class B Preferred Securities have been distributed to the holders of the Trust Securities.

In the event of any voluntary or involuntary liquidation, dissolution, winding up or termination of the Trust, the holders of the Trust Securities will be entitled to receive a corresponding amount of the Class B Preferred Securities. The holders of the Trust Preferred Securities will effectively have a preference over the holder of the Trust Common Security with respect to distributions upon liquidation of the Trust.

Statute of Limitations

The prescription period for claims for the payment of Capital Payments, Additional Amounts and any redemption price payable on the Trust Preferred Securities is three years after the date on which the respective payment becomes due and payable.

Voting and Enforcement Rights

Except as expressly required by applicable law, or except as provided for in the Trust Agreement or the LLC Agreement, the holders of the Trust Preferred Securities will not be entitled to vote on the affairs of the Trust or the Company. So long as the Trust holds any Class B Preferred Securities, the holders of the Trust Preferred Securities will have the right to direct the Property Trustee to enforce the voting rights attributable to such Class B Preferred Securities. These voting rights may be waived by the holders of the Trust Preferred Securities by written notice to the Property Trustee and in accordance with applicable laws.

Subject to the requirement of the Property Trustee obtaining a tax opinion as described below, the holders of a majority in liquidation preference amount of the Trust Preferred Securities (excluding Trust Preferred Securities held by Postbank or its affiliates) have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, and to direct the exercise of any trust or power conferred upon the Property Trustee under the Trust Agreement, including the right to direct the Property Trustee, as holder of the Class B Preferred Securities, to (i) exercise the remedies available to it under the LLC Agreement as a holder of the Class B Preferred Securities, and (ii) consent to any amendment, modification or termination of the LLC Agreement or the Class B Preferred Securities where such consent will be required; *provided, however*, that, where a consent or action under the LLC Agreement would require the consent or act of the holders of more than a majority in liquidation preference amount of the Class B Preferred Securities affected thereby, only the holders of the percentage of the aggregate liquidation preference amount of the Trust Securities outstanding which is at least equal to the percentage of the liquidation preference amount of the Class B Preferred Securities required to so consent or act under the LLC Agreement, may direct the Property Trustee to give such consent or take such action on behalf of the Trust. See “Description of the Company Securities – Class B

Preferred Securities – Voting and Enforcement Rights.” Except with respect to directing the time, method and place of conducting a proceeding for a remedy as described above, the Property Trustee will be under no obligation to take any of the actions described above unless the Property Trustee has obtained an opinion of independent tax counsel to the effect that as a result of such action, the Trust will not fail to be classified as a grantor trust for U.S. federal income tax purposes and that after such action each holder of the Trust Securities will continue to be treated as owning an undivided beneficial ownership interest in the Class B Preferred Securities.

Any required approval or direction of holders of the Trust Securities may be given at a separate meeting of holders of the Trust Preferred Securities convened for such purpose, at a meeting of all of the holders of the Trust Securities or pursuant to a written consent. The Regular Trustees will cause a notice of any meeting at which holders of the Trust Preferred Securities are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken, to be made in the manner described below under “– Notices.” Each such notice will include a statement setting forth the following information: (i) the date of such meeting or the date by which such action is to be taken; (ii) a description of any resolution proposed for adoption at such meeting on which such holders are entitled to vote or of such matter upon which written consent is sought; and (iii) instructions for the delivery of proxies or consents. No vote or consent of the holders of the Trust Preferred Securities will be required for the Trust to redeem and cancel Trust Preferred Securities or distribute Class B Preferred Securities in accordance with the Trust Agreement.

Notwithstanding that holders of the Trust Securities are entitled to vote or consent under any of the circumstances described above, any of the Trust Securities that are beneficially owned at such time by Postbank or any entity directly or indirectly controlled by, or under direct or indirect common control with, Postbank will in such case not be entitled to vote or consent and will, for the purposes of such vote or consent, be treated as if they were not outstanding, except for Trust Securities purchased or acquired by Postbank or its subsidiaries or affiliates in connection with transactions effected by or for the account of customers of Postbank or any of its subsidiaries or affiliates or in connection with the distribution or trading of or market-making in connection with such Trust Preferred Securities in the ordinary course of business. However, certain persons (other than subsidiaries or affiliates of Postbank), excluding the Trust, to whom Postbank or any of its subsidiaries or affiliates have pledged Trust Securities may vote or consent with respect to such pledged Trust Securities to the extent permitted by the terms of such pledge.

Holders of the Trust Preferred Securities will have no rights to appoint or remove the Regular Trustees, who may be appointed, removed or replaced solely by a Postbank Group Company, as the holder of the Trust Common Security.

Meetings of Holders

Meetings of the holders of any class of Trust Securities may be called at any time by the Regular Trustees (or as provided in the terms of the Trust Securities) to consider and act on any matter on which holders of such class of Trust Securities are entitled to act under the terms of the Trust Agreement, the terms of the Trust Securities, the LLC Agreement, the rules of any stock exchange on which Trust Preferred Securities are listed or admitted for trading, the Trust Act or other applicable law. The Regular Trustees shall call a meeting of the holders of such class if directed to do so by the holders of at least 10% in liquidation preference amount of the Trust Securities of such class outstanding. Such direction shall be given by delivering to the Regular Trustees one or more notices in writing stating that the signing holders of the Trust Securities wish to call a meeting and indicating the general or specific purpose for which the meeting is to be called. Any holders of the Trust Securities calling a meeting shall specify in writing number and class of Trust Securities exercising the right to call a meeting and only those Trust Securities specified shall be counted for purposes of determining whether the required percentage set forth above in this paragraph has been met.

Merger, Consolidation or Amalgamation of the Trust

The Trust may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, any corporation or other entity, except as described below. The Trust may, with the consent of a majority of the Regular Trustees and without the consent of the holders of the Trust Securities, the Property Trustee or the Delaware Trustee, consolidate, amalgamate, merge with or into, or be replaced by a trust organized as such under the laws of any State of the United States of America; *provided* that:

- (i) if the Trust is not the survivor, such successor entity either (x) expressly assumes all of the obligations of the Trust to the holders of the Trust Securities or (y) substitutes for the Trust Securities other securities having substantially the same terms as the Trust Preferred Securities (the “**Successor Securities**”) and the Trust Common Security, so long as the Successor Securities rank the same as the Trust Preferred Securities with

respect to Capital Payments, other distributions and rights upon liquidation, redemption or otherwise,

- (ii) the Company expressly acknowledges a trustee or another representative of such successor entity possessing the same powers and duties as the Property Trustee as the holder of the Class B Preferred Securities,
- (iii) the Successor Securities are listed or any Successor Securities will be listed upon notification of issuance, on any securities exchange or any other organization on which the Trust Preferred Securities are then listed or quoted,
- (iv) such merger, consolidation, amalgamation or replacement does not cause the Trust Preferred Securities (including the Successor Securities) to be downgraded by any statistical rating organization nationally recognized in the United States of America,
- (v) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the holders of the Trust Preferred Securities (including any Successor Securities) in any material respect,
- (vi) such successor entity has purposes substantially identical to that of the Trust,
- (vii) the obligations of Postbank pursuant to the Support Undertaking will continue in full force and effect, and
- (viii) prior to such merger, consolidation, amalgamation or replacement, Postbank has received an opinion of a nationally recognized law firm in the United States of America experienced in such matters to the effect that: (A) such merger, consolidation, amalgamation or replacement will not adversely affect the rights, preferences and privileges of the holders of the Trust Preferred Securities (including the Successor Securities) in any material respect, (B) following such merger, consolidation, amalgamation or replacement, neither the Trust nor such successor entity will be required to register under the 1940 Act, (C) following such merger, consolidation, amalgamation or replacement, the Trust (or such successor entity) will be classified as a grantor trust for U.S. federal income tax purposes and (D) following such merger, consolidation, amalgamation or replacement, the Company will not be classified as an association or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes.

Notwithstanding the foregoing, the Trust will not, except with the consent of holders of 100% in Liquidation Preference Amount of the outstanding Trust Preferred Securities (excluding Trust Preferred Securities held by Postbank and its affiliates), consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it, if such consolidation, amalgamation, merger or replacement would cause the Trust or the successor entity not to be classified as a grantor trust for U.S. federal income tax purposes.

Modification of the Trust Agreement

The Trust Agreement may only be modified and amended if approved by a majority of the Regular Trustees (and in certain circumstances the Property Trustee and the Delaware Trustee), *provided* that, if any proposed amendment provides for, or the Regular Trustees otherwise propose to effect, (i) any action that would materially adversely affect the powers, preferences or special rights of the Trust Securities, whether by way of amendment to the Trust Agreement or otherwise, or (ii) the liquidation, dissolution, winding up or termination of the Trust other than pursuant to the terms of the Trust Agreement, then the holders of the Trust Securities voting together as a single class will be entitled to vote on such amendment or proposal and such amendment or proposal will not be effective except with the approval of at least a majority in liquidation preference amount of the outstanding Trust Securities affected thereby (excluding Trust Securities held by Postbank and its affiliates); *provided* further that, if any amendment or proposal referred to in clause (i) above would adversely affect only the Trust Preferred Securities or the Trust Common Security, then only the affected class will be entitled to vote on such amendment or proposal and such amendment or proposal will not be effective except with the approval of a majority of such class of the Trust Securities outstanding.

The Trust Agreement may be amended without the consent of the holders of the Trust Securities to (i) cure any ambiguity, (ii) correct or supplement any provision in the Trust Agreement that may be defective or inconsistent with any other provision of the Trust Agreement, (iii) add to the covenants, restrictions or obligations of Postbank, (iv) conform to any change in the 1940 Act or the rules or regulations thereunder, (v) modify, eliminate and add to any provision of the Trust Agreement to such extent as may be necessary or desirable; *provided* in

each case that no such amendment will have a material adverse effect on the rights, preferences or privileges of the holders of the Trust Securities or (vi) accomplish the issuance, from time to time and without the consent of the holders of the Trust Preferred Securities, of additional Trust Preferred Securities having the same terms and conditions as the Trust Preferred Securities (in all respects except for the issue date, the date from which Capital Payments accrue on the Trust Preferred Securities, the issue price and any other deviations required for compliance with applicable law) so as to form a single series with the Trust Preferred Securities in consideration for the receipt of Class B Preferred Securities equal to the aggregate Liquidation Preference Amount of such additional Trust Preferred Securities.

Notwithstanding the foregoing, no amendment or modification may be made to the Trust Agreement if such amendment or modification would (i) cause the Trust to fail to be classified as a grantor trust for U.S. federal income tax purposes, (ii) cause the Company to be classified as an association or publicly traded partnership taxable as a corporation for such purposes, (iii) reduce or otherwise adversely affect the powers of the Property Trustee or (iv) cause the Trust or the Company to be required to register under the 1940 Act.

Form, Clearing and Settlement; Certifications by Holders

The Trust Preferred Securities will be issued in fully registered form without coupons, in denominations of €50,000. The Trust Preferred Securities will initially be evidenced by one or more Temporary Global Certificates, which will be in registered form, registered in the name of, and deposited on or about the Issue Date with the Common Depositary for, Euroclear and Clearstream. Interests in such Temporary Global Certificates will be exchangeable, upon certification as described below, for interests in one or more Permanent Global Certificates, in fully registered form, no earlier than after the expiry of the 40th day after the later of the Issue Date and the completion of the distribution of the Trust Preferred Securities (the “**Restricted Period**”).

The Temporary Global Certificates and the Permanent Global Certificates are referred to as “**Global Certificates**”. Beneficial interests in such Global Certificates will be shown on, and transfers thereof will be effected through, records maintained by Euroclear and Clearstream and their respective participants. The Global Certificates (and any Trust Preferred Securities issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein and in the Trust Agreement. No payment will be made in respect of an interest in the Temporary Global Certificates unless and until the beneficial owner of such interest has provided the required certification and such interest has been exchanged for an interest in the Permanent Global Certificates. See “Payments; Certifications by Holders of the Temporary Global Certificate.”

Investors may hold their interests in the Global Certificates through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. The Global Certificates will be deposited with the Common Depositary. Except as provided below, owners of beneficial interests in a Global Certificate will not be entitled to have Trust Preferred Securities registered in their names, will not receive or be entitled to receive physical delivery of certificates in definitive form, and will not be considered holders thereof.

Subject to compliance with the transfer restrictions applicable to the Global Certificates described herein and in the Trust Agreement, cross-market transfers between direct or indirect account holders at a Euroclear or Clearstream participant (each, a “**Member Organization**”) holding interests in the Global Certificates will be effected in accordance with the rules and operating procedures of Euroclear or Clearstream, as applicable. Such cross-market transactions will require, among other things, delivery of instructions by such Member Organization to Euroclear or Clearstream, as the case may be, in accordance with the rules and procedures and within deadlines established by Euroclear or Clearstream, as the case may be. If the transaction complies with all relevant requirements, Euroclear or Clearstream, as the case may be, will then deliver instructions to its depositary to take action to effect final settlement on its behalf.

So long as Euroclear, Clearstream or the nominee of the Common Depositary is the registered holder of a Global Certificate, Euroclear, Clearstream or such nominee, as the case may be, will be considered the sole owner or holder of the Trust Preferred Securities represented by such Global Certificate for all purposes under the Trust Agreement and the Trust Preferred Securities. Payments in respect of Global Certificates will be made to Euroclear, Clearstream or such nominee, as the case may be, as the registered holder hereof. None of Postbank, the Company, the Trust, any agent or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for (i) any aspect of Euroclear’s, Clearstream’s or any Member Organization’s records relating to or payments made on account of beneficial ownership interests in the Global Certificates, or for maintaining, supervising or reviewing any of Euroclear’s, Clearstream’s or any Member Organization’s records relating to the beneficial ownership interests in the Global Certificates or (ii) any other matter relating to the actions and practices of Euroclear, Clearstream or any Member Organization.

Distributions with respect to book-entry interests in the Trust Preferred Securities held through Euroclear or Clearstream will be credited, to the extent received by Euroclear or Clearstream from a paying agent, to the cash accounts of Euroclear or Clearstream customers in accordance with the relevant system's rules and procedures.

None of the Trust, the Property Trustee or the Common Depositary (or any registrar/transfer agent, paying agent or conversion agent under the Trust Agreement) will have any responsibility for the performance by Euroclear or Clearstream of their respective obligations under the rules and procedures governing their operations.

Although Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Certificates between Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. If Euroclear and Clearstream are at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by the Trust within 90 days, the Trust will cause the Trust Preferred Securities to be issued in definitive form in exchange for the Global Certificates. Neither the Trust, the Company, the Common Depositary, Postbank nor any of their respective agents will have any responsibility for the performance by Euroclear and Clearstream, any Member Organization of their respective obligations under the rules and procedures governing their operations, including maintaining, supervising or reviewing the records relating to, or payments made on account or, beneficial ownership interests in the Global Certificate.

Definitive Certificates and the Exchange of Book-Entry Securities for Definitive Certificates

A Global Certificate is exchangeable for Trust Preferred Securities in registered certificated form if Euroclear and Clearstream notify the Company that (i) they are unwilling or unable to continue as depositary for such Global Certificate, or (ii) they are ineligible to act as depositary and the Trust and the Company thereupon fail to appoint a successor depositary. In all cases, certificated Trust Preferred Securities delivered in exchange for any Global Certificates or beneficial interests therein will be registered in the names and issued in any approved denominations, requested by or on behalf of Euroclear or Clearstream, as the case may be (in accordance with its customary procedures).

Transfers of definitive certificates may be made in whole or in part in an authorized denomination upon the surrender of such definitive certificates, together with a form of transfer endorsed on it when completed and executed, at the specified office of a registrar/transfer agent. In the case of a transfer of only part of a definitive certificate, a new definitive certificate in respect of the balance not transferred will be issued to the transferor within three business days of receipt of such form of transfer, by uninsured post at the risk of the holder to the address of the holder, appearing in the register. Each new definitive certificate to be issued upon a transfer of a definitive certificate will, within three business days of receipt of such form of transfer, be sent by uninsured post at the risk of the holder entitled to the definitive certificate to such address as may be specified in such form of transfer.

A certificate must be provided by or on behalf of a beneficial interest in the Temporary Global Certificates to Euroclear or Clearstream, as the case may be, certifying that the beneficial owner of the interest in Trust Preferred Securities represented thereby is not a U.S. Person, and Euroclear or Clearstream, as the case may be, must provide to the Common Depositary a certificate prior to, but in no case earlier than the expiration of the Restricted Period, (i) the payment of Capital Payments or amounts on redemption or any other payment with respect to such holder's beneficial interest in the Temporary Global Certificates and (ii) any exchange of such beneficial interest for a beneficial interest in the Permanent Global Certificates.

Capital Payments on the Trust Preferred Securities, and any amounts payable on redemption thereof, may be made through the office of the Luxembourg Paying and Transfer Agent if and for so long as the Trust Preferred Securities are listed on the Official List of the Luxembourg Stock Exchange.

Capital Payments on definitive certificates will be made to holders in whose names the certificates were registered at the close of business on the relevant record date. Any Capital Payments or other payments due thereon will be made by wire, transfer or by check mailed to the address of such holder as it appears on the register maintained by the Luxembourg Paying and Transfer Agent. The final payment on any definitive certificates, however, will be made only upon presentation, and surrender of such certificated security at the office of the Luxembourg Paying and Transfer Agent on a Payment Date that is both a Business Day and a day on which banks in the relevant place of presentation are open for presentation and payment of such securities and for dealings in foreign currencies.

The Trust Preferred Securities may not be purchased by or transferred to any employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, any plan or arrangement subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, or any entity whose underlying assets include the assets of any such employee benefit plans, plans or arrangements.

Payments; Certifications by Holders of the Temporary Global Certificates

On or after the expiration of the Restricted Period, a certificate may be provided by or on behalf of a holder of a beneficial interest in a Temporary Global Certificate to the registrar/transfer agent (or the Principal Paying Agent if other than the registrar/transfer agent), certifying that the beneficial owner of the interest in such Temporary Global Certificate is not a U.S. Person. Unless such certificate is provided, (i) the holder of such beneficial interest will not receive any payments of Capital Payments, redemption price or any other payment with respect to such holder's beneficial interest in the Temporary Global Certificate, (ii) such beneficial interest may not be exchanged for a beneficial interest in a Permanent Global Certificate, and (iii) settlement of trades with respect to such beneficial interest will be suspended. In the event that any holder of a beneficial interest in such Temporary Global Certificate fails to provide such certification, exchanges of interests in the Temporary Global Certificate for interests in the Permanent Global Certificate and settlements of trades of all beneficial interests in such Temporary Global Certificate may be temporarily suspended. Notwithstanding the above, during any period during which a holder of a beneficial interest in a Temporary Global Certificate fails to provide such certification, Capital Payments will continue to accrue on the relevant Trust Preferred Securities.

All payments on the Trust Preferred Securities by the Trust, and any amount payable in liquidation or upon redemption thereof, will be made without withholding or deduction for or on account of Withholding Taxes unless such deduction or withholding is required by law. In such event, the Trust will pay, as additional Capital Payments, such Additional Amounts as may be necessary in order for the net amounts received by holders of the Trust Preferred Securities to equal the amounts that otherwise would have been received had no such deduction or withholding been required. However, no such Additional Amounts will be payable in respect of the Trust Preferred Securities under certain circumstances described in “— Payments of Additional Amounts.”

Registrar/Transfer Agent and Paying Agents

Deutsche Bank Aktiengesellschaft, Frankfurt am Main, will act as registrar/transfer agent and Principal Paying Agent for the Trust Preferred Securities. Registration of transfers of the Trust Preferred Securities will be effected without charge by or on behalf of the Trust, but upon payment (with the giving of such indemnity as the Trust or Postbank may require) in respect of any tax or other government charges which may be imposed in relation to it. In accordance with the Trust Agreement, notice of the appointment of a new registrar/transfer agent or principal paying agent will, as long as the Trust Preferred Securities are listed on the Official List of the Luxembourg Stock Exchange, be published in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange on www.bourse.lu. For so long as the Trust Preferred Securities are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Trust will maintain a Luxembourg Paying and Transfer Agent. The initial Luxembourg Paying and Transfer Agent will be Deutsche Bank Luxembourg S.A.

After such Trust Preferred Securities have been called for redemption, the registrar/transfer agent will not be required to register or cause to be registered the transfer of such Trust Preferred Securities. Definitive certificates will not be issued except in the limited circumstances described under “— Definitive Certificates and — Exchange of Book-Entry Securities for Definitive Certificates.”

Information Concerning the Property Trustee

The Property Trustee, prior to the occurrence of any Enforcement Event, and after the curing or waiver of all Enforcement Events that may have occurred, undertakes to perform only such duties as are specifically set forth in the Trust Agreement and, after the occurrence of any Enforcement Event, will exercise the same degree of care as a prudent person would exercise in the conduct of his or her own affairs. Subject to such provisions, the Property Trustee is under no obligation to exercise any of the powers vested in it by the Trust Agreement at the request of any holder of the Trust Preferred Securities, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby.

Notices

All notices or communications to a holder of the Trust Preferred Securities will be delivered, telecopied or mailed by first-class, registered or certified mail to such holder's address as shown on the books and records of the Trust.

Notices to the holders of the Trust Preferred Securities will be given by delivery of the relevant notice to Euroclear, Clearstream and any other relevant securities clearing system for communication by each of them to entitled participants, and so long as the Trust Preferred Securities are listed on the Official List of the Luxembourg Stock Exchange and the rules of such exchange so require, in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Tageblatt - Zeitung für Lëtzeburg*) or on the website of the Luxembourg Stock Exchange on www.bourse.lu or if such Luxembourg publication (the “**Luxembourg**”

Publication”) is not practicable, in one of the leading English language newspapers being published on each day in morning editions whether or not it shall be published on Saturdays, Sundays or holidays.

So long as the Trust Preferred Securities are listed on the Official List of the Luxembourg Stock Exchange, the Luxembourg Stock Exchange will be notified as follows:

- for each Capital Payment Period, of the rate at which Capital Payments will accrue on the Trust Preferred Securities, and the Capital Payment Period and Capital Payment Date for such Capital Payments,
- ten Business Days prior to any Capital Payment Date if, for any Capital Payment Period, the Trust does not have sufficient funds for the Property Trustee to pay Distributions to the holders of Trust Securities on the respective Capital Payment Date, and without undue delay of the following events:
 - the occurrence of any Trust Special Redemption Event,
 - the redemption of any Trust Preferred Securities, and
 - the substitution, by Postbank, of Substitute Debt Securities for the Initial Debt Securities.

So long as the Trust Preferred Securities are listed on the Official List of the Luxembourg Stock Exchange, a Luxembourg Publication will be made (i) ten Business Days prior to any Payment Date if, for any Capital Payment Period, the Trust does not have sufficient funds for the Property Trustee to make Capital Payments to the holders of Trust Securities, and without undue delay (ii) upon any change of the Luxembourg Paying and Transfer Agent, and (iii) of the substitution, by Postbank, of Substitute Debt Securities for the Initial Debt Securities.

Governing Law

The Trust Agreement and the Trust Securities will be governed by, and construed in accordance with, the laws of the State of Delaware, United States of America.

Miscellaneous

The Regular Trustees are authorized and directed to conduct the affairs of and to operate the Trust in such a way that the Trust will not be required to register under the 1940 Act and will not be characterized as other than a grantor trust for U.S. federal income tax purposes.

DESCRIPTION OF THE COMPANY SECURITIES

The following summary sets forth the material terms and provisions of the limited liability company interests of the Company, including the Class B Preferred Securities. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the LLC Agreement and the LLC Act.

Upon the execution of the LLC Agreement, the Company will issue limited liability company interests consisting of the Company Common Security, the Class A Preferred Security and the Class B Preferred Securities. The Company Common Security and the Class A Preferred Security will initially be owned by Postbank or a Postbank Group Company. All of the Class B Preferred Securities will be owned by the Trust. Postbank undertakes to maintain direct or indirect ownership of the Class A Preferred Security and the Company Common Security so long as any Class B Preferred Securities remain outstanding.

Company Common Security

Subject to the rights of the holders of the Class B Preferred Securities to appoint the Independent Enforcement Director, all voting rights are vested in the Company Common Security. The Company Common Security is entitled to one vote per security. The Company Common Security, upon consummation of the Offering, will be held by a Postbank Group Company.

Capital Payments may be declared and paid on the Company Common Security only if all Capital Payments on the Class B Preferred Securities, if any, in respect of the relevant Capital Payment Period have been declared and paid. The Company does not expect to pay dividends on the Company Common Security.

In the event of the voluntary or involuntary liquidation, dissolution, termination or winding up of the Company, after the payment of all debts and liabilities and after there have been paid or set aside for the holders of all the Company Preferred Securities the full preferential amounts to which such holders are entitled, the holder of the Company Common Security will be entitled to share equally and *pro rata* in any remaining assets.

Class A Preferred Security

The Class A Preferred Security of the Company will be non-voting. Capital payments on the Class A Preferred Security will be payable when, as and if declared by the Board of Directors; such a declaration will occur only to the extent the Board of Directors does not declare Capital Payments on the Class B Preferred Securities at the Stated Rate in full on any Capital Payment Date. The Company expects that the holder of the Class A Preferred Security will receive capital payments only to the extent that:

- (i) Capital Payments are not permitted to be declared on the Class B Preferred Securities on any Capital Payment Date at the Stated Rate in full due to insufficient Distributable Profits of Postbank for the financial year preceding such Capital Payment Period or an order of the BaFin (or any other relevant regulatory authority) prohibiting Postbank from making any distribution of profits (including to the holders of Parity Securities, if any), and
- (ii) the Company has sufficient Operating Profits.

The Company currently does not intend to pay capital payments on the Class A Preferred Security. The payment of capital payments on the Class A Preferred Security is not a condition to the payment of Capital Payments on the Class B Preferred Securities.

In the event of any voluntary or involuntary liquidation, dissolution, winding up or termination of the Company, the Class B Preferred Securities will rank junior to the Class A Preferred Security, and the Class B Preferred Securities will rank senior to the Company Common Security; *provided* that any payments made by Postbank pursuant to the Support Undertaking will be payable by the Company solely to the holders of the Class B Preferred Securities. Accordingly, upon any liquidation, the holder of the Class A Preferred Security will be entitled to receive a liquidation distribution of the Debt Securities or Permitted Investments (including accrued and unpaid interest thereon). In the event of the liquidation of the Company, the Independent Enforcement Director will enforce the Support Undertaking solely for the benefit of the holders of the Class B Preferred Securities and, with respect to the Company's rights under the Support Undertaking, the Class B Preferred Securities will rank senior to the Class A Preferred Security and payments thereunder will be distributed by the Company solely to the holders of the Class B Preferred Securities. For a description of the circumstances under which an Independent Enforcement Director may be elected, see "– Class B Preferred Securities – Voting and Enforcement Rights."

Class B Preferred Securities

General

When issued, the Class B Preferred Securities will be validly issued, fully paid and non-assessable. The holders of the Class B Preferred Securities will have no pre-emptive rights with respect to any other securities of the Company. The Class B Preferred Securities will not have any scheduled maturity date, will not be redeemable at any time at the option of the holders thereof, will not be convertible into any other securities of the Company and will not be subject to any sinking fund or other obligation of the Company for their repurchase or redemption. The LLC Agreement prohibits the Company, without the consent of all holders of the Class B Preferred Securities (excluding any Class B Preferred Securities held by Postbank or any of its affiliates, other than the Trust), from issuing any debt securities or any further class or series of equity securities ranking senior to or *pari passu* with the Class B Preferred Securities as to periodic distribution rights or rights upon liquidation or dissolution of the Company, *provided, however*, that the Company may, from time to time, and without the consent of the holders of the Class B Preferred Securities, issue further Class B Preferred Securities having the same terms and conditions as the Class B Preferred Securities (in all respects except for the issue date, the date as of which Capital Payments accrue on the Class B Preferred Securities, the issue price, and any other deviations required for compliance with applicable law) so as to form a single series with the Class B Preferred Securities in consideration for Debt Securities of a principal amount equal to the aggregate liquidation preference amount of such additional Class B Preferred Securities.

Capital Payments

Subject to the terms of the Trust Agreement and LLC Agreement, as applicable, Capital Payments will accrue on the liquidation preference amount of €50,000 per Class B Preferred Security (i) from and including the Issue Date to but excluding the Reset Date, at a fixed rate of 5.983% per annum (the “**Fixed Rate**”), payable annually in arrears on June 29 of each year (including on the Reset Date) and (ii) for each Capital Payment Period commencing on or after the Reset Date, at 3-month EURIBOR plus 2.07% per annum (the “**Floating Rate**”), payable quarterly in arrears on March 29, June 29, September 29 and December 29 of each year. For each Capital Payment Period ending prior to the Reset Date, Capital Payments will be calculated on the basis of the actual number of days elapsed, divided by the actual number of days (365 or 366) in the relevant Capital Payment Period. For each Capital Payment Period beginning on or after the Reset Date, Capital Payments will be calculated on the basis of the actual number of days elapsed in a 360-day year.

If any Capital Payment Date or any Redemption Date that occurs on or before the Reset Date falls on a day that is not a Business Day, the relevant payment will be payable on the first following Business Day without adjustment, interest or further payment as a result thereof. If any Capital Payment Date or any Redemption Date that occurs after the Reset Date falls on a day that is not a Business Day, such Capital Payment Date or Redemption Date shall be postponed to the next succeeding Business Day, unless it would thereby fall into the next calendar month, in which case such Capital Payment Date or Redemption Date shall be the immediately preceding Business Day.

Capital Payments on the Class B Preferred Securities are expected to be paid out of the Company’s Operating Profits or from payments received under the Support Undertaking. The right of the holders of the Class B Preferred Securities to receive Capital Payments is non-cumulative. If the Company does not declare (and is not deemed to have declared) a Capital Payment on the Class B Preferred Securities in respect of any Capital Payment Period, holders of the Class B Preferred Securities will have no right to receive a Capital Payment on the Class B Preferred Securities in respect of such Capital Payment Period, and the Company will have no obligation to pay a Capital Payment on the Class B Preferred Securities in respect of such Capital Payment Period, whether or not Capital Payments are declared (or deemed to have been declared) and paid on the Class B Preferred Securities in respect of any future Capital Payment Period.

Capital Payments on the Class B Preferred Securities will only be authorized to be declared and paid on any Capital Payment Date to the extent that:

- (i) the Company has an amount of Operating Profits for the Capital Payment Period ending on the day immediately preceding such Capital Payment Date at least equal to the amount of such Capital Payments, and
- (ii) Postbank has an amount of Distributable Profits for the preceding financial year for which audited unconsolidated financial statements are available at least equal to the aggregate amount of such Capital Payments on the Class B Preferred Securities and, to the extent not yet reflected in the calculation of Distributable Profits for the preceding financial year, capital payments, dividends or other distributions on Parity Securities, if any, *pro rata* on the basis of Distributable Profits for such preceding financial year.

Notwithstanding the foregoing, if Postbank or any of its subsidiaries declares or pays any capital payments, dividends or other distributions on any Parity Securities (excluding capital payments, dividends or other distributions by a subsidiary of Postbank exclusively to Postbank or a wholly-owned subsidiary of Postbank), the Company will be deemed to have declared Capital Payments on the Class B Preferred Securities on the first Capital Payment Date falling contemporaneously with or immediately after the date on which such capital payment, dividend or other distribution was declared or made. If such capital payment, dividend or other distribution on such Parity Securities was in the full stated amount payable on such Parity Securities in the then current financial year through the Capital Payment Date, then Capital Payments will be deemed declared at the Stated Rate in full for the then current financial year through such Capital Payment Date. If such capital payment, dividend or other distribution on such Parity Securities was only a partial payment of the amount so owing, the amount of the Capital Payment deemed declared on the Class B Preferred Securities will be adjusted proportionally.

Further, notwithstanding the foregoing, if Postbank or any of its subsidiaries declares or pays Junior Distributions, the Company will be deemed to have declared Capital Payments on the Class B Preferred Securities in amounts that vary according to how often the relevant Junior Securities pay capital payments, dividends or other distributions:

- for any Capital Payment Period ending prior to the Reset Date:
 - if such Junior Securities pay distributions annually, Capital Payments will be deemed declared for payment at the Stated Rate in full on the Capital Payment Date falling contemporaneously with or immediately following the date on which such capital payment, dividend or other distribution was declared or made;
 - if such Junior Securities pay distributions semi-annually,
 - if only one such distribution was declared or made in the Capital Payment Period preceding the relevant Capital Payment Date, Capital Payments will be deemed declared for payment in one half of the amount that would be payable at the Stated Rate in full on the Capital Payment Date falling contemporaneously with and/or immediately following the date on which such capital payment, dividend or other distribution was declared or made, or
 - if two such distributions were declared or made in such Capital Payment Period, Capital Payments will be deemed declared for payment at the Stated Rate in full on the Capital Payment Date falling contemporaneously with and/or immediately following the date of which such capital payment, dividend or other distribution was declared or made; and
 - if such Junior Securities pay distributions quarterly,
 - if only one such distribution was declared or made in the Capital Payment Period preceding the relevant Capital Payment Date, Capital Payments will be deemed to have been declared for payment in one quarter of the amount that would be payable at the Stated Rate in full on the Capital Payment Date falling contemporaneously with and/or immediately following the date on which such capital payment, dividend or other distribution was declared or made, or
 - if two such distributions were declared or made in the Capital Payment Period preceding the relevant Capital Payment Date, Capital Payments will be deemed to have been declared for payment in one half of the amount that would be payable at the Stated Rate in full on the Capital Payment Date falling contemporaneously with and/or immediately following the date on which such capital payment, dividend or other distribution was declared or made, or
 - if three such distributions were declared or made in the Capital Payment Period preceding the relevant Capital Payment Date, Capital Payments will be deemed to have been declared for payment in three quarters of the amount that would be payable at the Stated Rate in full on the Capital Payment Date falling contemporaneously with and/or immediately following the date on which such capital payment, dividend or other distribution was declared or made, or
 - if four such distributions were declared or made in the Capital Payment Period preceding the relevant Capital Payment Date, Capital Payments will be deemed to have been declared for payment at the Stated Rate in full on the Capital Payment Date falling contemporaneously with and/or immediately following the date on which such capital payment, dividend or other distribution was declared or made;
- for any Capital Payment Period commencing on or after the Reset Date:

- if such Junior Securities pay distributions annually, Capital Payments will be deemed declared for payment at the Stated Rate in full on the first four Capital Payment Dates falling contemporaneously with or immediately following the date on which such capital payment, dividend or other distribution was declared or made;
- if such Junior Securities pay distributions semi-annually, Capital Payments will be deemed declared for payment at the Stated Rate in full on the first two Capital Payment Dates falling contemporaneously with and/or immediately following the date on which such capital payment, dividend or other distribution was declared or made; and
- if such Junior Securities pay distributions quarterly, Capital Payments will be deemed to have been declared for payment at the Stated Rate in full on the Capital Payment Date falling contemporaneously with and/or immediately following the date on which such capital payment, dividend or other distribution was declared or made.

If following its most recent annual general meeting Postbank or any of its subsidiaries redeems, repurchases or otherwise acquires any Parity Securities or Junior Securities for any consideration except by conversion into or exchange for shares of common stock of Postbank (other than (i) in connection with transactions effected by or for the account of customers of Postbank or any of its subsidiaries or in connection with the distribution, trading or market-making in respect of such securities, (ii) in connection with the satisfaction by Postbank or any of its subsidiaries of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (iii) as a result of a reclassification of the capital stock of Postbank or any of its subsidiaries or the exchange or conversion of one class or series of such capital stock for another class or series of such capital stock or (iv) the purchase of fractional interests in shares of the capital stock of Postbank or any of its subsidiaries pursuant to the provisions of any security being converted into or exchanged for such capital stock), the Company will be deemed to have declared Capital Payments on the Class B Preferred Securities at the Stated Rate in full for the Capital Payment Date falling contemporaneously with and/or immediately following the date on which such redemption, repurchase or other acquisition occurred.

Despite sufficient Operating Profits of the Company and sufficient Distributable Profits of Postbank, the Company will not be permitted to make Capital Payments on the Class B Preferred Securities on any Capital Payment Date (or a date set for redemption or liquidation) if on such date there is in effect an order of the BaFin (or any other relevant regulatory authority) prohibiting Postbank from making any distribution of profits (including to the holders of Parity Securities, if any). The Company will have no obligation to make up, at any time, any Capital Payments not paid in full by the Company as a result of insufficient Operating Profits of the Company, insufficient Distributable Profits of Postbank or an order of the BaFin (or any other relevant regulatory authority).

In determining the availability of sufficient Distributable Profits of Postbank related to any financial year to permit Capital Payments to be declared with respect to the Class B Preferred Securities, any Capital Payments already paid on the Class B Preferred Securities and any capital payments, dividends or other distributions already paid on Parity Securities, if any, on the basis of such Distributable Profits for such financial year will be deducted from such Distributable Profits. Each Capital Payment declared (or deemed to be declared) on the Class B Preferred Securities will be payable to the holders of record as they appear on the books and records of the Company at the close of business on the corresponding record date. The record dates for the Class B Preferred Securities will be:

- for those Class B Preferred Securities held by the Property Trustee, so long as the Trust Preferred Securities remain in book-entry form, and for Class B Preferred Securities held in book-entry form, one Business Day prior to the relevant Capital Payment Date, and
- in all other cases, 15 calendar days prior to the relevant Capital Payment Date.

Payments of Additional Amounts

All payments on the Class B Preferred Securities (including any amount payable in liquidation and any repayment upon redemption thereof) will be made without any deduction or withholding for or on account of Withholding Taxes, unless such deduction or withholding is required by law. The Company will pay, as additional Capital Payments, such Additional Amounts as may be necessary in order that the net amounts received by the holders of the Class B Preferred Securities and the Trust Preferred Securities, after any deduction or withholding for or on account of Withholding Taxes, will equal the amounts that would otherwise have been received in respect of the Class B Preferred Securities and the Trust Preferred Securities, respectively, in the absence of such withholding or deduction. No such Additional Amounts, however, will be payable in respect of the Class B Preferred Securities:

- if and to the extent that the Company is unable to pay such Additional Amounts because such payment would exceed the Distributable Profits of Postbank for the preceding financial year (after subtracting from such Distributable Profits the amount of Capital Payments on the Class B Preferred Securities and, to the extent not yet reflected in the calculation of Distributable Profits, capital payments, dividends or other distributions on Parity Securities, if any, already paid on the basis of such Distributable Profits on or prior to the date on which such Additional Amounts will be payable);
- with respect to any amounts of Withholding Taxes that are payable by reason of the holder or beneficial owner of the Class B Preferred Securities (other than the Trust) or Trust Preferred Securities having some connection with the Relevant Jurisdiction other than by reason only of the mere holding of the Class B Preferred Securities or the Trust Preferred Securities;
- with respect to any amounts of Withholding Taxes if such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- with respect to any amounts of Withholding Taxes imposed on account of any inheritance, thrift, estate, personal property, sales or transfer taxes, or on account of any taxes that are payable otherwise than by withholding from payments in respect of the Class B Preferred Securities or the Trust Preferred Securities;
- with respect to any amounts of Withholding Taxes that can be avoided or reduced if the holder or beneficial owner of the Class B Preferred Securities or the Trust Preferred Securities makes a declaration of non-residence or other similar claim for exemption to the relevant tax authority or complies with any reasonable certification, documentation, information or other reporting requirement imposed by the relevant tax authority;
- with respect to any amounts of Withholding Taxes that the holder or beneficial owner of the Class B Preferred Securities or the Trust Preferred Securities can avoid or reduce by presenting the relevant Class B Preferred Securities or Trust Preferred Securities to another paying agent in a Member State of the European Union; or
- with respect to any amounts of Withholding Taxes that would not have been so imposed if the holder of the Class B Preferred Securities or Trust Preferred Securities would have presented the relevant Class B Preferred Securities or Trust Preferred Securities for payment within 30 days of the date that payment was due or became available for payment, except to the extent that such holder would have been entitled to such Additional Amounts on presenting such Class B Preferred Securities or Trust Preferred Securities for payment on the last day of such period of 30 days.

Voting and Enforcement Rights

The Class B Preferred Securities will have no voting rights except as expressly required by applicable law or except as indicated below. In the event the holders of the Class B Preferred Securities are entitled to vote as indicated below, each Class B Preferred Security shall be entitled to one vote on matters on which holders of the Class B Preferred Securities are entitled to vote. In the event that:

- (i) the Company fails to pay Capital Payments (plus Additional Amounts thereon, if any) on the Class B Preferred Securities at the Stated Rate in full as and when due for two consecutive Capital Payment Periods; or
- (ii) a holder of the Class B Preferred Securities has notified the Company that Postbank has failed to perform any obligation under the Support Undertaking and such failure continues for 60 days after such notice is given,

then the holders of a majority in liquidation preference amount of the Class B Preferred Securities will have the right to appoint an Independent Enforcement Director. The Independent Enforcement Director will be appointed by resolution passed by a majority in liquidation preference amount of the holders of the Class B Preferred Securities entitled to vote thereon, as described in the LLC Agreement, present in person or by proxy at a separate general meeting of the holders of the Class B Preferred Securities convened for that purpose (which will be called at the request of any holder of a Class B Preferred Security entitled to vote thereon) or by a consent in writing adopted by a majority in liquidation preference amount of the holders of the Class B Preferred Securities entitled to vote thereon. Any Independent Enforcement Director so appointed will vacate office if, in such Independent Enforcement Director's sole determination:

- (i) the Capital Payments (plus Additional Amounts thereon, if any) on the Class B Preferred Securities have been made on the Class B Preferred Securities at the Stated Rate in full by the Company as and when due for two consecutive Capital Payment Periods; and
- (ii) Postbank is in compliance with its obligations under the Support Undertaking.

Any such Independent Enforcement Director may be removed at any time, with or without cause by (and will not be removed except by) the vote of a majority in liquidation preference amount of the holders of the outstanding Class B Preferred Securities entitled to vote, at a meeting of the Company's securityholders, or of holders of the Class B Preferred Securities entitled to vote thereon, called for that purpose. If the office of the Independent Enforcement Director becomes vacant at any time during which the holders of a majority in liquidation preference amount of the Class B Preferred Securities are entitled to appoint an Independent Enforcement Director, the holders of a majority in liquidation preference amount of the Class B Preferred Securities will appoint an Independent Enforcement Director as provided above.

The Independent Enforcement Director will be an additional member of the Board of Directors referred to above and will have the sole authority, right and power to enforce and settle any claim of the Company under the Support Undertaking. However, the Independent Enforcement Director will have no right, power or authority to participate in the management of the business and affairs of the Company by the Board of Directors except for:

- actions related to the enforcement of the Support Undertaking on behalf of the holders of the Class B Preferred Securities, and
- the distribution of amounts paid pursuant to the Support Undertaking to the holders of the Class B Preferred Securities.

No director, including the Independent Enforcement Director, will be a resident of, or have his customary place of abode in, the Federal Republic of Germany.

So long as any Class B Preferred Securities are outstanding, the Company will not, without the affirmative vote of the holders of at least 66²/3% in aggregate liquidation preference amount of the Class B Preferred Securities, voting separately as a class (excluding any Class B Preferred Securities held by Postbank or any of its affiliates, other than the Trust),

- (i) amend, alter, repeal or change any provision of the LLC Agreement (including the terms of the Class B Preferred Securities) if such amendment, alteration, repeal or change would materially adversely affect the rights, preferences, powers or privileges of the Class B Preferred Securities,
- (ii) agree to modify or amend any provision of the Debt Securities, or waive any default in the payment of any amount under the Debt Securities, in any manner that would have a material adverse effect on the interests of the holders of the Class B Preferred Securities, or
- (iii) effect any merger, consolidation, or business combination involving the Company, or any sale of all or substantially all of the assets of the Company, *provided* that any such merger, consolidation, or business combination involving the Company, or any sale of all or substantially all of the assets of the Company also must comply with the requirements set forth under “– Mergers, Consolidations and Sales.”

The Company will not, without the unanimous consent of all the holders of the Class B Preferred Securities (excluding any Class B Preferred Securities held by Postbank or any of its affiliates, other than the Trust), issue any additional equity securities of the Company ranking senior to or *pari passu* with the Class B Preferred Securities as to periodic distribution rights or rights on liquidation or dissolution of the Company *provided*, however, that the Company may, from time to time, and without the consent of the holders of the Class B Preferred Securities, issue additional Class B Preferred Securities having the same terms and conditions as the Class B Preferred Securities (or in all respects except for the issue date, the date from which Capital Payments accrue on the Class B Preferred Securities, the issue price, and any other deviations required for compliance with applicable law) so as to form a single series with the Class B Preferred Securities in consideration for Debt Securities of a principal amount equal to the aggregate liquidation preference amount of such additional Class B Preferred Securities.

Notwithstanding that holders of the Class B Preferred Securities may become entitled to vote or consent under any of the circumstances described in the LLC Agreement or in the by-laws of the Company, any of the Class B Preferred Securities that are owned by Postbank, the Company or any of their respective affiliates (other than the

Trust), either directly or indirectly, will in such case not be entitled to vote or consent and will, for the purposes of such vote or consent, be treated as if they were not outstanding, except for Class B Preferred Securities purchased or acquired by Postbank or its subsidiaries or affiliates in connection with transactions effected by or for the account of customers of Postbank or any of its subsidiaries or affiliates or in connection with the distribution or trading of or market-making in connection with such Class B Preferred Securities in the ordinary course of business. However, certain persons (other than subsidiaries or affiliates of Postbank), excluding the Trust, to whom Postbank or any of its subsidiaries or affiliates have pledged Class B Preferred Securities may vote or consent with respect to such pledged Class B Preferred Securities to the extent permitted by the terms of such pledge.

Redemption of the Class B Preferred Securities

The Class B Preferred Securities are redeemable at the option of the Company, in whole but not in part, on any Capital Payment Date falling on or after the Initial Redemption Date. The Company will also have the right, at any time, to redeem the Class B Preferred Securities, in whole but not in part, upon the occurrence of a Company Special Redemption Event (i) at the Redemption Price, in the case of a Gross-up Event or (ii) upon the occurrence of any other Company Special Redemption Event, the Early Redemption Price, *plus*, in each case, Additional Amounts, if any.

The Class B Preferred Securities may only be redeemed for any reason if on the Redemption Date:

- (i) the Company has sufficient funds (by reason of the Debt Securities, Permitted Investments or the Support Undertaking) to pay the relevant redemption price and to pay in full an amount corresponding to the Capital Payments accrued and unpaid as of the Redemption Date, plus Additional Amounts, if any;
- (ii) the Debt Securities have been redeemed;
- (iii) Postbank has an amount of Distributable Profits at least equal to the Capital Payments on the Class B Preferred Securities accrued and unpaid as of the Redemption Date or the excess, if any, of the Make-Whole Amount over the aggregate liquidation preference amount of the Class B Preferred Securities, as applicable, plus, in each case, Additional Amounts, if any;
- (iv) no order of the BaFin (or any other relevant regulatory authority) is in effect prohibiting Postbank from making any distributions (including to the holders of Parity Securities, if any); and
- (v) all required regulatory approvals have been obtained.

In the event that payment of the relevant redemption price in respect of any Class B Preferred Securities, is improperly withheld or refused and not paid, Capital Payments on such Class B Preferred Securities will continue to accrue from the Redemption Date to the date of actual payment of such redemption price.

Any redemption of the Class B Preferred Securities, whether on a Capital Payment Date on or after the Initial Redemption Date or upon the occurrence of a Company Special Redemption Event, will not require the vote or consent of any of the holders of the Class B Preferred Securities.

Redemption Procedures

Notice of any redemption of the Class B Preferred Securities (a “**Redemption Notice**”) will be given by the Board of Directors on behalf of the Company by mail to the record holder of each Class B Preferred Security to be redeemed not fewer than 30 days before the date fixed for redemption, or such other time period as may be required by the relevant regulatory authorities. For purposes of the calculation of the Redemption Date and the dates on which notices are given pursuant to the LLC Agreement, a Redemption Notice will be deemed to be given on the day such notice is first mailed, by first-class mail, postage prepaid, to holders of the Class B Preferred Securities. Each Redemption Notice will be addressed to the holders of the Class B Preferred Securities at the address of each such holder appearing in the books and records of the Company. No defect in the Redemption Notice or in the mailing thereof with respect to any holder will affect the validity of the redemption proceedings with respect to any other holder.

If the Company gives a Redemption Notice (which notice shall be irrevocable) by 9:00 a.m., Central European time, on the Redemption Date, the Company, and the Class B Preferred Securities are in book-entry only form, will deposit irrevocably with the Principal Paying Agent funds sufficient to pay the relevant redemption price and will give the Principal Paying Agent irrevocable instructions and authority to pay the relevant redemption price in respect of the Class B Preferred Securities held through Euroclear or Clearstream, or if the Class B Preferred

Securities are held in definitive form, will deposit with the Principal Paying Agent funds sufficient to pay the applicable redemption price and will give to the Principal Paying Agent irrevocable instructions and authority to pay such amounts to the holders of the Class B Preferred Securities, upon surrender of their certificates, by check, mailed to the address of the relevant holder of the Class B Preferred Securities appearing on the books and records of the Company on the Redemption Date.

However, for so long as the Property Trustee holds the Class B Preferred Securities, payment will be made by wire in same day funds to the holder of the Class B Preferred Securities by 9:00 a.m., Central European time, on the Redemption Date. Upon satisfaction of the foregoing conditions, then immediately prior to the close of business on the date of payment, all rights of the holders of the Class B Preferred Securities so called for redemption will cease, except the right of the holders to receive the redemption price, but without interest on the redemption price, and from and after the date fixed for redemption, such Class B Preferred Securities will not accrue Capital Payments or bear interest.

If any Redemption Date that occurs before the Reset Date falls on a day that is not a Business Day, payment of all amounts otherwise payable on such date will be made on the first following Business Day without adjustment, interest or further payment as a result thereof. If any Redemption Date that occurs on or after the Reset Date falls on a day that is not a Business Day, such Redemption Date shall be postponed to the next succeeding Business Day, unless it would thereby fall into the next calendar month, in which case such Redemption Date shall be the immediately preceding Business Day.

Repurchase of Class B Preferred Securities

The Company may, subject to the LLC Act, from time to time repurchase or otherwise receive for cancellation outstanding Class B Preferred Securities from the Trust on such terms as an officer designated by the Board of Directors determines; *provided* that (i) so long as Trust Preferred Securities of the Trust are outstanding, the Trust has repurchased or otherwise received for cancellation Trust Preferred Securities in a like aggregate Liquidation Preference Amount, on the same terms (including payment of Capital Payments at the Stated Rate through the same date) as the Class B Preferred Securities being repurchased, (ii) Postbank has repurchased or otherwise cancelled an aggregate principal amount of the Initial Debt Securities equal to the aggregate liquidation preference amount of the Class B Preferred Securities being repurchased or cancelled on the same terms (including payment of accrued interest on the Initial Debt Securities through the same date), as the repurchase or cancellation of the Class B Preferred Securities and (iii) Postbank, the Trust and the Company have received all governmental authorizations required in connection with such transactions. All Class B Preferred Securities so repurchased or otherwise received will be cancelled and no longer deemed to be outstanding.

Liquidation Distribution

Upon liquidation of the Company, the holder of the Class A Preferred Security has a claim senior to that of the holders of the Class B Preferred Securities, and the holders of the Class B Preferred Securities have a claim senior to that of the holder of the Company Common Security; *provided* that any payments made by Postbank pursuant to the Support Undertaking will be payable by the Company solely to the holders of the Class B Preferred Securities. The holder of the Class A Preferred Security will be entitled to receive the Debt Securities or Permitted Investments (including accrued and unpaid interest thereon) as its liquidation distribution.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of the Class B Preferred Securities will, subject to the limitations described below, be entitled to receive the liquidation preference amount of such Class B Preferred Securities, plus, in each case, accrued and unpaid Capital Payments in respect of the current Capital Payment Period to, but excluding the date of liquidation, dissolution or winding up, and Additional Amounts, if any. The Company expects that the liquidation distribution to the holders of the Class B Preferred Securities will be paid out of funds received from the Support Undertaking. The holders of the Class B Preferred Securities will be entitled to receive their liquidation distribution before any distribution of assets is made to the holder of the Company Common Security. Under the terms of the LLC Agreement and to the fullest extent permitted by law, the Company will not be dissolved until all obligations under the Support Undertaking have been paid in full pursuant to its terms.

Mergers, Consolidations and Sales

The Company may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, any corporation or other body, except as described below. The Company may, with the consent of the holders of the Class B Preferred Securities, consolidate, amalgamate, merge with or into, or be replaced by a limited partnership, limited liability company or trust organized as such under the laws of any state of the United States of America, *provided* that:

- such successor entity either expressly assumes all of the obligations of the Company under the Class B Preferred Securities or substitutes for the Class B Preferred Securities other securities having substantially the same terms as the Class B Preferred Securities (the “**Company Successor Securities**”) so long as the Company Successor Securities are not junior to any equity securities of the successor entity, with respect to participation in the profits, distributions and assets of the successor entity, except that they may rank junior to the Class A Preferred Security or any successor Class A Preferred Security to the same extent that the Class B Preferred Securities rank junior to the Class A Preferred Security;
- Postbank expressly acknowledges such successor entity as the holder of the Debt Securities and holds, directly or indirectly, all of the voting securities (within the meaning of Rule 3a-5 under the 1940 Act) of such successor entity;
- such consolidation, amalgamation, merger or replacement does not adversely affect the powers, preferences and other special rights of the holders of the Trust Preferred Securities or Class B Preferred Securities (including any Company Successor Securities) in any material respect;
- such successor entity has a purpose substantially identical to that of the Company;
- prior to such consolidation, amalgamation, merger or replacement, the Company has received an opinion of a nationally recognized law firm in the United States of America experienced in such matters to the effect that:
 - such successor entity will be treated as a partnership, and will not be classified as an association or a publicly traded partnership taxable as a corporation, for U.S. federal income tax purposes,
 - such consolidation, amalgamation, merger or replacement would not cause the Trust to be classified as other than a grantor trust for U.S. federal income tax purposes,
 - following such consolidation, amalgamation, merger or replacement, such successor entity will not be required to register under the 1940 Act, and
 - such consolidation, amalgamation, merger or replacement will not adversely affect the limited liability of the holders of the Class B Preferred Securities; and
- Postbank provides an undertaking to the successor entity under the Company Successor Securities equivalent to that provided by the Support Undertaking with respect to the Class B Preferred Securities.

Book-entry and Settlement

If the Class B Preferred Securities are distributed to holders of the Trust Preferred Securities in connection with the involuntary or voluntary liquidation, dissolution, winding up or termination of the Trust, the Company and Postbank will use reasonable efforts to arrange for the Class B Preferred Securities to be issued in the form of one or more global certificates (each a “**Global Security**”) registered in the name of the nominee of Euroclear and Clearstream. As of the date of this Prospectus, the description herein of Euroclear and Clearstream’s book-entry system and practices as they relate to purchases, transfers, notices and payments with respect to the Trust Preferred Securities will apply in all material respects to any Class B Preferred Securities represented by one or more Global Securities.

Registrar and Transfer Agent

Deutsche Bank Aktiengesellschaft, Frankfurt am Main will also act as the registrar/transfer agent for the Class B Preferred Securities. Registration of transfers of the Class B Preferred Securities will be effected without charge by or on behalf of the Company, but upon payment (with the giving of such indemnity as the registrar/transfer agent for the Class B Preferred Securities may require) in respect of any tax or other governmental charges that may be imposed in relation to it. After such Class B Preferred Securities have been called for redemption, the registrar/transfer agent for the Class B Preferred Securities will not be required to register or cause to be registered the transfer of the Class B Preferred Securities.

Governing Law

The LLC Agreement and the Class B Preferred Securities will be governed by, and construed in accordance with, the laws of the State of Delaware, United States of America.

Miscellaneous

The Board of Directors is authorized and directed to conduct the affairs of the Company in such a way that (i) the Company will not be deemed to be required to register under the 1940 Act, and (ii) the Company will not be treated as an “association” or as a “publicly traded partnership” (within the meaning of Section 7704 of the Code) taxable as a corporation for U.S. federal income tax purposes. In this connection, the Board of Directors is authorized to take any action, not inconsistent with applicable law or the LLC Agreement, that the Board of Directors determines in its discretion to be necessary or desirable for such purposes, so long as such action does not adversely affect the interests of the holders of the Class B Preferred Securities.

The Class B Preferred Securities may not be purchased by or transferred to any employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, any plan or arrangement subject to Section 4975 of the Code, or any entity whose underlying assets include the assets of any such employee benefit plans, plans or arrangements.

DESCRIPTION OF THE SUPPORT UNDERTAKING

The following summary sets forth the material terms and provisions of the Support Undertaking. This summary is qualified in its entirety by reference to the terms and provisions of such agreement, which is included herein as Appendix A.

Postbank and the Company will enter into the Support Undertaking prior to the issuance of the Class B Preferred Securities, pursuant to which Postbank will undertake that (i) the Company will at all times be in a position to meet its obligations if and when such obligations are due and payable, including Capital Payments declared (or deemed declared) on the Class B Preferred Securities and any payment due on redemption of the Class B Preferred Securities (plus, in each case, Additional Amounts thereon, if any) and (ii) in liquidation or dissolution of the Company, the Company will have sufficient funds to pay the liquidation preference amounts of the Class B Preferred Securities, plus any accrued and unpaid Capital Payments for the then current Capital Payment Period up to, but excluding, the date of liquidation or dissolution, and Additional Amounts, if any. Postbank will also undertake not to give any guarantee or similar undertaking with respect to, or enter into any other agreement relating to the support of, any other preference shares or similar instruments of any other affiliated entity that would rank senior in any regard to the Support Undertaking, unless the Support Undertaking is amended so that it ranks at least *pari passu* with and contains substantially equivalent rights of priority as to payment as any such other guarantee or other support agreement. So long as any Class B Preferred Securities remain outstanding, the Support Undertaking may not be modified or terminated without the consent of the holders of the Class B Preferred Securities except for such modifications that are not adverse to the interests of the holders of the Class B Preferred Securities.

The Support Undertaking is not a guarantee of any kind that the Company will at any time have sufficient assets to declare a Capital Payment or other distribution.

Postbank's obligations under the Support Undertaking will be subordinated to all senior and subordinated debt obligations of Postbank (including profit participation rights (*Genussrechte*)), will rank at least *pari passu* with each class of the most senior ranking preference shares, if any, and other instruments of Postbank qualifying as Tier I regulatory capital, and will rank senior to any other preference shares and the common stock of Postbank.

The holders of the Class B Preferred Securities will be third-party beneficiaries of the Support Undertaking. As titleholder of the Class B Preferred Securities for the benefit of the holders of the Trust Securities, the Property Trustee will have the power to exercise all rights, powers and privileges with respect to the Class B Preferred Securities under the Support Undertaking. If a holder of the Class B Preferred Securities has notified the Company that Postbank has failed to perform any obligation under the Support Undertaking, and such failure continues for 60 days or more after such notice is given, the holders of a majority in liquidation preference amount of the Class B Preferred Securities (and, accordingly, the holders of the Trust Preferred Securities representing Class B Preferred Securities acting through the Property Trustee) will have the right to appoint the Independent Enforcement Director, who will be required to enforce the rights of the Company under the Support Undertaking.

All payments under the Support Undertaking will be distributed by the Company *pro rata* to holders of the Class B Preferred Securities until the holders of the Class B Preferred Securities receive the full amount payable under the Class B Preferred Securities. So long as the Trust holds Class B Preferred Securities, the Property Trustee will distribute such payments received by the Trust to the holders of the Trust Preferred Securities *pro rata*.

The Support Undertaking will be governed by the laws of the Federal Republic of Germany.

DESCRIPTION OF THE INITIAL DEBT SECURITIES

The following summary sets forth the material terms and provisions of the Initial Debt Securities. This summary is qualified in its entirety by reference to the terms and provisions of the Initial Debt Securities.

General

The Principal Amount of the Initial Debt Securities will be €500,076,000 and will be equal to the sum of the aggregate liquidation preference amount of the Class B Preferred Securities plus certain amounts contributed by Postbank in return for the Class A Preferred Security and the Company Common Security. The proceeds from the issuance of the Class B Preferred Securities, together with the €1,000 contributed by Postbank in return for the Class A Preferred Security and €25,000 contributed by Postbank for the Company Common Security, will be used by the Company to purchase the Initial Debt Securities. The purchase of the Initial Debt Securities will occur contemporaneously with the issuance of the Class B Preferred Securities. The Initial Debt Securities will not be listed on any stock exchange.

The Initial Debt Securities will consist of an issue of subordinated notes issued by Postbank, which will mature on June 29, 2037 (the “**Maturity Date**”); *provided*, however, that the Initial Debt Securities will not include any obligation of Postbank shown as a liability on the books of a U.S. branch of Postbank.

Interest will accrue on the Principal Amount of the Initial Debt Securities (i) from and including the Issue Date to but excluding the Reset Date, at a fixed rate of at least 5.983% per annum, payable annually in arrears on June 29 of each year (including on the Reset Date) and (ii) for each Interest Payment Period commencing on or after the Reset Date at a rate at least 2.07% above the 3-month EURIBOR, payable quarterly in arrears on March 29, June 29, September 29 and December 29 of each year. For each Interest Payment Period ending prior to the Reset Date, interest will be calculated on the basis of the actual number of days elapsed, divided by the actual number of days (365 or 366) in the relevant Interest Payment Period. For each Interest Payment Period beginning on or after the Reset Date, interest will be calculated on the basis of the actual number of days elapsed in a 360-day year.

If any Interest Payment Date or any Debt Redemption Date that occurs on or before the Reset Date falls on a day that is not a Business Day, the relevant payment will be payable on the first following Business Day without adjustment, interest or further payment as a result thereof. If any Interest Payment Date or any Debt Redemption Date that occurs after the Reset Date falls on a day that is not a Business Day, such Interest Payment Date or Debt Redemption Date shall be postponed to the next succeeding Business Day, unless it would thereby fall into the next calendar month, in which case such Interest Payment Date or Debt Redemption Date shall be the immediately preceding Business Day.

Payment of interest on the Initial Debt Securities and any repayment upon redemption thereof will be made without deduction or withholding for Withholding Taxes imposed by the Federal Republic of Germany or the jurisdiction of residence of any obligor of the Initial Debt Securities or any other jurisdiction from which such payment is made or, in each case, any political subdivision or authority therein or thereof unless such deduction or withholding is required by law. In such event, Postbank or any other obligor will pay as additional interest such amounts (“**Additional Interest Amounts**”) as may be necessary in order that the net amounts received by the Company will equal the amounts that otherwise would have been received had no such withholding or deduction been required; *provided* that the obligation of Postbank or such obligor to pay such Additional Interest Amounts will not apply:

- with respect to any amounts of Withholding Taxes that are payable by reason of the holder of the Initial Debt Securities having some connection with any Relevant Jurisdiction other than by reason only of the mere holding of the Initial Debt Securities;
- with respect to any amounts of Withholding Taxes if such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- with respect to any amounts of Withholding Taxes imposed on account of any inheritance, thrift, estate personal property, sales or transfer taxes, or on account of any taxes that are payable otherwise than by withholding from payments in respect of the Initial Debt Securities

The Initial Debt Securities will not be redeemable prior to June 29, 2017, except as set forth below. Subject to having obtained any required regulatory approvals, Postbank may cause the redemption of the Initial Debt

Securities, in whole but not in part, prior to June 29, 2017, upon: (i) the occurrence of a Company Special Redemption Event and the election of the Company to redeem the Class B Preferred Securities and (ii) at least 30 days' prior notice at a redemption price equal to:

- the Principal Amount of the Initial Debt Securities in the case of a Gross-Up Event, or
- upon the occurrence of any other Company Special Redemption Event, at the greater of (i) the Principal Amount of the Initial Debt Securities or (ii) the Debt Make-Whole Amount

plus, in each case, accrued and unpaid interest and Additional Interest Amounts, if any.

Exercise of Postbank's redemption right, as described below, is conditioned upon replacement of the Principal Amount to be redeemed by paying in other, at least equivalent own funds (*haftendes Eigenkapital*) within the meaning of the German Banking Act (*Kreditwesengesetz*), or prior approval of the BaFin of such early redemption.

Subject to having obtained any required regulatory approvals, Postbank may also, at its option, redeem the Initial Debt Securities, in whole but not in part, on any Interest Payment Date on or after the Initial Debt Redemption Date, upon at least 30 days' prior notice, *provided* that the Company is permitted under the LLC Agreement and has elected to redeem the Class B Preferred Securities. Such redemption of the Initial Debt Securities will be at a redemption price at least equal to the Principal Amount plus any accrued and unpaid interest up to, but excluding, the Debt Redemption Date and Additional Interest Amounts, if any.

In the event of any default in payment or the default in performance of any other covenant of Postbank on the Initial Debt Securities, the Company will enforce its rights for payment of any overdue amounts, but will not be able to accelerate the maturity of the Initial Debt Securities.

Subordination

The Initial Debt Securities constitute direct, unconditional, unsecured and subordinated obligations of Postbank ranking *pari passu* with all other subordinated obligations of Postbank. In the event of dissolution, liquidation, bankruptcy, composition or other proceedings for the avoidance of bankruptcy of, or against, Postbank, such obligations will be subordinated to the claims of all unsubordinated creditors of Postbank so that in any event no amounts shall be payable under such obligations until the claims of all unsubordinated creditors of Postbank shall have been satisfied in full.

The Company, as the holder of the Initial Debt Securities, will also agree by its acceptance thereof that it waives any rights it may have to set off claims under the Initial Debt Securities against claims Postbank may have against it. Pursuant to § 10, subparagraph (5a) of the German Banking Act (*Kreditwesengesetz*), if Postbank repurchases or repays the Initial Debt Securities prior to a date on which such repurchase or repayment is permitted under the terms thereof, notwithstanding any agreements to the contrary, any amounts so paid to a holder of the Initial Debt Securities must be returned to Postbank unless the Principal Amount is replaced with at least equivalent own funds (*haftendes Eigenkapital*), or prior approval of the BaFin has been granted.

The obligations of Postbank under the Initial Debt Securities may not be secured by any lien, security interest or other encumbrance on any property of Postbank or any other person and, except as permitted by applicable law, Postbank will not, directly or indirectly, acquire for its own account, finance for the account of any other person the acquisition of, or accept as security for any obligation owed to it, any of the Initial Debt Securities. Postbank is also prohibited from amending the terms of the Initial Debt Securities to limit the subordination provisions or change the Initial Redemption Date to an earlier date.

Substitution

At any time, Postbank will have the right to (i) substitute as obligor of the Debt Securities any Qualified Subsidiary, or (ii) replace the Debt Securities with Substitute Debt Securities issued by Postbank (including on behalf of a branch other than a U.S. branch) or by a Qualified Subsidiary (including on behalf of a branch other than a U.S. branch), in each case, with identical terms to those of the Initial Debt Securities; *provided*, in each case, that (a) such substitution or replacement does not result in a Company Special Redemption Event, (b) Postbank, unless it itself is the substitute obligor, guarantees on a subordinated basis that ranks at least *pari passu* with the Initial Debt Securities the obligations of the substitute obligor (as provided below), (c) Postbank has obtained any required regulatory approvals and (d) for this purpose, a Qualified Subsidiary does not include a subsidiary organized under the laws of the United States of America or any of its states.

In the event that Postbank is not the substitute obligor, Postbank shall guarantee the principal of and interest on the Substitute Debt Securities. The obligations of Postbank under such guarantee will be subordinated in the event of liquidation of Postbank to all obligations of Postbank that are not subordinated. All payments by

Postbank under such guarantee will be made by Postbank without withholding or deduction for Withholding Taxes unless such deduction or withholding is required by law. In such event, Postbank or any other obligor will pay Additional Interest Amounts as may be necessary in order that the net amounts received by the Company will equal the amounts that otherwise would have been received had no such withholding or deduction been required; *provided* that the obligation of Postbank or such obligor to pay such Additional Interest Amounts shall not apply:

- with respect to any amounts of Withholding Taxes that are payable by reason of the holder of the Substitute Debt Securities having some connection with any Relevant Jurisdiction other than by reason only of the mere holding of the Substitute Debt Securities;
- with respect to any amounts of Withholding Taxes if such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- with respect to any amounts of Withholding Taxes imposed on account of any inheritance, thrift, estate, personal property, sales or transfer taxes, or on account of any taxes that are payable otherwise than by withholding from payments in respect of the Substitute Debt Securities.

Redemption and Reinvesting of Proceeds

After the Maturity Date, if the Class B Preferred Securities have not been redeemed, the Company will invest the net proceeds from the repayment of the Debt Securities in Permitted Investments. The Company will attempt to purchase Permitted Investments on terms that are the best available in relation to providing funds for the payment of Capital Payments and the redemption of the Class B Preferred Securities:

- debt obligations of one or more Qualified Subsidiaries, unconditionally guaranteed by Postbank (which may act through a non-German branch), on a basis that ranks at least *pari passu* with the Initial Debt Securities, or
- in United States Treasury securities.

Governing Law

The Initial Debt Securities will be governed by the laws of the Federal Republic of Germany.

DEUTSCHE POSTBANK FUNDING TRUST IV

The Trust is a statutory trust formed under the Trust Act, pursuant to the declaration of trust executed by the Company, as sponsor, the Property Trustee and the Delaware Trustee, and the filing of a certificate of trust with the Secretary of State of the State of Delaware on June 1, 2007. Such declaration of trust will be amended and restated in its entirety prior to the issuance of the Trust Preferred Securities to reflect the terms of the Trust Preferred Securities (as so amended and restated, the “**Trust Agreement**”). The Delaware file number of the Trust is SRV 070660476-4362713.

A Postbank Group Company will be the holder of the Trust Common Security representing a capital contribution in respect thereof equal to €50,000. The Trust Common Security will rank *pari passu*, and payments thereon will be made *pro rata*, with the Trust Preferred Securities, except that in liquidation and in certain circumstances described under “Description of the Trust Securities – Ranking of the Trust Common Security,” the rights of the holder of the Trust Common Security to periodic distributions and to payments and distributions upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the Trust Preferred Securities.

The Trust will use the proceeds derived from the issuance of the Trust Securities to purchase the Class B Preferred Securities from the Company, and, accordingly, the assets of the Trust will consist solely of the Class B Preferred Securities. The Trust exists for the sole purposes of (i) issuing the Trust Securities representing undivided beneficial ownership interests in the Class B Preferred Securities, (ii) investing the proceeds from the issuance of the Trust Securities in the Class B Preferred Securities, and (iii) engaging in those other activities necessary or incidental thereto. The Trust may also, from time to time, issue additional Trust Preferred Securities, *provided* it receives from the Company an equal number of additional Class B Preferred Securities.

Pursuant to the Trust Agreement, there will be five trustees (the “**Trustees**”) of the Trust. Three of the Trustees will be individuals who are employees or officers of PB Capital Corporation (the “**Regular Trustees**”). The fourth Trustee, the “**Property Trustee**”, will be a financial institution that is unaffiliated with Postbank. The fifth Trustee will be the “**Delaware Trustee**.” Deutsche Bank Trust Company Americas, a New York banking corporation, will act as Property Trustee, and Deutsche Bank Trust Company Delaware, a Delaware banking corporation, will act as Delaware Trustee, until, in each case, removed or replaced by the holder of the Trust Common Security.

The Property Trustee will hold title to the Class B Preferred Securities for the benefit of the holders of the Trust Securities, and the Property Trustee will have the power to exercise all rights, powers and privileges with respect to the Class B Preferred Securities under the LLC Agreement. In addition, the Property Trustee will maintain exclusive control of the Property Account to hold all payments made in respect of the Class B Preferred Securities for the benefit of the holders of the Trust Securities. A Postbank Group Company, as the holder of the Trust Common Security, will have the right to appoint, remove or replace any of the Trustees and to increase or decrease the number of Trustees, *provided* that at least one Trustee will be the Delaware Trustee, at least one Trustee will be the Property Trustee and at least one Trustee will be a Regular Trustee.

For so long as the Trust Preferred Securities remain outstanding, Postbank will covenant (i) that the Trust Common Security will be held by a Postbank Group Company, (ii) to cause the Trust to remain a statutory trust, (iii) to use its commercially reasonable efforts to ensure that the Trust will not be classified as other than a grantor trust for U.S. federal income tax purposes and (iv) to the fullest extent permitted by law, not to permit the dissolution, liquidation, termination or winding-up of the Trust, unless a Trust Special Redemption Event or a Company Special Redemption Event occurs, or the Company is itself in liquidation and the regulatory approvals necessary therefor have been obtained.

The rights of the holders of the Trust Preferred Securities, including economic rights, rights to information and voting rights, are as set forth in the Trust Agreement and the Trust Act. See “Description of the Trust Securities.”

Under the services agreement among the Trust, the Company and the Servicer (the “**Services Agreement**”), the Servicer will be obligated, among other things, to provide tax and other administrative services to the Trust and the Company.

The Trust is not currently and has not been since its formation the subject of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trust is aware), which may have or have had in the recent past, significant effects on the Trust’s financial position or profitability.

Other than in connection with the Transaction, the Trust has not entered into any material contracts that are not entered into in the ordinary course of business.

The initial Regular Trustees will be Kurt Sachs, Jeffrey Frost, and Martha Rebecca Robertson. The Trustees have no conflict of interest between their duty to the Trust and/or their private interest and/or other duties. The address of all Regular Trustees is the principal executive office of the Trust, c/o PB Capital Corporation, 230 Park Avenue, New York, New York 10169, United States of America, telephone ++1-212-756-5500.

The location of the offices of the Property Trustee is Deutsche Bank Trust Company Americas, 60 Wall Street – MSNYC60-2710, New York, New York 10005, United States of America. The location of the offices of the Delaware Trustee is Deutsche Bank Trust Company Delaware, 1011 Centre Road, Suite 200, Wilmington, Delaware 19805, United States of America.

The financial year of the Trust corresponds to the calendar year. Unless required by applicable law or regulations, the accounts of the Trust will not be audited.

The Trust has not prepared an opening balance sheet because it has not engaged in any business activities before the consummation of the sale of the Trust Preferred Securities and, therefore, any information to be included in an opening balance sheet other than the information included in the following capitalization table of the Trust would be of minor importance for the offer of the Trust Preferred Securities and would not influence the assessment of the financial position and prospectus of the Trust as set out in Art. 10(2)(c) of the Luxembourg Law on Prospectuses for Securities.

The following table sets forth the capitalization of the Trust as of the date hereof and as adjusted to reflect the consummation of the sale of the Trust Preferred Securities and the use of the proceeds therefrom as described under “General Information – Use of Proceeds.”

Capitalization of the Trust

	June 29, 2007	
	Actual	As Adjusted
	_____	_____
	(€in thousands)	
Debt		
Total debt	0	0
Securityholders’ interests		
Trust Preferred Securities; none issued and outstanding, actual; and 10,000 securities authorized, 10,000 securities issued and outstanding, as adjusted	0	500,000
Trust Common Security; none issued and outstanding, actual; and 1 Trust Common Security authorized, 1 Trust Common Security issued and outstanding, as adjusted	0	50
Total securityholders’ interests.....	0	500,050
	_____	_____
Total capitalization	0	500,050
	=====	=====

There has been no material change in the capitalization of the Trust since its creation, except as disclosed in the above table.

DEUTSCHE POSTBANK FUNDING LLC IV

The Company is a limited liability company that was formed under the LLC Act on June 1, 2007 pursuant to an initial limited liability company agreement (as subsequently amended and restated, the “**LLC Agreement**”) and the filing of a certificate of formation of the Company with the Secretary of State of the State of Delaware. Pursuant to the LLC Agreement, the Company will issue two classes of preferred securities representing limited liability company interests in the Company, the Class A Preferred Security and the Class B Preferred Securities, and one class of common security representing limited liability company interests in the Company, the Company Common Security. The Property Trustee will initially hold 100% of the issued and outstanding Class B Preferred Securities. A Postbank Group Company will hold the issued and outstanding Company Common Security and the Class A Preferred Security.

The sole purposes of the Company are (i) to issue the Class A Preferred Security, the Class B Preferred Securities and the Company Common Security, (ii) to invest the proceeds thereof in the Initial Debt Securities, (iii) upon any redemption of the Initial Debt Securities prior to the Maturity Date, which does not involve a redemption of the Class B Preferred Securities, to accept Substitute Debt Securities issued by Postbank (including on behalf of a branch other than a U.S. branch) or by a Qualified Subsidiary (other than a U.S. Qualified Subsidiary) (including on behalf of a branch other than a U.S. branch) in replacement for the Initial Debt Securities, so long as any such reinvestment does not result in a Company Special Redemption Event, (iv) in the event of any default on the Debt Securities, to enforce its rights for payment of any overdue amounts, (v) after the Maturity Date, if the Class B Preferred Securities have not been redeemed, to invest in Permitted Investments, (vi) to enter into and, in certain circumstances, to enforce the Support Undertaking for the sole benefit of the holders of the Class B Preferred Securities, and (vii) to engage in those other activities necessary or incidental thereto.

The Company may also, from time to time and without the consent of the holders of the Class B Preferred Securities, issue additional Class B Preferred Securities having the same terms and conditions as the Class B Preferred Securities (in all respects except for the issue date, the date from which Capital Payments accrue on the Class B Preferred Securities, the issue price, and any other deviations required for compliance with applicable law) so as to form a single series with the Class B Preferred Securities in consideration for Debt Securities of a principal amount equal to the aggregate liquidation preference amount of such additional Class B Preferred Securities.

For so long as the Class B Preferred Securities remain outstanding, the LLC Agreement provides that: (i) the Company will remain a limited liability company and, to the fullest extent permitted by law, will not voluntarily or involuntarily liquidate, dissolve, wind up or be terminated, except as permitted by the LLC Agreement; (ii) Postbank and the Company will use commercially reasonable efforts to ensure that the Company will not be an association or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes; (iii) Postbank undertakes that a Postbank Group Company will maintain sole ownership of the Company Common Security and the Class A Preferred Security; and (iv) a Postbank Group Company may transfer the Company Common Security or the Class A Preferred Security only to another Postbank Group Company, *provided* that prior to such transfer it has received an opinion of a nationally recognized law firm in the United States of America experienced in such matters to the effect that (A) the Company will continue to be treated as a partnership, and not as an association or publicly traded partnership taxable as a corporation, for U.S. federal income tax purposes, (B) such transfer will not cause the Company to be required to register under the 1940 Act, and (C) such transfer will not adversely affect the limited liability of the holders of the Class B Preferred Securities.

The rights of the holders of the Class B Preferred Securities, including economic rights, rights to information and voting rights, are set forth in the LLC Agreement and the LLC Act. See “Description of the Company Securities – Class B Preferred Securities.”

The Company’s business and affairs will be conducted by its Board of Directors, which initially will consist of four members, elected by Postbank as initial holder of the Company Common Security. However, in the event that:

- any event causing a liquidation or dissolution of the Company has occurred, or
- the Company fails to pay Capital Payments (including any Additional Amounts thereon, if any) as and when due on the Class B Preferred Securities at the Stated Rate in full for two consecutive Capital Payment Periods; or
- a holder of the Class B Preferred Securities has notified the Company that Postbank has failed to perform any obligation under the Support Undertaking and such failure continues for 60 days after such notice is given,

then the holders of a majority in liquidation preference amount of the Class B Preferred Securities will have the right to appoint an Independent Enforcement Director. The Independent Enforcement Director's term will end if, in such Independent Enforcement Director's sole determination, Capital Payments have been made on the Class B Preferred Securities at the Stated Rate in full for two consecutive Capital Payment Periods after the first Capital Payment Period and Postbank is in compliance with its obligations under the Support Undertaking.

So long as any Class B Preferred Securities are outstanding, the Company will not, without the vote of the holders of at least 66²/₃% in aggregate liquidation preference amount of the Class B Preferred Securities, voting separately as a class (excluding any Class B Preferred Securities held by Postbank or any of its affiliates, other than the Trust), (i) amend, alter, repeal or change any provision of the LLC Agreement (including the terms of the Class B Preferred Securities) if such amendment, alteration, repeal or change would materially adversely affect the rights, preferences, powers or privileges of the Class B Preferred Securities, (ii) agree to modify or amend any provision of the Debt Securities, or waive any default in the payment of any amount under the Debt Securities, in any manner that would have a material adverse effect on the interests of the holders of the Class B Preferred Securities, or (iii) effect any merger, consolidation, or business combination involving the Company, or any sale of all or substantially all of the assets of the Company, *provided* that any such merger, consolidation, or business combination involving the Company, or any sale of all or substantially all of the assets of the Company also must comply with the requirements set forth under "Description of the Company Securities – Mergers, Consolidations and Sales."

The Company will not, without the consent of all the holders of the Class B Preferred Securities (excluding any Class B Preferred Securities held by Postbank or any of its affiliates, other than the Trust), issue any additional securities of the Company ranking senior to or *pari passu* with the Class B Preferred Securities as to periodic distribution rights or rights on liquidation or dissolution of the Company, *provided*, however, that the Company may, from time to time, issue additional Class B Preferred Securities in consideration for Debt Securities of a principal amount equal to the aggregate liquidation preference amount of such additional Class B Preferred Securities.

After the Maturity Date of the Initial Debt Securities, if the Class B Preferred Securities have not been redeemed, the Company will invest in Permitted Investments. The Company will select for purchase Permitted Investments on terms that are the best available in relation to providing funds for the payment of Capital Payments, any Additional Amounts and the redemption price of the Class B Preferred Securities:

- debt obligations of one or more Qualified Subsidiaries of Postbank, unconditionally guaranteed by Postbank on a subordinated basis that rank at least *pari passu* with the Initial Debt Securities, or
- United States Treasury securities,

provided, in each case, that such investment does not result in a Company Special Redemption Event.

The Company will also enter into the Services Agreement with the Trust and the Servicer, under which the Servicer will be obligated, among other things, to provide tax and other administrative services to the Company and the Trust. The fees and expenses of the Trust and the Company, including any taxes, duties, assessments or governmental charges of whatever nature (other than Withholding Taxes) imposed by the Federal Republic of Germany, the United States of America or any other taxing authority upon the Company or the Trust, the fees and expenses of the Servicer, and all other obligations of the Company and the Trust (other than with respect to the Trust Securities or the Company Securities) will be paid by the Company.

The holders of the Class B Preferred Securities are third-party beneficiaries of the Support Undertaking between Postbank and the Company. See "Description of the Support Undertaking."

The Company is not currently and has not been since its formation the subject of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have or have had in the recent past, significant effects on the Company's financial position or profitability.

Other than the agreements in connection with the Transaction, the Company has not entered into any material contracts that are not entered into in the ordinary course of the Company's business.

The initial directors of the Company will be Kurt Sachs, Jeffrey Frost, Martha Rebecca Robertson and Coleman Gregory. The initial officers of the Company will be Kurt Sachs, Jeffrey Frost, Martha Rebecca Robertson and Coleman Gregory. The initial directors and officers of the Company have no conflict of interest between their duty to the Company and/or their private interest and/or other duties. The location of the principal executive offices of the Company is c/o PB Capital Corporation, 230 Park Avenue, New York, New York 10169, United States of America.

The financial year of the Company corresponds to the calendar year.

The following table sets forth the capitalization of the Company as of the date hereof and as adjusted to reflect the consummation of the sale of the Trust Preferred Securities and the use of the proceeds therefrom as described under “General Information – Use of Proceeds.”

Capitalization of the Company

	June 29, 2007	
	Actual	As Adjusted
	(€in thousands)	
Debt		
Total long-term debt	0	0
Securityholders' equity		
Class B Preferred Securities; none issued and outstanding, actual; and 10,001 Class B Preferred Securities authorized, 10,001		
Class B Preferred Securities issued and outstanding, as adjusted.....	0	500,050
Class A Preferred Security; none issued and outstanding, actual; and 1 Class A Preferred Security authorized, 1 Class A Preferred Security issued and outstanding, as adjusted.....	0	1
Company Common Security, none issued and outstanding, actual; and 1 Company Common Security authorized, 1 Company Common Security issued and outstanding, as adjusted.....	0	25
Total securityholders' interests.....	0	500,076
Total capitalization	0	500,076
	=====	=====

There has been no material change in the capitalization of the Company since its formation, except as disclosed in the above table.

CAPITALIZATION OF POSTBANK AND POSTBANK GROUP

The following tables show the unaudited consolidated and unconsolidated capitalization of Postbank as well as the regulatory capital in accordance with the German Banking Act (*Gesetz über das Kreditwesen*) and the German Solvency Regulation (*Solvabilitätsverordnung*). For more information on the consolidated financial position of Postbank as of March 31, 2007, see the Group Interim Report as per March 31, 2007 incorporated by reference herein. See “Incorporation by Reference”.

	As of March 31, 2007	
	Actual	As adjusted ⁽²⁾
	(€ in millions)	
Capitalization (consolidated)⁽¹⁾		
Amounts owed to other banks ⁽³⁾	13,089	13,089
Amounts owed to customers ⁽³⁾	31,006	31,006
Securitized obligations ⁽³⁾	7,637	7,637
Subordinated liabilities	5,162	5,662
Shareholders' equity:		
Share capital	410	410
Share premium	1,159	1,159
Retained earnings	3,531	3,531
Unappropriated surplus	144	144
Minority interest	2	2
Total shareholders' equity	5,246	5,246
Total capitalization	190,066	190,566

(1) In accordance with IFRS.

(2) Adjusted to reflect the completion of the Offering.

(3) Total capitalization includes amounts owed to banks, amounts owed to customers and securitized obligations with remaining contractual terms of at least one year.

As of March 31, 2007		
	Actual	As adjusted ⁽²⁾
	(€ in millions)	
Capitalization (unconsolidated)⁽¹⁾		
Amounts owed to other banks ⁽³⁾	7,790	7,790
Amounts owed to customers ⁽³⁾	12,512	12,512
Securitized obligations ⁽³⁾	5,643	5,643
Subordinated liabilities	4,354	4,854
Shareholders' equity:		
Share capital	410	410
Contributions of silent partners	51	51
Share premium	1,159	1,159
Retained earnings	591	591
Other reserves	-	-
Reserves for own shares	-	-
Profit/loss carry forward	262	262
Unappropriated surplus	42	42
Total shareholders' equity	2,515	2,515
Total capitalization	28,460	28,960
Contingent liabilities		
Irrevocable loan commitments	19,486	19,486

(1) In accordance with the German Commercial Code (*HGB*).

(2) Adjusted to reflect the completion of the Offering.

(3) Total capitalization includes amounts owed to banks, amounts owed to customers and securitized obligations with remaining contractual terms of at least one year.

As of March 31, 2007

	Actual	As adjusted ⁽¹⁾
	(€ in millions)	
Regulatory capital of the Postbank Group pursuant to BIS		
Core capital (Tier 1)	4,694	5,194
thereof: Hybrid capital (Trust Preferred Securities)	1,151	1,651
Supplementary capital (Tier 2)	3,392	3,392
Tier 3 capital	0	0
Total regulatory capital – Postbank Group	8,086	8,586

(1) Adjusted to reflect the completion of the Offering.

POSTBANK GROUP

General Information on Postbank

Postbank is a stock corporation incorporated under German law. Until 1989, Postbank formed an undifferentiated part of Deutsche Bundespost, a special asset and agency (*Sondervermögen*) of the Federal Republic of Germany. In 1989, Deutsche Bundespost was reorganized into three parts, Deutsche Bundespost POSTDIENST, Deutsche Bundespost POSTBANK and Deutsche Bundespost TELEKOM. In 1990, Postbank of the former German Democratic Republic was integrated into Deutsche Bundespost POSTBANK. Deutsche Bundespost POSTBANK was then incorporated on December 20, 1994 for an unlimited duration, as a stock corporation under German law under the corporate name “Deutsche Postbank AG” by virtue of the “Act on the Conversion of the Enterprises of Deutsche Bundespost into a Stock Corporation” (*Gesetz zur Umwandlung der Unternehmen der Deutschen Bundespost in die Rechtsform der Aktiengesellschaft*) of September 14, 1994, and, by statutory provision, obtained a full banking license in the Federal Republic of Germany. On January 2, 1995, Postbank was registered with the commercial register of the Local Court of Bonn (*Amtsgericht Bonn*) under HRB 6793. Postbank’s registered head office and business address are located at Friedrich-Ebert-Allee 114-126, 53113 Bonn, Federal Republic of Germany (Tel. ++49-228-920-0). Postbank’s commercial name is “Postbank”. Postbank maintains branch offices in Berlin, Bielefeld, Bonn, Cologne, Dortmund, Dresden, Düsseldorf, Erfurt, Essen, Frankfurt/Main, Hamburg, Hanover, Karlsruhe, Leipzig, Ludwigshafen, Magdeburg, Mannheim, Munich, Nuremberg, Saarbrücken, Schwerin and Stuttgart as well as in London.

Acquisition and Integration of BHW Group

On January 2, 2006, Postbank acquired a 82.9% interest in BHW Holding AG (“**BHW Holding**”), the parent company of BHW Group, at a share price of €10.00 per share and held since then 91.04% in BHW Holding. Postbank extended subsequently a mandatory tender offer at a share price of € 15.04 per share to the then remaining minority shareholders of BHW Holding. Upon settlement of the mandatory tender, Postbank held 98.43% in BHW Holding and currently holds such an interest in BHW Holding. In the general shareholders’ meeting of BHW Holding on July 20/21, 2006, the transfer of the shares of the remaining shareholders of BHW Holding to Postbank against payment of a settlement amount of € 15.11 per share by way of squeeze-out proceedings was resolved (“**Squeeze-Out Resolution**”). 29 actions to challenge and nullify the Squeeze-Out Resolution have been filed against BHW Holding. On November 3, 2006, BHW Holding has submitted a petition of early entry of the squeeze-out in the commercial register with the local court of Berlin. Such petition is still pending.

The central project regarding the integration of BHW Group was completed by September 2006. The remaining integration projects are scheduled to be completed by the end of 2007.

Business

Overview

With approximately 14.6 million active customers and approximately 4.6 million checking accounts, Postbank Group is the largest retail bank (single institution) in the Federal Republic of Germany (according to estimates of Postbank based on annual reports of other German banks). The business of Postbank Group is mainly focused on the German market. Postbank Group also has corporate banking activities in the United Kingdom and the United States of America.

As a so-called “multi-channel” bank, Postbank Group offers its customers access to its products and services through its 850 retail outlets acquired from Deutsche Post AG in the beginning of 2006 and the remaining retail outlets of Deutsche Post AG as well as through the Internet, call-centers, mobile sales organizations and third-party sales organizations.

Business Segments

Retail Banking

Through its Retail Banking business segment, Postbank Group offers its customers a broad range of products that are to a large extent standardized and geared towards typical needs with a focus on the traditional checking account and savings business as well as real estate finance. Postbank issued two structured securities products for the first time in 2006 and will continue to issue such products in the future.

Payment transfers

Postbank Group is one of the Federal Republic of Germany's leading providers of domestic payment transfer services and offers the following products and services:

Checking accounts: "Giro Plus", which does not carry a fee provided that at least €1,250 per month is paid into the account, is one of Postbank Group's most important products. "Business Giro" is a checking account that is geared towards the needs of business customers.

Credit and debit cards: Postbank Group offers its customers debit cards (Postbank Cards) as well as Visa or MasterCard credit cards.

Savings and investment products

Savings products: Postbank Group's savings products are geared toward basic customer needs relating to the accumulation of capital and to investment.

Securities and mutual funds: Through mutual fund companies Postbank Group manages mutual funds (retail mutual funds). In addition to its own retail mutual funds, Postbank Group offers its customers an extensive range of third-party funds that are managed by fund companies not affiliated with Postbank Group. Furthermore, Postbank Group offers its customers securities custody and brokerage services.

Closed-end funds: Postbank offers interests in closed-end funds.

Insurance: Postbank Group offers selected insurance products for pension planning and risk coverage purposes.

Building savings and loan products: The product range in the field of building savings and loan products encompasses, apart from building loans, the main financing elements such as fixed mortgages, amortization mortgages as well as advance financing and bridging loans. In addition to self-generated business, Postbank Group also acquires mortgage-lending portfolios from time to time.

Loans

Real estate finance: After the acquisition of BHW Group, Postbank Group now offers real estate finance with a focus on private residential property under two brands: "DSL Bank" and "BHW". This multi-brand strategy enables Postbank Group to vary its real estate finance pricing structure depending on customer group and distribution channel.

Loans to retail customers: With respect to retail customer loans, Postbank Group offers different largely standardized installment loans under its "DSL" and "Postbank" brands and retail customer loans under the "BHW" brand.

Corporate Banking

Payment Solutions

Postbank Group is one of the Federal Republic of Germany's leading providers of domestic payment transfer services. Postbank Group's most important product in the Payment Solutions area is the corporate customer checking account.

Selective Commercial Finance

In the Selective Commercial Finance area, Postbank Group offers national and international commercial finance as well as factoring, leasing and certain logistics finance products. In domestic commercial finance, Postbank Group is active in commercial real estate finance, leasing company refinancing (real estate and movable assets) and occasionally in financing property development companies (purchase of real estate and construction projects mainly involving residential property). The geographical focus of Postbank Group's activities in international commercial finance is on the western and central regions of Europe. Since acquiring PB Capital Corp. in 2001, Postbank Group has been active in North America on a selective basis, primarily in the areas of real estate finance, corporate investments (consisting of the management of a diversified corporate bond portfolio, corporate loans and structured credit products) and the so-called tender option bonds area (a form of public sector financing). In order to diversify its loan portfolio and to cover the market in the United Kingdom, in particular in the greater London area, Postbank acquired the business of the London Branch of ING-BHF Bank in the beginning of 2005. Its main activities are commercial real estate finance in the United Kingdom.

Financial Markets

Investing Liquidity Surplus

The Financial Markets business segment performs a special role in Postbank Group's "customer business". Postbank Group's customer business covers all assets and liabilities arising from its operations in the Retail Banking and Corporate Banking business segments. "Customer liabilities" essentially consist of the customer sight and savings deposits generated in the checking account and savings business while "customer assets" essentially comprise loans that have been extended. As a result of its strong position in the savings and checking account business and the relatively low volume of lending compared to customer deposits, the balance sheet of Postbank Group is characterized by surplus liquidity. As part of asset/liability management, the Financial Markets business segment invests this liquidity surplus on the money and capital markets. The objective is to minimize market risks arising from the investment of the liquidity surplus. This relieves the customer-related business segments of market risk.

Own Account Business

In addition, the Financial Market business segment is assigned the task of contributing to Postbank Group's earnings by engaging in the so-called own-account business. Postbank regards own-account business as consisting of the management of the historical issuance business of former DSL Bank with its high interest expense and other own-account business, especially treasury operations and proprietary trading activities. The "historical" issuance business includes long-term borrowings by former DSL Bank that are still outstanding and was primarily used by DSL Bank prior to its merger with Postbank in 2000 to refinance real estate loans on a matching term basis. The outstanding liabilities cannot be reduced sooner because of their fixed maturities, but will be reduced according to their respective maturities.

Loan Portfolio Management

Risk management measures are usually proposed and developed based on input of Postbank's credit risk committee, the credit risk controlling unit as well as other business units. For example, to modify the structure of its loan portfolio, hedge itself against possible borrower default or transfer the risk associated with its loan portfolio to the capital market, Postbank Group uses a number of financial instruments, including asset-backed or mortgage-backed securities (instruments that securitize a share in receivables secured by mortgages) and credit derivatives (such as credit default swaps).

Other Activities

The Financial Markets business segment is responsible for the activities of Deutsche Postbank International S.A., which operates as a full-service bank with its registered office in Luxembourg and provides services to retail and corporate customers, in particular time deposits and individual and syndicated lending as well as securities business and securities custody services. The Financial Markets business segment also comprises various Postbank mutual fund companies in the Federal Republic of Germany and Luxembourg as well as an asset management company. Postbank also manages a number of institutional investment funds through which it mainly invests its own capital.

Transaction Banking

Domestic Payment Transactions

Postbank Group supports domestic payment transactions, by offering all aspects of payment transaction processing. These services encompass the receipt of instructions (in both paper and paperless form), processing, account management (disposition), clearing, the booking of entries, archiving and complaints investigation. In the case of paper-based payment transactions, Postbank Group offers the recording of payment documentation (digital inputting and recording of documents by means of scanners), the processing of payment documents by generating payment transaction data sets and the elimination of payment transaction differences as well as the archiving of paper documentation. In the account management (disposition) field, Postbank Group offers the monitoring of customer account balances by checking incoming and outgoing payments as well as the archiving of data. In addition, Postbank Group offers payment transaction enquiry services.

Foreign Payment Transactions

Payments related to cross-border transactions are either handled through the correspondent bank system or – in the case of a single currency zone – through the clearing and settlement systems. Postbank Group offers products that cover the entire value chain for foreign payment transactions. Under the products offered, instructions are reviewed and allocated (including foreign currency positions), and the data sets are then relayed to the recipient bank by means of SWIFT or Eurogiro with appropriate entries booked. Postbank Group maintains clearing

accounts, eliminates payment transaction differences, archives the paper documentation and correspondence, and conducts investigations if necessary.

Processing of Payment Transactions for Dresdner Bank AG, Deutsche Bank AG and HypoVereinsbank AG

Since May 2004, Dresdner Bank AG has commissioned Postbank to handle its domestic and foreign payment transactions. Since July 2004, Postbank has also handled the domestic and European payment transactions for Deutsche Bank AG. Since January 2007, HypoVereinsbank AG has commissioned Postbank to handle its domestic and foreign payment transaction. In addition, Postbank also performs substantial parts of the payment transaction enquiry services for Dresdner Bank AG, Deutsche Bank AG and HypoVereinsbank AG.

Other

The business segment Other includes the results of Postbank Group's own account business and treasury activities. In addition, the historical issuance business of DSL Bank and the portion of provisions for losses on loans and advances in the Retail Banking, Corporate Banking and Financial Markets business segments that exceeds standard loan loss costs are accounted for in this segment.

In addition, Postbank Group carries on the "fiduciary business" (*Treuhandgeschäft*) of former DSL Bank. This business consists of the management by Postbank Group, on the basis of agency agreements as well as administrative guidelines and instructions issued by the Federal Republic of Germany and the Federal States (*Bundesländer*), of public funds made available for disbursement in the form of development loans. These development loans primarily serve to finance measures relating to the integration of farmers who fled or were expelled from former German territories as well as to effect improvements in the structure of farming and the protection of the coastline. Postbank Group bears no credit risk in connection with these loans.

Organizational Structure

Subsidiaries and Equity Interests

A list of Postbank's consolidated subsidiaries and equity participations in other companies as of December 31, 2006, specifying the name of the subsidiary or other company and Postbank's equity interest, is included in the Audited Consolidated Financial Information for the Year 2006 (page F-200, see Section "Incorporation by Reference).

Trend Information

Statement of No Material Adverse Change

There has been no material adverse change in the prospects of Postbank since the date of its last published audited financial statements for the year ended December 31, 2006 and the interim report (unaudited) as of March 31, 2007.

Earnings and Financial Position

Despite intensive competition in the private customer business in the first quarter of 2007, Postbank Group was able to maintain its leading position in the private customer business and to increase its profit before taxes and to further reduce its cost/income ratio. Due to its attractive product range, cost efficient processes and a considerable strengthened sales organization through the acquisition of BHW Group, Postbank Group believes to be well positioned to further increase its profitability even in a highly competitive environment. The central project regarding the integration of BHW Group was completed by September 2006. The remaining integration projects are scheduled to be completed by the end of 2007. Postbank expects that pressure will remain on margins, in particular for loans and advances. In addition, the current flat yield interest curve makes it difficult for Postbank's treasury to generate additional income. Further reductions of administrative costs in 2007 compared to the previous years are expected to be diluted through one-time expenses and staff-level is expected to revert to the previous years' levels.

BHW Bank AG and BHW Lebensversicherung AG

Postbank Group is currently considering its options regarding its interest in BHW Bank AG and BHW Lebensversicherung AG. Options include, *inter alia*, the sale of its interests in such companies or the integration or maintenance of such businesses.

Administrative, Management and Supervisory Bodies

The corporate bodies of Postbank are

- the management board (*Vorstand*)
- the supervisory board (*Aufsichtsrat*)
- the general shareholders' meeting (*Hauptversammlung*)

Management and Supervisory Board

Pursuant to the German Stock Corporation Act (*Aktiengesetz*), Deutsche Postbank AG has a management and a supervisory board. Both boards are separate bodies; it is not possible to be a member of both boards simultaneously. The supervisory board appoints the members of the management board and supervises the activities of the management board. The management board represents Deutsche Postbank AG externally and is responsible for the management of Deutsche Postbank AG.

According to the articles of association, the management board of Postbank is comprised of at least two members. The number of management board members is otherwise determined by the supervisory board.

The members of the management board and their mandates and positions in other administrative, management or supervisory bodies outside Postbank Group as of the date of this Prospectus are as follows:

NAME:	MANDATES OUTSIDE POSTBANK GROUP
Prof. Dr. Wulf von Schimmelfmann ¹ (Chairman)	Member of the Management Board, Deutsche Post AG, Bonn; Member of the Supervisory Board, Deutsche Telekom AG, Bonn; Member of the Supervisory Board, TCHIBO Holding AG, Hamburg; Member of the Board of Directors, accenture Corp., Irving (Texas, USA); Member of the Board of Directors, Altadis S.A., Madrid (Spain); Member of the Management Board, Bundesverband deutscher Banken e.V., Berlin
Dirk Berensmann (IT/Operations)	Chairman of the Board of Directors, Eurogiro Network A/S, Taastrup (Denmark); Member of the Management Board, e-Finance Lab Universität Frankfurt am Main
Stefan Jütte (Credit)	Member of the Supervisory Board, BVVG Bodenverwertungs- und verwaltungsgesellschaft mbH, Berlin; Member of the Supervisory Board Oppenheim Immobilien-Kapitalanlagegesellschaft mbH, Wiesbaden; Member of the Advisory Board, Sireo Real Estate Asset Management GmbH, Heusenstamm
Dr. Wolfgang Klein ² (Product Marketing and Mobile Sales Organization)	Chairman of the Supervisory Board, Comma Soft AG, Bonn; Deputy Chairman of the Administrative Board, VISA Deutschland e.V., Frankfurt am Main; Member of the Advisory Board of Association of Sparda-Banken e.V., Frankfurt am Main
Loukas Rizos (Financial Markets)	-
Hans-Peter Schmid (Retail Outlets)	Member of the Supervisory Board of Bayerische Börse AG, Munich
Ralf Stemmer (Ressources)	Member of the Supervisory Board, Danzas Deutschland Holding GmbH, Düsseldorf; Member of the Supervisory Board, DHL Freight GmbH, Düsseldorf; Member of the Administrative Board, Bundesanstalt für Post und Telekommunikation, Bonn
Dr. Mario Daberkow (Services)	-

¹ Prof. Dr. Wulf von Schimmelfmann will resign as the Chairman of the management board of Postbank and as a member of the management board of Deutsche Post AG as of June 30, 2007.

² Dr. Wolfgang Klein has been appointed as the new Chairman of the management board of Postbank with effect as of July 1, 2007. It is expected that Dr. Wolfgang Klein will also succeed Prof. von Schimmelfmann as a member of the management board of Deutsche Post AG.

In addition to the members of the Management Board of Postbank described above, Dr. Michael Meyer and Guido Lohmann will become members of the Management Board of Postbank with effect as of July 1, 2007. As of such date, Dr. Michael Meyer will be responsible for the Product Marketing and Guido Lohmann will be responsible for the Mobile Sales Organization (both current areas of responsibility of Dr. Wolfgang Klein until he will become the Chairman of Postbank on July 1, 2007).

The business address of all members of the management board is c/o Deutsche Postbank AG, Friedrich-Ebert-Allee 114-126, 53113 Bonn, Federal Republic of Germany.

Pursuant to the articles of association, the supervisory board at Postbank has twenty members. Ten members representing the shareholders are elected by the general shareholders' meeting in accordance with the provisions of the German Stock Corporation Act (*Aktiengesetz*). A further ten members representing employees are elected in accordance with the provisions of the German Co-Determination Act (*Mitbestimmungsgesetz*) of 1976. Of these ten supervisory board members, seven must be Postbank employees and include a senior salaried employee with managerial functions. The remaining supervisory board members must be representatives of the unions represented within the enterprise.

The following table shows the supervisory board members elected by Postbank's shareholders and their mandates and positions in other administrative, management or supervisory bodies outside Postbank Group as of the date of this Prospectus:

NAME:	MANDATES OUTSIDE POSTBANK GROUP
Dr. Klaus Zumwinkel (Chairman)	Chairman of the Management Board, Deutsche Post AG, Bonn; Chairman of the Supervisory Board, Deutsche Telekom AG, Bonn; Member of the Supervisory Board, Deutsche Lufthansa AG, Cologne; Member of the Supervisory Board, KarstadtQuelle AG, Essen; Member of the Board of Directors, Morgan Stanley, Delaware (USA)
Jörg Asmussen	Member of the Supervisory Board, IKB Deutsche Industriebank AG, Düsseldorf; Member of the Supervisory Board, Euler Hermes Kreditversicherungs-AG, Hamburg; Deputy Chairman of the Administrative Board of Bundesanstalt für Finanzdienstleistungsaufsicht, Bonn
Wilfried Boysen	-
Prof. Dr. Edgar Ernst	Member of the Management Board, Deutsche Post AG, Bonn; Member of the Supervisory Board, Allianz Versicherungs AG, Munich
Dr. Peter Hoch	Member of the Supervisory Board, Giesecke & Devrient GmbH, Munich
Prof. Dr. Ralf Krüger	Member of the Supervisory Board, Deutsche Post AG, Bonn; Member of the Advisory Board, Sireo Real Estate Asset Management GmbH, Heusenstamm; Chairman of the Supervisory Board, KMS AG, Frankfurt am Main; Chairman of the Supervisory Board, KMS Asset Management AG, Frankfurt am Main; Chairman of the Supervisory Board, DIAMOS AG, Sulzbach
Dr. Hans-Dieter Petram	Member of the Management Board, Deutsche Post AG, Bonn; Member of the Supervisory Board, HDI Industrie Versicherung AG, Hanover; Member of the Supervisory Board, HDI Privat Versicherung AG, Hanover; Member of the Supervisory Board, HDI Service AG, Hanover; Member of the Supervisory Board, Talanx AG, Hanover; Chairman of the Board of Directors, Williams Lea Holdings PLC, London; Member of the Board of Directors, Williams Lea Group Limited, London; Chairman of the Advisory Board, Deutsche Post Bauen GmbH, Bonn; Chairman of the Advisory Board, Deutsche Post Immobilienentwicklung GmbH, Bonn; Chairman of the Advisory Board, Global Mail Inc., Weston, United States of America

Dr. Bernd Pfaffenbach	Member of the Supervisory Board, Deutsche Bahn AG, Berlin; Member of the Supervisory Board, Lufthansa Cargo AG, Frankfurt am Main
Dr. Klaus Schlede	Member of the Supervisory Board, Deutsche Lufthansa AG, Cologne; Member of the Supervisory Board, Deutsche Telekom AG, Bonn; Member of the Administrative Board, SWISS International AIR LINES AG, Basel (Switzerland)
Elmo von Schorlemer	Member of the Supervisory Board, VHV Allgemeine Versicherung AG, Hanover; Chairman of the Supervisory Board, Securess AG Die Versicherungsmakler, Essen; Chairman of the Supervisory Board, Carono AG, Cologne; Chairman of the Supervisory Board, Consuno AG; Cologne, Chairman of the Supervisory Board, Schneider Golling Die Assekuranzmakler AG, Düsseldorf

The following table shows the supervisory board members who were elected by Postbank's employees and their mandates and positions in other administrative, management or supervisory bodies outside Postbank Group as of the date of this Prospectus:

NAME:	OCCUPATION AND MANDATES OUTSIDE POSTBANK GROUP
Michael Sommer (Deputy Chairman)	Chairman of the German Trade Union Confedrate (<i>Deutscher Gewerkschaftsbund</i>), Berlin; Deputy Chairman of the Supervisory Board, DGB Rechtsschutz GmbH, Düsseldorf; Member of the Supervisory Board, Deutsche Telekom AG, Bonn; Member of the Supervisory Board, Salzgitter AG, Salzgitter, Member of the Board of Supervisory Directors, Kreditanstalt für Wiederaufbau, Frankfurt am Main
Wilfried Anhäuser	Member of the Supervisory Board, Postbank Filialvertrieb AG, Bonn
Marietta Auer	-
Rolf Bauermeister	-
Annette Harms	Member of the Supervisory Board, Deutsche Post AG, Bonn
Elmar Kallfelz	Member of the Administrative Board, <i>Bundesanstalt für Post und Telekommunikation</i> , Bonn
Torsten Schulte	Member of the Supervisory Board, BHW Holding AG, Berlin/Hameln
Eric Stadler	-
Gerd Tausendfreund	Member of the Supervisory Board, BHW Bausparkasse AG, Berlin/Hameln
Renate Treis	-

The supervisory board has established five committees:

- *Executive Committee*, the duties of which include agreeing, amending and terminating contracts of employment for members of the management board and resolving on the conclusion of other contracts with members of the management board or contracts with members of the supervisory board;
- *Credit Committee*, the duties of which include credit decisions, fundamental questions about the granting of loans and certain investment decisions. In addition, the Credit Committee receives reports on credit risk and regularly discusses the credit risk strategy;

- *Human Resources Committee*, the duties of which is to address Postbank's human resources structures and human resources development policies;
- *Audit Committee*, the duties of which include issues of accounting, risk management and auditing;
- *Mediation committee*, which, pursuant to the Co-Determination Act, assumes certain mediation functions in the case the supervisory board does not reach the statutorily required 2/3 majority of all members in order to appoint or remove members of the management board.

The business address of all members of the supervisory board is c/o Deutsche Postbank AG, Friedrich-Ebert-Allee 114-126, 53113 Bonn, Federal Republic of Germany.

General Shareholders' Meeting

The general shareholders' meeting, which is called by the management board or, as provided by law, by the supervisory board, is held at the registered office of Postbank, at the seat of a stock exchange within the territory of the Federal Republic of Germany or in a city with more than 300,000 citizens. The general shareholders' meeting takes place within the first eight months of every financial year of Postbank.

Conflict of Interest

The members of the management and supervisory board have additional positions, which may potentially result in conflict of interests between their duty vis-à-vis Postbank and their private and other duties. Certain members of the management board of Postbank are also members of the management board of Deutsche Post AG, Postbank's major shareholder, or its senior management. However, Deutsche Postbank AG believes that its internal rules of Corporate Governance and the applicable legal requirements ensure that potential conflicts of interest of the aforementioned kind will be disclosed.

Major Shareholders

Deutsche Post AG holds 50% plus one share of the share capital of Postbank. To the knowledge of Postbank, no other shareholder holds directly or indirectly 10% or more of the share capital of Postbank.

Deutsche Post AG agreed with the Federal Republic of Germany to sell an interest in the share capital of Postbank of 50% plus one share until January 5, 2009, in whole or in part, only with the consent of the Federal Republic of Germany. This also applies, *inter alia*, to the issuance of additional shares of Postbank to third parties, provided that such issuance of additional shares leads to a dominating influence on Postbank by such third parties. The Federal Republic of Germany may grant its consent at any time.

Financial Year

The financial year of Postbank is the calendar year.

Statutory Auditors

For the financial year ended December 31, 2005 and December 31, 2006, the independent auditors of Postbank were PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PWC"), Moskauer Strasse 19, 40227 Düsseldorf. PWC is a member of the German certified public accountants association (*Wirtschaftsprüferkammer*).

Legal and Arbitration Proceedings

Postbank Group is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), during a period covering the previous twelve months which may have or have had in the recent past, significant effects on Postbank Group's financial position or profitability.

No Significant Change

There has been no significant change in the financial position of Postbank Group since the date of its last published audited financial statements for the year ended December 31, 2006 and the interim report (unaudited) as of March 31, 2007 or the Trust or the Company since their formation on June 1, 2007.

Material Contracts

In connection with the acquisition of the 850 retail outlets from Deutsche Post AG in the beginning of 2006, the formerly existing cooperation agreement with Deutsche Post AG regarding the provision of services by Deutsche

Post AG for Postbank was replaced by two new cooperation agreements: (i) Postbank will pay Deutsche Post AG a contribution for financial services provided by Deutsche Post AG in Deutsche Post AG's remaining retail outlets under the first new cooperation agreement, and (ii) Deutsche Post AG will pay Postbank compensation for distributing postal services under the second new cooperation agreement. Pursuant to a third new cooperation agreement entered into subsequently to the two new cooperation agreements by Deutsche Post AG and Postbank, Deutsche Post AG provides New Services (Neue Dienstleistungen) via its sales channels on behalf of and for the account of Postbank or of third parties by order of Postbank

Banking Regulation and Supervision in the Federal Republic of Germany

Bank Supervision and Principal Laws

All banks in Germany, including Postbank, are subject to comprehensive governmental supervision and regulation by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – “**BaFin**”) in accordance with the German Banking Act (*Gesetz über das Kreditwesen*). Under the German Banking Act, banks and financial services institutions are required to have a license from the BaFin to conduct banking business or provide financial services in Germany. The BaFin supervises the operations of all banks in Germany, including Postbank, to ensure that they conduct their business in accordance with the provisions of the German Banking Act and other applicable German laws and regulations.

The German Banking Act and the rules and regulations adopted thereunder implement certain EU directives relating to banks, which in turn implement recommendations of the Basel Committee on Banking Supervision (the “**Basel Committee**”) at the Bank for International Settlements (or BIS). In 2004, the Basel Committee published a revised capital adequacy accord (“**Basel II**”), which was revised 2005 and focuses on three key elements, or pillars: The first pillar relates to minimum capital requirements. Banks are required to maintain higher levels of capital for those borrowers which present higher levels of credit risk, and vice versa. Therefore, capital charges are aligned more closely to a bank's own measures of its exposures to credit risk. Moreover, an explicit capital charge is levied for a bank's exposure to the risk of losses caused by failures in its systems, processes or by staff or external disasters (operational risk). The second pillar provides for a supervisory review of the banks' internal assessments of their overall risks to ensure that the management is exercising sound judgment and has set aside adequate capital for such risks (so-called internal capital adequacy assessment process). The third pillar focuses on market discipline through effective public disclosure to provide for sound banking practices.

Basel II was implemented into European law in 2006 by the Capital Requirements Directive. The member states had to transpose this Directive into their respective national laws by January 1, 2007, with the new rules relating to credit risk, operational risk, and market risk being mandatory beginning in 2008. In order to allow reasonable transition arrangements, banks can continue using the previous rules as an alternative until the end of 2007.

Basel II was mainly implemented in Germany by amending, in 2006, the German Banking Act, and adopting the Solvency Regulation (*Solvabilitätsverordnung*) and a recasted Large Exposure Regulation (*Großkredit- und Millionenkreditverordnung*). Further, the requirements of the second pillar were partly implemented by the Minimum Requirements for Risk Management (*Mindestanforderungen an das Risikomanagement*) by the BaFin on December 20, 2005. The German implementation legislation largely became effective on January 1, 2007, subject to certain transitional periods. In particular, banks may continue applying the previous capital maintenance rules as described in the Principles on the Own Funds of Credit Institutions (*Grundsätze über die Eigenmittel und die Liquidität der Kreditinstitute* - so-called Principle I and II (*Grundsatz I and II*)) during these transitional periods.

Unlike many other German banks, Postbank has decided to start applying the new capital requirements for certain items in 2007, and was approved by the BaFin to apply the revised risk-weighting methods in the form of the basic internal ratings based approach (“**IRBA**”) as further explained below beginning January 1, 2007.

Cooperation by the BaFin and the German Central Bank

The BaFin carries out its banking supervisory role in cooperation with the German Central Bank (*Deutsche Bundesbank*). The BaFin has the sole authority to issue administrative orders (*Verwaltungsakte*) and, after consultation with the German Central Bank, regulations (*Verordnungen*). The BaFin must obtain the German Central Bank's consent before it issues any regulations in areas that require the German Central Bank's consent under the German Banking Act.

The German Central Bank is responsible for the ongoing monitoring of German banks. This comprises in particular the analysis of submitted reports and examinations for the purpose of monitoring compliance with the capital adequacy and risk management requirements.

Capital Adequacy Requirements

Adequate Own Funds

Under the German Banking Act and the Solvency Regulation, German banks are required, in order to meet their capital requirements, to have adequate Own Funds (*Eigenmittel*) (as defined below).

Under the Solvency Regulation, a bank has adequate Own Funds if it meets the capital requirements for credit risks, operational risk and market risks at the end of each business day. A bank meets the capital requirements for credit risks and operational risk under the Solvency Regulation if the sum of the total amount calculated for credit risks and the total amount calculated for operational risk does not exceed the bank's Modified Available Liabe Capital (*modifiziertes verfügbares Eigenkapital*) (as defined below). And a bank meets the capital requirements for market risks under the Solvency Regulation if the aggregate amount calculated for market risk positions does not exceed the aggregate amount of its Modified Available Liabe Capital, reduced by the amount to cover credit risks and operational risk, and its Available Tier 3 Capital (*verfügbare Drittrangmittel*) (as defined below) at the end of each business day.

Modified Available Liabe Capital

Modified Available Liabe Capital comprises a bank's existing Liabe Capital (*haftendes Eigenkapital*) (as defined below), minus the following deductions:

- (1) any amounts of Liabe Capital required by the German Banking Act to cover positions held by the bank, such as certain qualified participations in entities which are not engaged in the financial sector or amounts exceeding the applicable large exposure limits;
- (2) if the bank is using an IRBA, the amount by which the expected loss for exposures to central governments, institutions and corporates and retail exposures as measured under the bank's IRBA model exceeds the amount of value adjustments and provisions for such exposures;
- (3) the expected losses for certain types of IRBA equity exposures;
- (4) securitization positions to which the Solvency Regulation assigns a risk-classification multiplier of 1,250% and which have not been taken into account when calculating the risk-weighted position for securitizations; and
- (5) the value of securities delivered to a counterparty plus any replacement cost to the extent the required payment by the counterparty has not been made within five business days after delivery and the transaction has been allocated to the bank's trading book.

If the bank is using an IRBA (such as Postbank), it may add to the amount of regulatory banking capital the exceeding valuation correction amount (*Wertberichtigungsüberschuss*) for certain of its IRBA-positions, limited to 0.6% of its aggregate risk-weighted IRBA-positions (as explained below).

Own Funds

Own Funds are comprised of Liabe Capital and Tier 3 Capital (*Drittrangmittel*) (as defined below). Liabe Capital consists of Core Capital (Tier 1 Capital, *Kernkapital*) and Supplementary Capital (Tier 2 Capital, *Ergänzungskapital*), subject to certain deductions.

Pursuant to the German Banking Act, Core Capital in respect of a bank organized as a stock corporation (*Aktiengesellschaft*), such as Postbank, consists principally of:

- (1) paid-in subscribed capital (*eingezahltes Grundkapital*) (not including capital with respect to preferred shares with cumulative dividend rights);
- (2) capital reserves;
- (3) earnings reserves;
- (4) the fund for general banking risks (pursuant to Section 340g of the German Commercial Code (*Handelsgesetzbuch*), a bank may create a reserve fund from its after-tax retained earnings if advisable in its reasonable commercial judgment in light of the special risks inherent in the banking business); and
- (5) capital paid in by silent partners meeting certain conditions set forth in the German Banking Act, including subordination to all creditors and participation in the bank's losses,

less balance sheet losses, certain intangible assets and certain other items (including goodwill).

Pursuant to the German Banking Act, Supplementary Capital consists principally of:

- (1) uncommitted reserves for general banking risks (pursuant to Section 340f of the German Commercial Code (*Handelsgesetzbuch*), a bank may record on its balance sheet certain receivables and securities, which are neither investment securities nor part of the trading portfolio, at a lower value than that permitted for industrial and other non banking corporations if the use of a lower value is advisable in its reasonable commercial judgment to safeguard against the special risks inherent in the banking business, provided that such reserves may not exceed 4% of the book value of such receivables and securities);
- (2) paid-in subscribed capital relating to preferred shares with cumulative dividend rights;
- (3) reserves pursuant to Section 6b of the German Income Tax Act (*Einkommensteuergesetz*) up to a certain percentage and to the extent they relate to the disposal of real estate;
- (4) capital paid in consideration of profit participation rights (*Genussrechte*) meeting certain conditions set forth in the German Banking Act, including subordination to all creditors and participation in the subordinated undertaking's losses;
- (5) long-term subordinated debt (with a term of at least five years) meeting certain conditions set forth in the German Banking Act, including subordination to all non-subordinated creditors; and
- (6) certain revaluation reserves.

In addition, banks which are allowed to measure counterparty risk based upon an IRBA, subject to certain limitations, include in its Supplementary Capital the amount by which the value adjustments and provisions for exposures to central governments, institutions and corporates and retail exposures exceed the expected losses for such exposures as measured under the bank's IRBA model.

In calculating Liabe Capital, Supplementary Capital may only be taken into account up to the amount of the Core Capital and consist of long-term subordinated debt of up to 50% of the Core Capital. Furthermore, both Core Capital and Supplementary Capital are subject to certain deductions such as for investments in banks or financial institutions exceeding certain thresholds.

Tier 3 Capital consists principally of:

- (1) net profits which would be realized if, at the end of a given day:
 - (a) all positions in the trading book were settled,
 - (b) all foreseeable expenses and distributions on capital were deducted, and
 - (c) all probable losses that would be incurred in the investment book in the event that the bank were to be liquidated were deducted;
- (2) short-term subordinated debt (with a term of at least two years but less than five years) meeting certain conditions set forth in the German Banking Act, including subordination to all non-subordinated creditors; and
- (3) positions which cannot be regarded as Supplementary Capital due to the limits prohibiting that (a) the aggregate amount of Supplementary Capital included in a bank's Liabe Capital exceeds the amount of such bank's Core Capital and (b) the sum of long-term subordinated debt exceeds 50% of the bank's Supplementary Capital.

Generally, these positions qualify as Tier 3 Capital only up to an amount that, together with the Supplementary Capital not required to cover risks arising from the banking book, does not exceed 250% of the Core Capital not required to cover risks arising from the banking book. For banks using an IRBA and being trading book institutions (such as Postbank), the amount of Tier 3 Capital is further limited to the amount that, together with the bank's Supplementary Capital (including certain items that only IRBA institutions may include therein) not required to cover banking book risks, does not exceed 250% of the Core Capital (including certain IRBA-specific items) not required to cover banking book risks.

The German Banking Act defines the banking book as all positions and transactions that are not part of the trading book. The trading book is defined as consisting primarily of the following:

- (1) financial instruments and commodities that a bank holds in its portfolio for short-term resale or that a bank acquires to exploit existing or expected spreads between the purchase and sale price or price and interest rate movements;
- (2) financial instruments and commodities held by the bank for the purpose of hedging market price risks arising from the trading book and related refinancing transactions;
- (3) transactions subject to the designation of the counterparty (*Aufgabegeschäfte*);
- (4) payment claims in the form of fees, commissions, interest, dividends and margins directly linked to trading book positions; and
- (5) repurchase, lending and similar transactions related to trading book positions.

Credit Risks and Operational Risk

As mentioned above, banks must cover credit risks and operational risk with Modified Available Liabile Capital. The Solvency Regulation provides that the respective capital requirements for credit risks be calculated by determining the risk-weighted value of a bank's credit risk positions following either the standardized approach (*Kreditrisiko-Standardansatz* - "KSA") or an IRBA.

The KSA basically assigns credit risk positions to risk categories with different risk-weightings and does not require banks to provide their own estimates of risks. While the KSA relies on standard risk-weightings similar to Principle I, it nonetheless incorporates enhanced risk-sensitivity by permitting the use of, for instance, external ratings by rating agencies.

By contrast, an IRBA allows banks to determine risk weightings in accordance with their internal rating systems. A bank may use an IRBA only upon prior approval by the BaFin. The Solvency Regulation provides two types of IRBAs, the so-called basic IRBA (*Basis-IRB-Ansatz*) and the advanced IRBA (*Fortgeschrittener IRB-Ansatz*).

Under either type of the IRBA, the relevant positions are assigned to certain asset classes. In a second step, the credit risk of all lenders of a asset class is determined upon the basis of the internal methods used by the bank for these purposes. Each type of an IRBA consists of calculation methods that base on, and combine, several factors: (1) the probability of default, (2) the percentage of losses in the case of a default (loss given default), (3) the remaining exposure upon a default (exposure at default), and (4) the term of the respective position (maturity). Under the basic IRBA, the bank needs to determine only the probability of default. The remaining parameters are determined and provided by the BaFin in accordance with the Solvency Regulation. Under the advanced IRBA, the above-mentioned four categories are further refined, and a bank using the advanced IRBA may determine all four parameters by means of its internal rating systems. Finally, a bank may continue to apply the KSA for the risk-weighting of certain positions for a transitional period or indefinitely (so-called partial use) even after it was allowed to use an IRBA. Banks fully or partially using IRBA for the calculation of credit risk must maintain Own Funds of at least 95% in 2007, 90% in 2008 and 80% in 2009 of the minimum amount of Own Funds that would have been required to be maintained during that period by the bank if calculated according to the provisions of Principle I.

The BaFin approved Postbank's basic IRBA at the end of 2006 for the following, most important positions:

- (1) for its retail sector, mortgage lending, installment credits, overdraft facilities for self-employed individuals and business customers, and purchased receivables; and
- (2) for its non-retail sector banks, governments, corporate customers (Germany) and commercial real estate finance.

Postbank started applying its basic IRBA on January 1, 2007 with respect to these positions. With respect to all remaining positions, Postbank will be applying throughout 2007 the former rules of Principle I. From January 1, 2008, Postbank will apply the KSA to these positions. Furthermore, Postbank aims at implementing IRBAs at BHW Bausparkasse AG, its subsidiaries in Luxembourg and New York as well as its London branch as of January 1, 2008, and has made according applications with the BaFin.

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk, but excludes strategic and reputational risk. The Solvency Regulation provides for three different alternatives for calculating capital requirements for operational risk: The basic indicator approach (*Basisindikatoransatz*), the standard approach (*Standardansatz*), and the so-called advanced measurement approaches (*fortgeschrittene Messansätze*). Both the basic indicator approach and the standard approach measure operational risk on the basis of standard procedures and rules, whereas advanced measurement approaches comprise all types of individually or internally developed systems and methods to

assess capital requirements for operational risk. A bank may use the standard approach only after notification of the BaFin, and the BaFin's prior approval is required for using advanced measurement approaches. Postbank uses the standard approach for calculating capital requirements for operational risk.

Market Risks

Under the German Banking Act and the Solvency Regulation, a bank meets the capital requirements relating to market risks if the aggregate amount of its market risk positions at the close of each business day does not exceed the sum of (1) the bank's Modified Available Liab Capital, reduced by the amounts used to cover the capital requirements for credit risks and operational risk, and (2) its Available Tier 3 Capital (verfügbare Drittrangmittel).

Market risk positions are foreign exchange risk positions, commodity positions, trading book positions and other market risk positions. The risk-weighted values of such market risk positions and certain option positions must be computed in accordance with rules set forth in the Solvency Regulation, which provides rules for the calculation of the amount of market risk positions and certain option positions, but also allows banks (subject to the BaFin's prior approval) to determine the relevant amounts in accordance with the bank's internal risk computation models. Postbank uses standardized methods for calculating market risk positions, but intends switching to internal models in 2009.

Available Tier 3 Capital is defined as Tier 3 Capital minus, in the case of IRBA-trading book institutions such as Postbank, such amounts of Tier 3 Capital used to cover the amounts of large exposures exceeding certain thresholds (see below).

Consolidated Capital Requirements

Capital adequacy rules must not only be met by a bank and its banking subsidiaries on an unconsolidated basis, but also by the banking group (*Institutgruppe*) as a whole.

Liquidity Requirements

The Banking Act requires German banks to invest their funds so as to maintain adequate liquidity at all times. The details are set out in the Liquidity Regulation (*Liquiditätsverordnung*) which has (subject to certain transitional provisions) replaced the so-called Principle II on the Liquidity of Credit Institutions (*Grundsatz II über die Liquidität der Kreditinstitute*). The Liquidity Regulation prescribes these specific liquidity requirements, which are based on a comparison of the remaining terms of certain assets and liabilities. The Liquidity Regulation requires maintenance of a ratio (*Liquiditätskennzahl* or "one-month liquidity ratio") of assets (*Zahlungsmittel*) to obligations (*Zahlungsverpflichtungen*) expected during the month following the date on which the ratio is determined of at least one. German banks are required to report the one-month liquidity ratio as well as estimated liquidity ratios (*Beobachtungskennzahlen*) with regard to terms for the next three, six and twelve months to the BaFin on a monthly basis. The liquidity requirements set forth in the Liquidity Regulation are to a large extent similar to the rules under Principle II, except for the option that a bank may apply its own internal liquidity management system. The Bank will continue to apply Principle II during 2007 and is not expecting to apply an internal liquidity management system.

Limitations on Large Exposures

The German Banking Act and the Large Exposure Regulation limit a bank's concentration of credit risks on an unconsolidated and a consolidated basis through restrictions on large exposures (*Großkredite*).

Postbank is subject to the large exposure rules applicable to trading book institutions. These rules contain separate restrictions for large exposures related to the investment book (banking book large exposures) and aggregate large exposures (aggregate book large exposures) of a bank or group of institutions.

Banking book large exposures are exposures incurred in the banking book and related to a single client (and persons affiliated with it) that equal or exceed 10% of a bank's or group's Liab Capital. Individual banking book large exposures must not exceed 25% of the bank's or group's Liab Capital (20% in the case of exposures to affiliates of the bank that are not consolidated for regulatory purposes).

Aggregate book large exposures are created when the sum of banking book large exposures and the exposures incurred in the trading book related to a client (and persons affiliated with it) (trading book large exposures) equals or exceeds 10% of the bank's or the group's Own Funds. The 25%-limit (20% in the case of unconsolidated affiliates), calculated by reference to a bank's or group's Own Funds, also applies to aggregate book large exposures.

In addition to the above limits, the total banking book large exposures must not exceed eight times the bank's or group's Liable Capital, and the aggregate book large exposures must not exceed in the aggregate eight times the bank's or group's Own Funds.

A bank or group of institutions may exceed the aforementioned ceilings only with the prior approval of the BaFin. In such a case, the bank or group is required to support the amount of the large exposure that exceeds the ceiling with Liable Capital (in the case of ceilings calculated with respect to Liable Capital) or with Own Funds (in the case of ceilings calculated with respect to Own Funds) on a one-to-one basis.

Furthermore, total trading book exposures to a single client (and persons affiliated with it) must not exceed five times the bank's or group's Own Funds, to the extent that such Own Funds are not required to meet the capital adequacy requirements with respect to the banking book. Total trading book exposures to a single client (and persons affiliated with it) in excess of the aforementioned limit are not permitted.

There is an additional overall lending limit to the effect that the total exposures to a single client, i.e. the aggregate portions of the borrower's aggregate credit position (credits that are allocated to the trading book or the banking book), that exceed 25% (or 20% in the case of a credit to the bank's unconsolidated affiliates) of the bank's (or group's) Own Funds ceiling for more than ten days must not, in the aggregate, exceed six times the bank's (or group's) Own Funds that are not required to cover risk positions in the banking book.

Minimum Requirements for Risk Management

The Minimum Requirements for Risk Management ("MaRisk") set forth a flexible framework for the risk management and a risk-oriented approach towards internal audits at banks, taking into account the specific circumstances of the bank (e.g. size of the institution, scale of business, complexity of the activities performed, risk profile). The MaRisk are designed to ensure the establishment of appropriate internal governance structures, to provide a qualitative framework for the implementation of the Capital Requirements Directive, and to meet the qualitative requirements of the supervisory review process required by the so-called second pillar of Basel II.

Enforcement Powers

In order to secure compliance with the German Banking Act and the regulations issued thereunder, the BaFin and the German Central Bank may require information and documents from a bank, and the BaFin may conduct audits at a bank without giving any particular reason. The BaFin may also require information and documents from members of a banking group (whether or not they are banks) and may examine such members (if they are banks) to the extent necessary to ascertain the correctness of information and data required for consolidated supervision. Audits may also be conducted at a foreign member of the banking group that is part of a banking group if necessary to verify the accuracy of data and information required for consolidated supervision, but only to the extent permitted under the German Banking Act and the law of the domicile of such subsidiary. However, the BaFin has to initially address information requests to other competent authorities if the information required for supervising a banking group is available from such competent authority. In addition, the BaFin may attend meetings of Postbank's supervisory board (including committees), management board (and require such meetings to be convened) and its shareholders.

If the BaFin discovers irregularities, it has a wide range of enforcement powers. The BaFin can remove the bank's managers from office or prohibit them from exercising their current functions. If the Own Funds of a bank are not adequate, or if the liquidity requirements are not met and if the bank has failed to remedy the deficiency within a period set by the BaFin, the BaFin may prohibit or restrict the distribution of profits or the extension of credit or instruct the bank to adopt measures aimed at reducing risks insofar as they result from certain activities, products or the use of certain systems. This also applies to the parent bank of a banking group if the consolidated Own Funds of the bank members of the group do not meet the legal requirements. In addition, the BaFin can also lower the limit for large exposures applicable to the banking group in question.

If a bank is in danger of defaulting on its obligations to creditors, the BaFin may take emergency measures to avert default. In this connection, it may, inter alia: (1) issue instructions relating to the management of the bank, (2) prohibit or restrict the acceptance of deposits and the extension of credit, (3) prohibit or restrict the management of the bank from carrying on their functions and (4) appoint supervisors. If these measures are inadequate, the BaFin may revoke the bank's license and, if appropriate, order that the bank be closed. To avoid the insolvency of a bank, the BaFin has the authority to prohibit payments and disposals of assets, suspend customer services, and prohibit the acceptance of payments other than the payment of debt owed to the bank. In addition, violations of the German Banking Act may result in criminal and administrative penalties.

Powers of the European Central Bank

The European Central Bank requires certain banks, including Postbank, to hold minimum reserves on accounts maintained with their respective national central banks, which, in the case of Postbank, are held with the German Central Bank. These minimum reserves must equal a certain percentage of the banks' liabilities resulting from certain deposits and the issuance of bonds.

TAXATION

TO ENSURE THE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY PURCHASERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON PURCHASERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE GERMAN, LUXEMBOURG AND UNITED STATES INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF TRUST PREFERRED SECURITIES, AS WELL AS THE EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS.

Taxation in the United States

The following is a summary of the principal U.S. federal income tax consequences relating to an investment in the Trust Preferred Securities by an investor that is a Non-U.S. Holder (as defined below). This summary does not address any U.S. tax consequences to a person who is a U.S. Holder (as defined below) or is subject to U.S. federal income tax on a net income basis. For purposes of this summary, a “**Non-U.S. Holder**” is a beneficial owner of Trust Preferred Securities other than a U.S. Holder. A “**U.S. Holder**” is a beneficial owner of Trust Preferred Securities that for U.S. federal income tax purposes is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a U.S. court is able to exercise primary supervision over the trust’s administration and (ii) one or more United States persons have the authority to control all of the trust’s substantial decisions. This summary addresses the tax consequences to a Non-U.S. Holder that acquires Trust Preferred Securities on their original issue at their original offering price (an “**Original Trust Preferred Securityholder**”). This summary does not address all tax consequences that may be applicable to a beneficial owner of the Trust Preferred Securities and does not address the tax consequences to a Non-U.S. Holder in special circumstances. This summary is based upon the Internal Revenue Code of 1986, as amended (the “**Code**”), Treasury Regulations, Internal Revenue Service (“**IRS**”) rulings and pronouncements and judicial decisions as of the date hereof, all of which are subject to change (possibly with retroactive effect). Prospective investors are urged to consult with their tax advisors as to the U.S. federal income tax consequences of the purchase, ownership and disposition of trust preferred securities, as well as the effect of any state, local or foreign tax laws.

Tax Treatment of the Trust

Postbank intends to treat the Trust as a grantor trust for U.S. federal income tax purposes. Assuming full compliance with the terms of the Trust Agreement, the Trust will not be an association taxable as a corporation or otherwise be subject to U.S. federal income tax.

Tax Treatment of the Company

In purchasing the Trust Preferred Securities, each Original Trust Preferred Securityholder agrees with Postbank, the Company and the Trustees that Postbank, the Company, the Trustees and the Original Trust Preferred Securityholders will treat Original Trust Preferred Securityholders for all purposes as holders of an undivided interest in Trust assets, including the Class B Preferred Securities, and not as holders of a direct interest in Postbank or in any other person, and the following discussion is based on the assumption that such treatment will apply for U.S. federal income tax purposes. Assuming full compliance with the LLC Agreement, the Company will not be taxable as a corporation and will not itself be subject to U.S. federal income tax. Postbank intends to treat the Company as a partnership for U.S. federal income tax purposes.

Income and Withholding Tax

The Company intends to operate so that it will not be treated as engaged in the conduct of a U.S. trade or business. Moreover, the Company intends to invest through the Maturity Date in securities that will be exempt from withholding of U.S. federal income tax when income attributable to such securities is distributed or allocated to beneficial holders of Class B Preferred Securities. Accordingly, assuming full compliance with the terms of the LLC Agreement, a Non-U.S. Holder will not be subject to withholding of U.S. federal income tax on payments in respect of the Trust Preferred Securities. Should, however, the Company at any time hold securities issued by a Qualified Subsidiary organized in the United States (or on behalf of a U.S. branch of any Qualified Subsidiary or of Postbank), or after the Maturity Date, U.S. Treasury Securities, interest income from such securities would be from U.S. sources and thus Non-U.S. Holders would be subject to withholding unless an exemption applies. In general, an exemption from U.S. withholding tax would be available to non-U.S. Holders that provide proper certification of foreign status. A Non-U.S. Holder also will not be subject to U.S. federal income tax on its allocable share of the Company's income unless such income is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States. A Non-U.S. Holder will not be subject to U.S. federal income or withholding tax on gain realised on the sale or exchange of the Trust Preferred Securities, unless (i) such gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States or (ii) in the case of gain realised by an individual Non-U.S. Holder, the Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

Information Reporting and Backup Withholding

In general, a Non-U.S. Holder who holds Trust Preferred Securities through a non-United States bank or other non-United States financial institution that is a participant in Euroclear or Clearstream will not be required to provide certification of non-U.S. status for U.S. withholding purposes and will not be subject to any information reporting rules. In other contexts, however, including where a Non-U.S. Holder withdraws from the Trust and directly holds the Class B Preferred Securities, a Non-U.S. Holder in order to eliminate U.S. information reporting requirements and backup withholding tax will be required to comply with applicable certification procedures to establish the holder's non-U.S. status (by providing an IRS Form W-8BEN or other applicable form). The Trust will report to the IRS the amount of income allocated each year to each beneficial owner of Trust Preferred Securities, in accordance with applicable law.

German Taxation

The following is a discussion of certain German tax considerations that may be relevant to a holder of Trust Preferred Securities that is a resident of Germany or for which income in respect of the Trust Preferred Securities is regarded as income from German sources, e. g., because such Trust Preferred Securities form part of the business property of a permanent establishment or fixed base maintained in Germany (a "**German Holder**"). The information contained in this summary is not to be construed as tax advice. It is based on an interpretation of the German tax laws as of the date hereof and is subject to change. Any such change may be applied retroactively and may adversely affect the tax consequences described herein. This summary does not purport to deal with all aspects of taxation that may be relevant to investors in the light of their individual circumstances. Prospective investors are advised to consult their own tax advisors with respect to the tax consequences of purchasing, holding, redeeming or disposing of Trust Preferred Securities.

Income Taxation

Capital Payments received by a German Holder with respect to the Trust Preferred Securities will be subject to German personal or corporate income tax (plus a solidarity surcharge thereon, which is currently levied at 5.5%), and, in the case of a German Holder who is an individual, may be subject to church tax. Upon the sale or redemption of the Trust Preferred Securities, a German Holder will also be required to include in its taxable income the difference between the amount realised on such sale or redemption and the cost of acquisition (or adjusted tax base) of the Trust Preferred Securities. Income derived from the Trust Preferred Securities will also be subject to German municipal trade tax on income (*Gewerbeertragsteuer*) if the Trust Preferred Securities form part of the property of a German business establishment for trade tax purposes or are held by a German corporate investor. A German Holder who is an individual and does not hold the Trust Preferred Securities as a business asset will be entitled to a standard deduction (*Werbungskosten-Pauschbetrag*) of €51 in computing his or her investment income (including income derived from the Trust Preferred Securities) as well as an exemption (*Sparer-Freibetrag*) of €750 with respect to such investment income (€102 and €1,500 respectively, for married couples filing jointly).

German Withholding Tax

If the Trust Preferred Securities are kept in a custodial account maintained by a German Holder with a German bank or a German financial services institution, each as defined in the German Banking Act (*Gesetz über das Kreditwesen*) (including a German branch of a foreign bank or a foreign financial services institution, but excluding a foreign branch of a German bank or German financial services institution) (a “German **Disbursing Agent**”), the German Disbursing Agent will generally be required to withhold tax (*Zinsabschlagsteuer*) at a rate of 30% (plus solidarity surcharge thereon at a rate of 5.5%, resulting in an aggregate withholding rate of 31.65%) of the gross amount paid as income with respect to the Trust Preferred Securities. Upon the sale or redemption of the Trust Preferred Securities, a German Disbursing Agent will generally be required to withhold tax at an aggregate rate of 31.65% on:

- (i) the excess of the sale or redemption proceeds of the Trust Preferred Securities over the holder’s acquisition cost, if the Trust Preferred Securities have been acquired through or purchased from and have since been held in custody with such German Disbursing Agent, or
- (ii) an amount equal to 30% of the sale or redemption proceeds of the Trust Preferred Securities, if the Trust Preferred Securities have not been so held with such German Disbursing Agent.

Tax withheld by the German Disbursing Agent will be credited against the German Holder’s final liability for personal or corporate income tax or refunded if in excess of such final tax liability.

German holders of Trust Preferred Securities can take advantage of the *Sparer-Freibetrag* (as described above) by presenting a certificate of exemption (*Freistellungsauftrag*) to the German Disbursing Agent. In this case, the German Disbursing Agent will not withhold tax on investment income (including income derived from the Trust Preferred Securities) up to the amount shown in the certificate of exemption. Furthermore, the German Disbursing Agent will not withhold any tax, if the holder of Trust Preferred Securities submits to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the local tax office.

Gift and Inheritance Taxation

The gratuitous transfer of the Trust Preferred Securities by a holder as a gift or by reason of death is subject to German gift or inheritance tax, based on the market value of the Trust Preferred Securities at the time of the transfer, if the holder of the Trust Preferred Securities or the recipient is a resident, or deemed to be a resident, of Germany. German gift or inheritance tax is also levied if the Trust Preferred Securities form part of the property of a permanent establishment or a fixed base maintained by the holder of the Trust Preferred Securities in Germany. Double taxation treaties may provide for exceptions to the domestic inheritance and gift tax regulations.

Other German Taxes

There are no German transfer, stamp or other similar taxes which would apply to the sale or transfer of the Trust Preferred Securities.

Changes by 2008 Tax Reform of the German Government

The German legislative bodies approved a tax reform proposal (*Unternehmensteuerreform*) on May 25, 2007, which will lead in part to significant changes with respect to the tax considerations discussed above. With respect to the taxation of holders of Trust Preferred Securities in particular the following changes will become relevant:

Capital Payments received by a German holder with respect to the Trust Preferred Securities, as well as any gains upon the sale or redemption of the Trust Preferred Securities, will be subject to a final flat tax of 25% plus a solidarity surcharge thereon, which is currently levied at 5.5%, resulting in an aggregate tax burden of 26.375%, if the German holder is an individual and does not hold the Trust Preferred Securities as a business asset. An individual German holder may in addition be subject to church tax. Subject to an annual lump-sum allowance (*Sparer-Pauschbetrag*) in the amount of €801 (€1,602 for married couples filing jointly) for investment type income, German holders will not be entitled to deduct expenses incurred in connection with their investment in the Trust Preferred Securities from their income. In addition, German holders will not be able to offset losses from the investment in the Trust Preferred Securities against any other type of income (*e.g.*, employment income). If the flat tax will lead to a higher tax burden in comparison to the current rules, the German holder will be entitled to opt for the current system. This part of the tax reform will become effective as of January 1, 2009.

In case a German holder holds the Trust Preferred Securities as a business asset, the tax situation will remain unchanged. In case the German holder is a German corporate investor, the corporate income tax rate will be reduced from currently 25% to 15% (in each case plus solidarity surcharge). Income derived from the Trust Preferred Securities will still be subject to German municipal trade tax on income (*Gewerbeertragsteuer*) if the Trust Preferred Securities form part of the property of a German business establishment for trade tax purposes or are held by a German corporate investor. The deductibility of trade tax as a business expense will be abolished and the deductibility of interest payments will generally be restricted. This part of the tax reform will become effective as of January 1, 2008.

Taxation in Luxembourg

The following is a general description of certain tax considerations, under the existing laws of Luxembourg as currently applied by the Luxembourg tax authorities, relating to a holding of Trust Preferred Securities. It does not purport to be a complete analysis of all tax considerations relating to the Trust Preferred Securities. Prospective purchasers of the Trust Preferred Securities should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of any other jurisdiction of acquiring, holding, redeeming and disposing of Trust Preferred Securities and receiving Capital Payments, Liquidation Preference Amounts and/or other amounts under the Trust Preferred Securities. This summary is based upon the law as in effect on the date hereof and is subject to any change in law that may take effect after such date, and may be retroactively applicable.

Income Tax

A holder of a Trust Preferred Security who derives income from such Trust Preferred Security or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on income or capital gains unless:

- such holder is, or is deemed to be, resident in Luxembourg; or
- such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

In those cases:

- if the holder is a natural person resident in Luxembourg, or a Luxembourg partnership held by natural persons resident in Luxembourg, income derived from a Trust Preferred Security will bear individual income tax at a progressive rate up to 38%, plus an unemployment fund contribution levied thereon at a rate of 2.5%. For holders who are natural persons resident in Luxembourg, the 10% tax withheld at source (see section “Withholding tax” below) constitutes a final taxation. Capital gains will only be taxable if they occur on a sale of Trust Preferred Securities which takes place up to six months after these were acquired.
- if the holder is a legal entity subject to corporate income tax, such income or gain will bear corporate income tax and municipal business tax. The combined rate for these two taxes is 29,63% in the City of Luxembourg.

Withholding Tax

No Luxembourg withholding tax is imposed on payments on the Trust Preferred Securities, except as provided under “European Union Savings Directive” below in respect of income paid or attributed to, or collected (in the cases foreseen by articles 4(2) and 11(5) of the Directive) for, a beneficial owner who is an individual resident in another Member State.

Pursuant to the law of December 23, 2005, effective as of January 1, 2006, payments on the Trust Preferred Securities by a Luxembourg paying agent to a holder that is a natural person resident in Luxembourg will be subject to withholding tax at the rate of 10%.

Net Wealth Tax

Luxembourg net wealth tax will not be levied on a holder of a Trust Preferred Security unless such Trust Preferred Security is held by a Luxembourg resident corporation or is attributable to an enterprise or part thereof of a non-resident corporation which is carried on through a permanent establishment or a permanent representative in Luxembourg. Net wealth tax is levied annually at the rate of 0,5%.

Estate and Gift Tax

No Luxembourg inheritance tax is levied on the transfer of Trust Preferred Securities upon the death of a holder thereof in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. Luxembourg gift tax will be levied in the event that a gift of Trust Preferred Securities is made pursuant to a notarial deed signed before a Luxembourg notary.

Other Taxes

It is not compulsory that the Trust Preferred Securities be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Trust Preferred Securities, in accordance therewith, except that, in case of use of the Trust Preferred Securities, either directly or by way of reference (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (*autorité constituée*), registration may be ordered which implies the application of a fixed or an ad valorem registration duty and calculated on the amounts mentioned in the Trust Preferred Securities.

European Union Savings Directive

Under the European Union Directive 2003/48/EU on the taxation of savings income, each member state of the European Union is required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other member state; however, for a transitional period, Austria, Belgium and Luxembourg will instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%, unless during such period they elect otherwise.

A number of non-EU countries, and certain dependent or associated territories of certain member states, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to an individual resident in a member state. In addition, the member states have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a member state to an individual resident in one of those territories.

SUBSCRIPTION AND SALE

Subject to the terms and conditions set forth in the Purchase Agreement to be entered into among Postbank, the Company, the Trust and the Managers, the Trust will agree to sell to the Managers and the Managers will agree to purchase the Trust Preferred Securities at a price of 100% (equivalent to €50,000 per Trust Preferred Security) (the “**Issue Price**”).

The Trust Preferred Securities will be delivered to investors, in book-entry form, against payment on the second business day following the Issue Date. Payment and delivery will be effected through the facilities of Euroclear and Clearstream.

Pursuant to the Purchase Agreement, Postbank will (i) pay the Managers a combined management, underwriting and selling commission and (ii) reimburse the Managers for certain expenses of the Offering. Each of the Company, the Trust and Postbank has agreed to indemnify the Managers against certain liabilities.

The Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to Postbank and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions.

Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or its affiliates in the ordinary course of business.

Other than disclosed in this Prospectus, there are no interests of natural and legal persons involved in the issue, including conflicting ones, that are material to the Offering.

Selling Restrictions

United States of America

Each of the Managers has represented and agreed that, except as permitted by the Purchase Agreement, it will not offer or sell the Trust Preferred Securities within the United States of America or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the Issue Date and the completion of the distribution of the Trust Preferred Securities, and it will send to each dealer to which it sells Trust Preferred Securities during the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Trust Preferred Securities within the United States of America or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Trust Preferred Securities within the United States of America by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Trust Preferred Securities may not be purchased by or transferred to any employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, any plan or arrangement subject to Section 4975 of the Code, or any entity whose underlying assets include the assets of any such employee benefit plans, plan or arrangements.

United Kingdom

Each of the Managers has represented, warranted and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended from time to time, or any successor legislation, (“**FSMA**”)) received by it in connection with the issue or sale of any Trust Preferred Securities in circumstances in which section 21(1) of the FSMA does not apply to the Trust or the Company; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Trust Preferred Securities in, from or otherwise involving the United Kingdom.

General

In addition to the specific restrictions set out above, each Manager agrees that it will observe all applicable provisions of law in each jurisdiction in or from which it may offer Trust Preferred Securities or distribute any offering material.

GENERAL INFORMATION

Subject of this Prospectus

The subject matter of this Prospectus are the €500,000,000 non-cumulative Trust Preferred Securities, Liquidation Preference Amount €50,000 per security, which represent undivided beneficial ownership interests in the assets of Deutsche Postbank Funding Trust IV, a statutory trust created under the laws of the State of Delaware, United States of America.

Use of Proceeds

The gross proceeds from the sale of the Trust Securities will be invested by the Trust in the Class B Preferred Securities. The Company will use the funds from the sale of the Class B Preferred Securities, together with certain funds contributed by Postbank in return for the Class A Preferred Security and the Company Common Security, to make an investment in the Initial Debt Securities.

Postbank intends to treat the Class B Preferred Securities as consolidated Tier I regulatory capital. Postbank intends to use the gross proceeds from the sale of the Initial Debt Securities for general corporate purposes.

Postbank will pay certain commissions to the Managers and reimburse the Managers for certain expenses in connection with the Offering. See "Subscription and Sale." The net proceeds to Postbank Group are expected to amount to approximately €495,000,000.

Expenses Related to the Admission to Trading

Expenses related to the admission to trading amount to approximately €250,000.

Clearing Codes

The Trust Preferred Securities have been accepted for clearance through the facilities of Euroclear and Clearstream under the following clearance codes:

ISIN: XS0307741917
Common Code: 030774191

Resolutions

Postbank has authorized the issuance of the Trust Preferred Securities through the Trust by a management board resolution of Postbank dated June 20, 2007. The Trust and the Company have not passed any additional resolutions regarding the issuance of the Trust Preferred Securities.

Issue Date

The Trust Preferred Securities will be issued on June 29, 2007. The rights attached to the Trust Preferred Securities take effect as of such Issue Date.

Yield to Maturity

There is no explicit yield to maturity. The Trust Preferred Securities do not carry a fixed date for redemption and the Trust and the Company are not obliged, and under certain circumstances are not permitted, to make payments on the Trust Preferred Securities and Class B Preferred Securities at the full Stated Rate.

Listing, Admission to Trading and Documents for Inspection

Application has been made to the CSSF, as competent authority under the Prospectus Directive, for this Prospectus to be approved. Application has been made to the Luxembourg Stock Exchange for the Trust Preferred Securities to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. At the date hereof it is not intended to list the Trust Preferred Securities on any other stock exchange.

For so long as the Trust Preferred Securities are listed on the Official List of the Luxembourg Stock Exchange, there will be a paying agent in the city of Luxembourg and Capital Payments and the redemption price, if any, shall be made payable in Euros at the offices of the Luxembourg Paying Agent.

At any time during the term of the Trust Preferred Securities, once available, the most recently published consolidated and non-consolidated audited annual financial statements of Postbank (starting for the year ended

December 31, 2007), and the most recently available annual financial statements of the Trust and the Company (starting for the year ended December 31, 2007), will also be available for inspection and obtainable free of charge at the offices of the Principal Paying Agent.

Postbank does not publish non-consolidated interim financial statements. Unless required by applicable law or regulations, neither the Trust nor the Company prepares interim financial statements.

In addition the following documents will be available for inspection for the life of the Prospectus and obtainable, free of charge, at the offices of the Luxembourg Paying Agent:

- (a) the Articles of Association (*Satzung*) of Postbank;
- (b) the Amended and Restated Limited Liability Company Agreement and Certificate of Formation of the Company;
- (c) the Amended and Restated Trust Agreement and Certificate of Trust of the Trust;
- (d) the form of the Initial Debt Securities; and
- (e) the Support Undertaking.

Copies of these documents as well as financial statements and interim financial statements of Postbank are also available at the office of Postbank, Friedrich-Ebert-Allee 114-126, D-53113 Bonn, Germany

Internet Addresses

The Internet address of Postbank is: www.postbank.de. Information included on, or linked to or from, this Internet site does not form part of the Prospectus unless the Prospectus explicitly provides otherwise with respect to a particular document that can be downloaded from Postbank's web site.

Notices

Notices to the holders of the Trust Preferred Securities will be given by delivery of the relevant notice to Euroclear, Clearstream and any other relevant securities clearing system for communication by each of them to entitled participants, and so long as the Trust Preferred Securities are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Tageblatt - Zeitung für Lëtzeburg*) or on the website of the Luxembourg Stock Exchange on www.bourse.lu or if such Luxembourg publication (the "**Luxembourg Publication**") is not practicable, in one of the leading English language newspapers being published on each day in morning editions whether or not it shall be published on Saturdays, Sundays or holidays.

Paying Agents

Principal Paying Agent

Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10 – 14
60272 Frankfurt am Main
Germany

Luxembourg Paying and Transfer Agent

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L – 1115 Luxembourg

No Material Change

There has been no material adverse change in the financial position or prospects of Postbank since the date of its last published audited financial statements for the year ended December 31, 2006 and the interim report (unaudited) as of March 31, 2007 or the Trust or the Company since their formation on June 1, 2007.

INCORPORATION BY REFERENCE

Historical Financial Information

The following financial information which has previously been published or is published simultaneously with this Prospectus has been filed in a document with the CSSF and is incorporated by reference in, and forms part of this Prospectus:

- (i) the consolidated annual financial statements of Postbank as at and for the years ended December 31, 2006 and 2005, as reflected in the “**Audited Consolidated Financial Information for the Year 2006**” and in the “**Audited Consolidated Financial Information for the Year 2005**”;
- (ii) the audited unconsolidated balance sheet, income statement, notes and independent auditor’s report of Postbank for the year ended December 31, 2006, as reflected in the “**Audited Unconsolidated Financial Information for the Year 2006**”; and
- (iii) the unaudited consolidated interim financial statements of Postbank as at and for the three-month period ending March 31, 2007, as reflected in the “**Group Interim Report as per March 31, 2007 (unaudited)**”.

Comparative Table of the document incorporated by reference

Paragraph of Commission Regulation (EC) No 809/2004.	Heading of Registration Document	Page of Registration Document
11. Historical Financial Information concerning Postbank’s assets and liabilities, financial position and profits and losses (Historical Financial Information/Financial Statements/Auditing of historical annual financial information/Interim and other financial information/Legal and arbitration proceedings/Significant change in Postbank’s financial position)	Audited Consolidated Financial Information for the Year 2005	
	Income Statement	F-2
	Balance Sheet	F-3
	Statement of Changes in Shareholders’ Equity	F-4
	Cashflow Statement	F-5
	Notes	F-7
	Segment Report	F-59
	Independent Auditor’s Report	F-91
	Audited Consolidated Financial Information for the Year 2006	
	Management Report	F-94
	Risk Report	F-104
	Income Statement	F-132
	Balance Sheet	F-133

11.5 Interim and other financial information	Statement of Changes in Shareholders' Equity	F-134
	Cashflow Statement	F-135
	Notes	F-137
	Segment Report	F-183
	Postbank's Consolidated Subsidiaries and Equity Participations	F-200
	Independent Auditor's Report	F-218
	Audited Unconsolidated Financial Information for the Year 2006	
	Income Statement	F-263
	Balance Sheet Income Statement	F-265
	Notes	F-267
	Independent Auditor's Report	p. F-306
	Group Interim Report as per March 31, 2007 (unaudited)	
	Management Report	F-220
	Risk Report	F-223
	Income Statement	F-233
	Balance Sheet	F-236
	Statement of Changes in Shareholders' Equity	F-237
	Cashflow Statement	F-238
	Notes	F-239

Any information not included in the above cross-reference list but included in the document incorporated by reference is given for information purposes only. A copy of the document incorporated by reference will be available free of charge from the offices of the Luxembourg Paying Agent and via the Internet at the website of Postbank (www.postbank.de) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

DEFINITIONS

“1940 Act” means the U.S. Investment Company Act of 1940, as amended.

“3-month EURIBOR” means, for any Capital Payment Period or Interest Payment Period commencing on or after June 29, 2017 the rate determined by the Calculation Agent on the day (the **“Floating Rate Reset Date”**) falling two Business Days prior to the first day of the relevant Capital Payment Period or Interest Payment Period and shall be the per annum rate published on Reuters Screen EURIBOR01 Page (or such other screen page of Reuters or such other information service that is designated as the successor to Reuters Screen EURIBOR01 Page for the purpose of displaying such rates (the **“Screen Page”**)) on the relevant Floating Rate Reset Date at or about 11:00 a.m. (Brussels time) as the rate offered in the interbank market in the Euro-zone for deposits in Euros for the relevant Capital Payment Period or Interest Payment Period. If such rate does not appear on the Screen Page, then the rate for such Capital Payment Period or Interest Payment Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards), determined by the Calculation Agent, of the rates which four banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page (the **“Reference Banks”**) quote to prime banks in the interbank market in the Euro-zone at approximately 11:00 a.m. (Brussels time) on the relevant Floating Rate Reset Date for deposits in Euros for such Capital Payment Period or Interest Payment Period. If at least two such quotations are provided, the rate for such Capital Payment Period or Interest Payment Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for such Capital Payment Period or Interest Payment Period will be the 3-month EURIBOR rate in effect on the Business Day immediately preceding the relevant Floating Rate Reset Date.

“Additional Amounts” means any additional amounts payable by the Company or the Trust pursuant to the terms of the Class B Preferred Securities and the Trust Preferred Securities as may be necessary in order that the net amounts received by the holders of the Class B Preferred Securities and the Trust Preferred Securities, after deduction or withholding for or on account of any Withholding Taxes, on payments thereon and any amount payable in liquidation or on repayment upon redemption thereof, will equal the amounts that otherwise would have been received had no such deduction or withholding been required.

“Additional Interest Amounts” means any additional interest amounts payable by Postbank or another obligor pursuant to the terms of the Debt Securities as may be necessary in order that the net amounts received by the Company as a result of deduction or withholding upon payment of interest on the Debt Securities or repayment upon redemption thereof will equal the amount that otherwise would have been received had no such deduction or withholding been required.

“Adjusted Comparable Yield” means the yield three Business Days prior to the relevant Redemption Date on the Euro benchmark security selected by the Quotation Agent, after consultation with Postbank, as having a maturity comparable to the Debt Remaining Life or the Remaining Life, as the case may be, that would be utilized, at the time of selection and in accordance with customary banking practice, in pricing new issues of corporate debt securities of comparable maturity.

“Administrative Action” means any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt certain procedures or regulations) by any legislative body, court, governmental authority or regulatory body.

“BaFin” means the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

“Board of Directors” means the board of directors of the Company.

“Business Day” means a day (other than Saturday or Sunday) on which all relevant parts of Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET) are operational.

“Calculation Agent” means Deutsche Bank AG, Frankfurt am Main, Federal Republic of Germany.

“Capital Payment Date” means each Fixed Rate Payment Date and each Floating Rate Payment Date.

“Capital Payment Period” means the period from and including a Capital Payment Date (or, in the case of the first Capital Payment Period, the Issue Date) to, but excluding, the next succeeding Capital Payment Date.

“Capital Payments” means the periodic distributions on the Trust Preferred Securities and the Class B Preferred Securities.

“Class A Preferred Security” means the non-cumulative Class A Preferred Security evidencing a preferred ownership interest in the Company.

“Class B Preferred Securities” means the non-cumulative Class B Preferred Securities evidencing preferred ownership interests in the Company.

“Clearstream” means Clearstream Banking , société anonyme, Luxembourg.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Co-Managers” means Dresdner Bank AG London Branch and Société Générale.

“Common Depositary” means Deutsche Bank AG, Frankfurt am Main, and its successors, in its capacity as Common Depositary for Euroclear and Clearstream.

“Company” means Deutsche Postbank Funding LLC IV, a Delaware limited liability company.

“Company Common Security” means the voting common security representing an ownership interest in the Company.

“Company Preferred Securities” means the Class A Preferred Security and the Class B Preferred Securities.

“Company Securities” means the Company Common Security and the Company Preferred Securities.

“Company Special Redemption Event” means (i) a Regulatory Event, (ii) a Tax Event, (iii) a Gross-up Event or (iv) an Investment Company Act Event solely with respect to the Company.

“Company Successor Securities” means other securities having substantially the same terms as the Class B Preferred Securities.

“Debt Redemption Date” means the date fixed for redemption of the Initial Debt Securities.

“Debt Securities” means the Initial Debt Securities and the Substitute Debt Securities.

“Debt Make-Whole Amount” means the amount as determined by the Quotation Agent, equal to the sum of:

- the present value of a payment of the Principal Amount, discounted from the Initial Debt Redemption Date to the Debt Redemption Date, and
- the present values of all scheduled annual interest payments, including payments of interest that would accrue from the Debt Redemption Date to the next Interest Payment Date (if the Debt Redemption Date is not an Interest Payment Date),

at the Stated Rate during the Debt Remaining Life, discounted from such scheduled Interest Payment Date to the Debt Redemption Date, in each case on an annual basis (assuming a year consisting of 365 or 366 days, respectively) at a per annum rate equal to the applicable Adjusted Comparable Yield plus 0.5 %.

“Debt Remaining Life” means the period from the Debt Redemption Date to the Initial Debt Redemption Date.

“Delaware Trustee” means Deutsche Bank Trust Company Delaware.

“Distributable Profits” of Postbank for any financial year is the balance sheet profit (*Bilanzgewinn*) as of the end of such financial year, as shown in the audited unconsolidated balance sheet of Postbank as of the end of such financial year. Such balance sheet profit includes the annual surplus or loss (*Jahresüberschuss/Jahresfehlbetrag*), *plus* any profit carried forward from previous years, *minus* any loss carried forward from previous years, *plus* transfers from capital reserves and earnings reserves, *minus* allocations to earnings reserves, all as determined in accordance with the provisions of the German Stock Corporation Act (*Aktiengesetz*) and accounting principles generally accepted in the Federal Republic of Germany as described in the German Commercial Code (*Handelsgesetzbuch*) and other applicable German law then in effect. In determining the availability of sufficient Distributable Profits of Postbank related to any financial year to permit Capital Payments to be declared with respect to the Class B Preferred Securities, any Capital Payments already paid on the Class B Preferred Securities and any capital payments, dividends or other distributions already paid on Parity Securities, if any, on the basis of such Distributable Profits for such financial year will be deducted from such Distributable Profits.

“Early Redemption Price” means the greater of (i) the Redemption Price per Class B Preferred Security and (ii) the Make-Whole Amount.

“Enforcement Event” under the Trust Agreement with respect to the Trust Securities means the occurrence, at any time, of (i) non-payment of Capital Payments (plus Additional Amounts thereon, if any) on the Trust Preferred Securities or the Class B Preferred Securities at the Stated Rate in full as and when due for two consecutive Capital Payment Periods or (ii) a default by Postbank in respect of any of its obligations under the Support Undertaking, *provided* that, pursuant to the Trust Agreement, the holder of the Trust Common Security will be deemed to have waived any Enforcement Event with respect to the Trust Common Security until all Enforcement Events with respect to the Trust Preferred Securities have been cured, waived or otherwise eliminated.

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

“Fixed Rate” means the fixed coupon rate of 5.983% per annum for the accrual of Capital Payments (or, in the case of the Initial Debt Securities, the minimum fixed coupon rate of 5.983% per annum for the accrual of interest) for any Capital Payment Period (or, as applicable, any Interest Payment Period) ending prior to the Reset Date.

“Fixed Rate Payment Date” means, in relation to each Capital Payment Period from (and including) the Issue Date to (but excluding) the Reset Date, June 29 of each year.

“Floating Rate” means, for the accrual of Capital Payments (or, in the case of the Initial Debt Securities, for the accrual of interest) for any Capital Payment Period (or, as applicable, any Interest Payment Period) commencing on or after the Reset Date, 3-month EURIBOR (as defined herein) for such Capital Payment Period plus a margin of 2.07 % per annum.

“Floating Rate Payment Date” means, in relation to each Capital Payment Period commencing on or after the Reset Date, March 29, June 29, September 29 and December 29 of each year.

“Global Certificates” means the Permanent Global Certificates together with the Temporary Global Certificates.

“Global Securities” means one or more global certificates representing the Class B Preferred Securities which the Company will use reasonable efforts to have issued and registered in the name of the Common Depositary if the Class B Preferred Securities are distributed to holders of the Trust Preferred Securities in connection with the involuntary or voluntary liquidation, dissolution, winding up or termination of the Trust.

“Gross-up Event” means the receipt by Postbank of an opinion of an internationally recognized law firm or other tax adviser in a Relevant Jurisdiction, experienced in such matters, to the effect that there is more than an insubstantial risk that the Trust, the Company, Postbank or the relevant obligor of the Debt Securities would be obligated to pay Additional Amounts or Additional Interest Amounts, as a result of:

- any amendment to, or clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations promulgated thereunder) of a Relevant Jurisdiction or any political subdivision or taxing authority thereof or therein affecting taxation,
- any Administrative Action, or
- any amendment to, clarification of, or change in the official position or the interpretation of such Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position,

in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective, or which pronouncement or decision is announced, after the date of issuance of the Company Securities and the Trust Securities. However, none of the foregoing will constitute a Gross-up Event if Postbank (or the relevant obligor of the Debt Securities), the Trust or the Company may take reasonable measures under the circumstances to avoid such event.

“Independent Enforcement Director” means the independent member of the Board of Directors elected by the holders of the Class B Preferred Securities under specified circumstances.

“Initial Debt Redemption Date” means June 29, 2017, which is the first day on which the Initial Debt Securities will be redeemable, in whole but not in part, by Postbank other than upon the occurrence of a Company Special Redemption Event or in the event of replacement with Substitute Debt Securities.

“Initial Debt Securities” means subordinated notes of Postbank to be acquired by the Company using the proceeds from the issuance of the Class B Preferred Securities, the Class A Preferred Security and the Company Common Security.

“Initial Redemption Date” means June 29, 2017, which is the first day on which the Class B Preferred Securities will be redeemable, in whole but not in part, at the option of the Company, other than upon the occurrence of a Company Special Redemption Event.

“Interest Payment Date” means, in respect of the Initial Debt Securities, each Fixed Rate Payment Date and each Floating Rate Payment Date.

“Interest Payment Period” means, in respect of the Initial Debt Securities, the period from and including an Interest Payment Date (or, in the case of the first Interest Payment Period, the Issue Date) to, but excluding, the next succeeding Interest Payment Date.

“Investment Company” means an investment company within the meaning of the 1940 Act.

“Investment Company Act Event” means the request and receipt by Postbank of an opinion of a nationally recognized U.S. law firm experienced in such matters to the effect that there is more than an insubstantial risk that the Company or the Trust is or will be considered an Investment Company as a result of (i) any judicial decision, pronouncement or interpretation (irrespective of the manner made known), or (ii) the adoption or amendment of any law, rule or regulation, or any notice or announcement (including any notice or announcement of intent to adopt such law, rule or regulation), by any U.S. legislative body, court, governmental agency, or regulatory authority, in each case after June 27, 2007 (the date of signing of the Purchase Agreement).

“IRS” means the United States Internal Revenue Service.

“Issue Date” means June 29, 2007, the date of issue of the Trust Preferred Securities.

“Issue Price” means the initial offering price of 100% (equivalent to €50,000 per Trust Preferred Security).

“Joint Lead Managers” means Deutsche Bank AG, London Branch and Morgan Stanley & Co. International plc.

“Junior Distributions” means capital payments, dividends or other distributions on Junior Securities (excluding capital payments, dividends or other distributions by a subsidiary of Postbank exclusively to Postbank or a wholly-owned subsidiary of Postbank).

“Junior Securities” means (i) common stock of Postbank, (ii) each class of preference shares of Postbank ranking junior to Parity Securities of Postbank, if any, and any other instrument of Postbank ranking *pari passu* therewith or junior thereto and (iii) preference shares or any other instrument of any subsidiary of Postbank subject to any guarantee or support agreement of Postbank ranking junior to the obligations of Postbank under the Support Undertaking.

“Liquidation Preference Amount” means the Liquidation Preference Amount of €50,000 per Trust Preferred Security.

“LLC Act” means the Delaware Limited Liability Company Act, as amended.

“LLC Agreement” means the amended and restated limited liability company agreement of the Company.

“Luxembourg Paying and Transfer Agent” means Deutsche Bank Luxembourg S.A. and its successors in its capacity as paying agent and transfer agent (Agent chargé du service financier) in Luxembourg.

“Make-Whole Amount” means the amount as determined by the Quotation Agent, equal to the sum of:

- the present value of a payment of the liquidation preference amount of the Class B Preferred Securities, discounted from the Initial Redemption Date to the Redemption Date, and
- the present values of all scheduled annual Capital Payments (whether or not declared or deemed declared by the Company), including Capital Payments that would accrue from the Redemption Date to the next Capital Payment Date (if the Redemption Date is not a Capital Payment Date),

at the Stated Rate during the Remaining Life, discounted from such scheduled Capital Payment Date to the Redemption Date, in each case on an annual basis (assuming a year consisting of 365 or 366 days, respectively), at a per annum rate equal to the applicable Adjusted Comparable Yield plus 0.5 %.

“Managers” means the Joint Lead Managers together with the Co-Managers.

“Maturity Date” means, in respect of the Initial Debt Securities, June 29, 2037.

“Member Organization” means a direct or indirect account holder at a participant in Euroclear or Clearstream.

“Non-U.S. Persons” means persons who acquire Trust Preferred Securities in compliance with Regulation S.

“Offering” means the offering by Deutsche Postbank Funding Trust IV of the Trust Preferred Securities.

“Operating Profits” of the Company for any Capital Payment Period means the excess of the amounts payable (whether or not paid) on the Debt Securities or, after the Maturity Date, on the Permitted Investments that the Company may then hold in accordance with the LLC Agreement during such Capital Payment Period, over any operating expenses of the Company not paid or reimbursed by Postbank or one of its branches or affiliates during such Capital Payment Period, plus any reserves.

“Original Trust Preferred Securityholder” means a person that acquires Trust Preferred Securities on their original issue at their original issue price.

“Parity Securities” means each class of the most senior ranking preference shares, if any, that rank senior to the common stock of Postbank as to liquidation rights or other instruments of Postbank qualifying as Tier I regulatory capital, and Parity Subsidiary Securities.

“Parity Subsidiary Securities” means preference shares or other instruments qualifying as consolidated Tier I regulatory capital of Postbank, or any other instrument of any subsidiary of Postbank subject to any guarantee or support agreement of Postbank ranking *pari passu* with the obligations of Postbank under the Support Undertaking.

“Permanent Global Certificates” means permanent global certificates representing the Trust Preferred Securities.

“Permitted Investments” means investments by the Company in debt obligations of Postbank or one or more Qualified Subsidiaries unconditionally guaranteed by Postbank (which may in either case act through a non-German branch other than a U.S. branch) on a subordinated basis or in U.S. Treasury securities; *provided*, in each case, that such investment does not result in a Company Special Redemption Event.

“Postbank” means Deutsche Postbank AG.

“Postbank Group” means Postbank and its consolidated subsidiaries.

“Postbank Group Company” means Postbank or a Qualified Subsidiary.

“Principal Amount” means € 500,076,000 (equal to the gross proceeds from the issuance of the Class B Preferred Securities plus certain amounts contributed by Postbank for the Class A Preferred Security and the Company Common Security).

“Principal Paying Agent” means Deutsche Bank AG, Frankfurt am Main, Federal Republic of Germany.

“Property Account” means a segregated non-interest bearing trust account in the name of and under the exclusive control of the Property Trustee.

“Property Trustee” means Deutsche Bank Trust Company Americas.

“Purchase Agreement” means the purchase agreement entered into among Postbank, the Company, the Trust and the Managers, pursuant to which the Trust agreed to sell to the Managers and the Managers agreed to purchase the Trust Preferred Securities.

“Qualified Subsidiary” means a subsidiary that is consolidated with Postbank for German bank regulatory purposes of which more than 50% of the outstanding voting stock or other equity interest entitled ordinarily to vote in the election of the directors or other governing body (however designated) and of which more than 50% of the outstanding capital stock or other equity interest is, at the time, beneficially owned or controlled directly or indirectly by Postbank, which subsidiary meets the definition of “a company controlled by its parent company” as defined in Rule 3a-5 under the 1940 Act.

“Quotation Agent” means Deutsche Bank AG, Frankfurt am Main and its successors.

“Redemption Date” means the date of redemption of the Class B Preferred Securities.

“Redemption Price” means a redemption price per Class B Preferred Security equal to the liquidation preference amount thereof, plus any accrued and unpaid Capital Payments for the then current Capital Payment Period to but excluding the Redemption Date.

“Regulation S” means Regulation S under the Securities Act.

“Regular Trustee” means three of the Trustees who are employees or officers of Postbank or one of its affiliates.

“Regulatory Event” means that (i) Postbank is notified by a relevant regulatory authority that, as a result of the occurrence of any amendment to, or change (including any change that has been adopted but not yet become effective) in, the applicable banking laws of the Federal Republic of Germany (or any rules, regulations, interpretations or administrative practice thereunder, including rulings of the relevant banking authorities) or the guidelines of the Basel Committee for Banking Supervision after June 27, 2007, Postbank is not, or will not be, allowed to treat either the Class B Preferred Securities or the Trust Preferred Securities as Tier I regulatory capital for capital adequacy purposes on a consolidated basis, or (ii) the BaFin notifies Postbank or otherwise announces that neither the Class B Preferred Securities nor the Trust Preferred Securities (or securities substantially similar to the Class B Preferred Securities or the Trust Preferred Securities) may or may any longer be treated as Tier I regulatory capital for capital adequacy purposes on a consolidated basis.

“Relevant Jurisdiction” means the United States of America, Germany or the jurisdiction of residence of any obligor of the Debt Securities or any jurisdiction from which payments on the Trust Preferred Securities, the Class B Preferred Securities or the Debt Securities are made.

“Remaining Life” means the period from the Redemption Date to the Initial Redemption Date.

“Reset Date” means June 29, 2017.

“Restricted Period” means the period ending on the expiry of the 40th day after the later of the Issue Date and the completion of the distribution of the Trust Preferred Securities.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Servicer” means PB Capital Corporation.

“Services Agreement” means the services agreement among the Trust, the Company and the Servicer.

“Stated Rate” means (i) for each Capital Payment Period or Interest Payment Period ending before the Reset Date, the Fixed Rate and (ii) for each Capital Payment Period or Interest Payment Period beginning on or after the Reset Date, the Floating Rate.

“Substitute Debt Securities” means any debt securities issued in substitution for the Initial Debt Securities.

“Successor Securities” means other securities having substantially the same terms as the Trust Securities.

“Support Undertaking” means the support agreement between Postbank and the Company as set forth in Appendix A.

“Tax Event” means the receipt by Postbank of an opinion of a nationally recognized law firm or other tax adviser in a Relevant Jurisdiction, experienced in such matters, to the effect that, as a result of (i) any amendment to, or clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations promulgated thereunder) of a Relevant Jurisdiction or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any Administrative Action, or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective, or which pronouncement or decision is announced, after the date of issuance of the Company Securities and the Trust Securities, there is more than an insubstantial risk that (a) the Trust or the Company is or will be subject to more than a *de minimis* amount of taxes, duties or other governmental charges, or (b) Postbank or any other obligor of the Debt Securities (x) may not, in the determination of its taxable income for the purposes of determining German corporate income tax in any year, deduct in full interest payments on the Debt Securities (except to the extent such interest payments are determined to be connected with income of a branch that is not subject to taxation in Germany), or (y) would, other than in cases where the Capital Payments may not be declared by the Company, be subject to tax or income of the Company under the rules of the German Foreign Taxation Act (*Außensteuergesetz*). However, none of the foregoing will constitute a Tax Event if it may be avoided by Postbank (or the relevant obligor of the Debt Securities), the Trust or the Company taking reasonable measures under the circumstances.

“Temporary Global Certificates” means temporary global certificates representing the Trust Preferred Securities.

“**Trust**” means Deutsche Postbank Funding Trust IV, a statutory trust created under the laws of the State of Delaware, United States of America.

“**Trust Act**” means the Delaware Statutory Trust Act.

“**Trust Agreement**” means the declaration of trust among the Trustees and the Company, as sponsor, as amended and restated.

“**Trust Common Security**” means one common security of the Trust.

“**Trust Preferred Securities**” means €500,000,000 registered non-cumulative Trust Preferred Securities offered in the Offering.

“**Trust Securities**” means the Trust Common Security together with the Trust Preferred Securities.

“**Trust Special Redemption Event**” means (i) a Tax Event solely with respect to the Trust, but not with respect to the Company, or (ii) an Investment Company Act Event solely with respect to the Trust, but not with respect to the Company.

“**Trustees**” means the trustees of the Trust, pursuant to the Trust Agreement.

“**Withholding Taxes**” means any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or on behalf of a Relevant Jurisdiction or any political subdivision or authority therein or thereof having the power to tax by way of withholding or deduction.

APPENDIX A: FORM OF SUPPORT UNDERTAKING

This support undertaking (the “**Agreement**”), dated June 29, 2007, is entered into between Deutsche Postbank AG, a German stock corporation, (“**Postbank**”) and Deutsche Postbank Funding LLC IV, a Delaware limited liability company (the “**Company**”).

WITNESSETH:

WHEREAS, Postbank owns the Company Common Security (as defined below);

WHEREAS, pursuant to the LLC Agreement (as defined below), the Company will issue the Class A Preferred Security (as defined below) to Postbank, and the Class B Preferred Securities (as defined below) to the Trust (as defined below);

WHEREAS, pursuant to the Trust Agreement (as defined below), the Trust will issue the Trust Preferred Securities (as defined below) with the same terms as, and representing corresponding amounts of, the Class B Preferred Securities;

WHEREAS, the Company intends to use the proceeds from the issuance of the Class B Preferred Securities to purchase subordinated notes of Postbank;

WHEREAS, the Company may from time to time declare Capital Payments (as defined below) on the Class B Preferred Securities pursuant to and in accordance with the LLC Agreement; and

WHEREAS, Postbank wishes to undertake for the benefit of the Company and all current and future holders of the Class B Preferred Securities that (i) so long as Class B Preferred Securities remain outstanding, Postbank will maintain direct or indirect ownership of the Class A Preferred Security and the Company Common Security, (ii) the Company will at all times be in a position to meet its obligations when due and payable, including its obligation to pay Capital Payments, plus Additional Amounts (as defined below) thereon, if any, and the Redemption Price (as defined below) or the Early Redemption Price (as defined below), and (iii) in liquidation or dissolution, the Company will have sufficient funds to pay the Liquidation Preference Amount (as defined below), including accrued and unpaid Capital Payments to, but excluding, the date of liquidation or dissolution, and Additional Amounts, if any.

NOW, THEREFORE, the parties agree as follows:

Section 1. *Certain Definitions.*

“**Additional Amounts**” has the meaning specified in the LLC Agreement.

“**Agreement**” has the meaning specified in the preamble.

“**Capital Payment Period**” has the meaning specified in the LLC Agreement.

“**Capital Payments**” means any capital payments or other distributions at any time after the date hereof declared by the Board of Directors of the Company (or deemed declared in accordance with the LLC Agreement), but not yet paid, on the Class B Preferred Securities.

“**Class A Preferred Security**” means the class of preferred limited liability company interests in the Company designated as Class A.

“**Class B Preferred Securities**” means the class of preferred limited liability company interests in the Company designated as Class B, with a liquidation preference amount of €50,000 per security.

“**Company**” has the meaning specified in the preamble.

“**Company Common Security**” means the common limited liability company interest of the Company.

“**Early Redemption Price**” means the greater of (i) the Redemption Price per Class B Preferred Security and (ii) the Make-Whole Amount.

“Independent Enforcement Director” means the independent member of the board of directors of the Company elected by the holders of the Class B Preferred Securities upon the occurrence of certain events in accordance with, and under the terms set forth in, the LLC Agreement.

“Liquidation Preference Amount” means the stated Liquidation Preference Amount of the Class B Preferred Securities and any other amounts due and payable under the LLC Agreement upon the voluntary or involuntary liquidation, dissolution, winding up or termination of the Company to the holders of the Class B Preferred Securities.

“LLC Agreement” means the limited liability company agreement of the Company dated as of June 1, 2007, as amended and restated as of June 29, 2007 and as the same may be further amended from time to time in accordance with its terms.

“Make-Whole Amount” has the meaning specified in the LLC Agreement

“Person” means any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

“Postbank” has the meaning specified in the preamble.

“Redemption Price” has the meaning specified in the LLC Agreement.

“Trust” means Deutsche Postbank Funding Trust IV, a Delaware statutory trust established pursuant to a declaration of trust dated as of June 1, 2007, as amended and restated in the amended and restated declaration of trust dated as of June 29, 2007, and as the same may be further amended from time to time in accordance with its terms (the **“Trust Agreement”**).

“Trust Preferred Securities” means the non-cumulative Trust Preferred Securities issued by the Trust.

Section 2. *Support Undertaking.*

- (a) Postbank undertakes to ensure that the Company shall at all times be in a position to meet its obligations if and when such obligations are due and payable, including its obligations to pay Capital Payments, including Additional Amounts thereon, if any, and any payments due on redemption of the Class B Preferred Securities.
- (b) Postbank undertakes to ensure that in the event of any liquidation or dissolution of the Company, the Company shall have sufficient funds to pay the Liquidation Preference Amount (including accrued and unpaid Capital Payments for the then current Payment Period to, but excluding, the date of liquidation and Additional Amounts, if any).
- (c) The obligations of Postbank under this Section 2 shall be subordinated to all senior and subordinated debt obligations of Postbank (including profit participation rights (*Genussrechte*)), and will rank at least *pari passu* with the most senior ranking preference shares, if any, and other instruments of Postbank qualifying as Tier 1 regulatory capital, and will rank senior to any other preference shares and the common stock of Postbank.
- (d) This Agreement shall not constitute a guarantee or undertaking of any kind that the Company will at any time have sufficient assets, or be authorized pursuant to the LLC Agreement, to declare a Capital Payment or other distribution.

Section 3. *Third Party Beneficiaries and Enforcement of Rights.*

- (a) The parties hereto agree that this Agreement is entered into for the benefit of the Company and all current and future holders of the Class B Preferred Securities and that the Company and any holder of any such Class B Preferred Securities may severally enforce the obligations of Postbank under Section 2.
- (b) The parties hereto acknowledge that, as provided in the LLC Agreement, if a holder of Class B Preferred Securities has notified the Company that Postbank has failed to pay any amount then due hereunder, and such failure continues for sixty (60) days or more after such notice is given, the holders of a majority in liquidation preference amount of the Class B Preferred Securities shall have the right to elect the Independent Enforcement Director who will be required to enforce the rights of the Company under this Agreement.

Section 4. *No Exercise of Rights.* Postbank shall not exercise any right of set-off, counterclaim or subrogation that it may have against the Company as long as any Class B Preferred Securities are outstanding.

Section 5. *Burden of Proof.* Any failure of the Company to pay Capital Payments, the Redemption Price, the Early Redemption Price or Liquidation Preference Amounts (or any part thereof), plus, in each case, Additional Amounts, if any, when due and payable, shall constitute prima facie evidence of a breach by Postbank of its obligation hereunder. Postbank shall have the burden of proof that the occurrence of such breach results neither from its negligent nor its intentional misconduct.

Section 6. *No Senior Support to Other Subsidiaries.* Postbank undertakes that it shall not give any guarantee or similar undertaking with respect to, or enter into any other agreement relating to the support or payment of any amounts in respect of, any other preference shares or similar securities (or instruments ranking *pari passu* with or junior to preference shares or similar securities) of any other affiliated entity that would in any regard rank senior in right of payment to Postbank's obligations under this Agreement, *unless* the parties hereto modify this Agreement such that Postbank's obligations under this Agreement rank at least *pari passu* with, and contain substantially equivalent rights of priority as to payment as, such guarantee or support agreement.

Section 7. *Continued Ownership of the Class A Preferred Security and the Company Common Security.* Postbank undertakes to maintain direct or indirect ownership of the Class A Preferred Security and the Company Common Security so long as any Class B Preferred Securities remain outstanding.

Section 8. *No dissolution of the Company.* Under the terms of the LLC Agreement and to the fullest extent permitted by law, Postbank shall not permit the Company to be dissolved until all obligations under this Agreement have been paid in full pursuant to its terms.

Section 9. *Modification and Termination.* So long as any Class B Preferred Securities remain outstanding, this Agreement may not be modified or terminated without the consent of 100% of the holders of the Class B Preferred Securities as provided in the LLC Agreement, except for such modifications that are not adverse to the interests of the holders of the Class B Preferred Securities.

Section 10. *No Assignment.* So long as any Class B Preferred Securities remain outstanding, Postbank shall not assign its rights or obligations under this Agreement to any Person without the consent of 100% of the holders of such Class B Preferred Securities.

Section 11. *Successors.* This Agreement will be binding upon successors to the parties.

Section 12. *Severability.* Should any provision of this Agreement be found invalid, illegal or unenforceable for any reason, it is to be deemed replaced by the valid, legal and enforceable provision most closely approximating the intent of the parties, as expressed in such provision, and the validity, legality and enforceability of the remainder of this Agreement will in no way be affected or impaired thereby.

Section 13. *Governing Law and Jurisdiction.* This Agreement shall be governed by and construed in accordance with, the laws of the Federal Republic of Germany and the parties irrevocably submit to the non-exclusive jurisdiction of the district court (*Landgericht*) in Frankfurt am Main, Federal Republic of Germany.

IN WITNESS WHEREOF, Postbank and the Company have caused this Agreement to be duly executed and delivered by their respective authorized officers as of the date first written above.

DEUTSCHE POSTBANK AG

By:
Name:
Title:

By:
Name:
Title:

DEUTSCHE POSTBANK FUNDING LLC IV

By:
Name:
Title:

By:
Name:
Title:

PRINCIPAL PLACE OF BUSINESS OF POSTBANK

Deutsche Postbank AG
Friedrich-Ebert-Allee 114-126
D-53113 Bonn
Federal Republic of Germany

THE COMPANY

Deutsche Postbank Funding LLC IV
230 Park Avenue
New York, New York 10169
United States of America

THE TRUST

Deutsche Postbank Funding Trust IV
230 Park Avenue
New York, New York 10169
United States of America

PROPERTY TRUSTEE

Deutsche Bank Trust Company Americas
60 Wall Street – MSNYC60-2710
New York, New York 10005
United States of America

DELAWARE TRUSTEE

Deutsche Bank Trust Company Delaware
1011 Centre Road, Suite 200
Wilmington, Delaware 19805
United States of America

PRINCIPAL PAYING AGENT and CALCULATION AGENT

Deutsche Bank AG
Grosse Gallusstrasse 10-14
D-60311 Frankfurt am Main
Federal Republic of Germany

LUXEMBOURG PAYING AGENT and LUXEMBOURG TRANSFER AGENT

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer

L-1115 Luxembourg

Grand-Duché de Luxembourg

LEGAL ADVISORS

To Postbank, with regard to German and U.S. law

Cleary Gottlieb Steen & Hamilton LLP
Main Tower
Neue Mainzer Strasse 52
D-60311 Frankfurt am Main
Federal Republic of Germany

To Postbank, the Company, the Trust and the Delaware Trustee with regard to Delaware law

Richards, Layton & Finger
One Rodney Square, 10th Floor
Tenth and King Streets
Wilmington, Delaware 19081
United States of America

To the Managers with regard to German law

Freshfields Bruckhaus Deringer
Taunusanlage 11
D-60329 Frankfurt am Main
Federal Republic of Germany

To the Managers with regard to U.S. law

Freshfields Bruckhaus Deringer LLP
520 Madison Avenue
New York, New York 10022
United States of America