



Deutsche Postbank Funding Trust I

(a statutory trust formed under the Delaware Statutory Trust Act with its principal place of business in New York, NY, U.S.A.)

Financial Report

Annual Financial Report 2010

pursuant to section 37v of the German Securities Trading Act (*Wertpapierhandelsgesetz*)

Management Report

Deutsche Postbank Funding Trust I (the "Trust") was set up to issue Trust Preferred Securities, to issue a Trust Common Security to Deutsche Postbank AG (the "Postbank") and to use all proceeds derived from such issuances to purchase Class B Preferred Securities issued by Deutsche Postbank Funding LLC I (the "Company").

The noncumulative trust preferred securities (the "Trust Preferred Securities"), liquidation preference amount €1,000 per security (the "Liquidation Preference Amount"), represent preferred undivided beneficial ownership interest in the assets of Trust, a statutory trust created under the laws of the State of Delaware, United States of America. One Common Security of the Trust is held by Postbank. The assets of the Trust consist solely of noncumulative Class B Preferred Securities issued by the Company, a Delaware limited liability company which has the benefit of a support undertaking issued by Postbank. The terms of the Trust Preferred Securities are substantially identical to the terms of the Class B Preferred Securities. The Company invests the proceeds from the sale of the Class B Preferred Securities in subordinated debt obligations issued by Postbank.

The Trust Preferred Securities and the Class B Preferred Securities do not have a maturity date and are not 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, on any Capital Payment Date, except upon the occurrence of certain tax and capital disqualification events.

Noncumulative Capital Payments accrue on the Liquidation Preference Amount since December 2, 2005 (the Reset Date) at the Reference Rate for such Capital Payment Period plus 0.025 per cent per annum, payable semi-annually in arrears on June 2 and December 2 in each year, provided that no Capital Payment for any Capital Payment Period commencing on or after the Reset Date shall accrue at a rate of more than 8.00 per cent per annum.

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

- 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
- Postbank has Distributable Profits for the preceding fiscal 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 fiscal year are allocated among Capital Payments and capital payments, dividends or other distributions on Parity Securities, pro rata.

The terms "Reference Rate", "Operating Profit", "Distributable Profits" and "Parity Securities" and other capitalized terms used but not defined herein are described in detail in the Sales Prospectus relating to the Trust Preferred Securities dated November 30, 2004.

Results of Operations

During the fiscal year 2010, the Company and Postbank had sufficient Operating Profit and Distributable Profits, respectively to make Capital Payments at the stated rate and the Trust received Capital Payments from the Company at such rate and when due under the LLC Agreement. As a consequence, the Trust made Capital Payments on the Trust Preferred Securities at such rate at the scheduled date pursuant to the Trust Agreement. The Trust made no payments or other distributions on the Trust Common Security.

Under the Services Agreement, Postbank is obligated, among other things, to provide legal, accounting, tax and other general support services to the Trust, to maintain compliance with all applicable U. S. and German local, state and federal laws, and to provide administrative, recordkeeping and secretarial services for the Trust. The fees and expenses of the Trust and all other obligations of the Trust are paid by Postbank. During the fiscal year 2010 the Trust received all such services and Postbank paid such fees, expenses and obligations as provided in the Services Agreement. Net loss in fiscal year 2010 was -251 euro.

Risk Report

The Trust is affected mainly by market price, credit and liquidity risk, all of which are managed by Postbank Group.

Market risk

Market risk denotes the potential risk that may lead to losses in financial transactions due to changes in interest rates, spreads, volatilities, commodity prices, exchange rates, and equity prices.

The market risk in form of interest rate risk of the assets and liabilities of the Trust offset each other.

Liquidity risk

Liquidity risk is defined as the risk of being unable to meet current or future payment obligations.

Since the terms of the assets and liabilities are equivalent, the liquidity risk is insignificant.

Credit risk

Credit risk is the risk of possible losses arising from the inability of a counterparty to discharge its payment obligations or from a deterioration of its credit rating.

The Trust's assets are subject to the credit risk of Postbank which has an investment grade rating.

Outlook

Payments by the Company on the Class B Preferred Securities are the source of funds for the Capital Payments on the Trust Preferred Securities. In turn, the Company has invested substantially all proceeds from the issuance of the Class B Preferred Securities in Initial Debt Securities issued by Postbank. Under the Initial Debt Securities, since interest is paid at the same dates as Capital Payments are scheduled under the Class B Preferred Securities and at a rate of at least 0.025 per cent. Per annum above the Reference Rate, provided that no interest payment shall accrue at a rate of more than 8.00 per cent. per annum. The Company is also a party to the Services Agreement with Postbank and receives similar services and payment of fees, expenses and obligations as the Trust. The Trust expects that the Company and Postbank will continue to meet their respective obligations under the Class B Preferred Securities, the Initial Debt Securities, the Services Agreement and the other agreements, as applicable, made in connection with the Trust Preferred Securities. For 2011 and 2012 the Trust expects a net profit.

Deutsche Postbank Funding Trust I

Statement of Financial Position

Year ended December 31, 2010

Assets	2010	2009
	€	€
Cash reserve	25	27
Investment securities	300,001,000	300,001,000
Other assets	750,861	832,302
Total Assets	<u>300,751,886</u>	<u>300,833,329</u>
Liabilities and Stockholders' Equity		
Securitized liabilities	300,000,000	300,000,000
Other liabilities	750,858	832,050
Total Liabilities	<u>300,750,858</u>	<u>300,832,050</u>
Stockholders' Equity		
Common Stock, €1,000 stated value per share. Authorized, issued, and outstanding 1 share	1,000	1,000
Retained earnings	28	279
Total liabilities and stockholders' equity	<u>300,751,886</u>	<u>300,833,329</u>

See accompanying notes to financial statements

Deutsche Postbank Funding Trust I

Statement of Comprehensive Income

Year ended December 31, 2010

	2010	2009
	€	€
Interest income	9,542,590	11,397,313
Interest expense	(9,542,832)	(11,397,049)
Net interest income	<u>(242)</u>	<u>264</u>
Other administrative expenses	(9)	(10)
Net income	<u>(251)</u>	<u>254</u>
Other comprehensive income	<u>0</u>	<u>0</u>
Total comprehensive income	<u>(251)</u>	<u>254</u>

See accompanying notes to financial statements

Deutsche Postbank Funding Trust I

Statement of Changes in Equity

Year ended December 31, 2010

		Common Stock	Retained Earnings	Total
Balance at December 31, 2009	€	1,000	279	1,279
Net Income	€		(251)	(251)
Balance at December 31, 2010	€	1,000	28	1,028

See accompanying notes to financial statements

Undistributed profits from current and previous years are reported under retained earnings.

Deutsche Postbank Funding Trust I

Statement of Cash Flows

Year ended December 31, 2010

	2010	2009
	€	€
Cash flows from operating activities		
Net income	(251)	254
Changes in working capital after adjustment for non-cash components	249	(249)
Net cash used in operating activities	<u>(2)</u>	<u>5</u>
Cash and cash equivalents, beginning of period	<u>27</u>	<u>22</u>
Cash and cash equivalents, end of period	<u><u>25</u></u>	<u><u>27</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	<u>9,624,024</u>	<u>11,514,024</u>
Cash received during the period for:		
Interest	<u>9,624,031</u>	<u>11,514,039</u>

See accompanying notes to financial statements

Deutsche Postbank Funding Trust I

Notes to Financial Statements

Year ended December 31, 2010

(1) Organization

Deutsche Postbank Funding Trust I (the "Trust") is a statutory business trust created on December 2, 2004 under the laws of the State of Delaware. The Trust was incorporated for the sole purpose of issuing EUR 300,000,000 of Trust Preferred Securities to investors and a EUR 1,000 Trust Common Security to Deutsche Postbank AG ("Postbank"). The proceeds from the issuance of the Trust Preferred Securities were used to purchase the Class B Preferred Securities issued by Deutsche Postbank Funding LLC I (the "Company"). The Trust does not engage in any business other than holding the Class B Preferred Securities, collecting Capital Payments paid with respect to the Class B Preferred Securities, paying Capital Payments to the holders of the Trust Preferred Securities, and performing ancillary obligations. The activities of the Trust are conducted in Euro and the financial statements of the Trust are denominated in Euros.

The Trust entered into a Services Agreement with the Company, PB Capital Corporation and Postbank under which the Company is required to pay certain fees and expenses of the Trust. Audit fees are paid by Postbank.

Postbank is the parent entity of the Trust. The Trust is included in the consolidated financial statements of the Postbank Group. Since December 3, 2010 the ultimate controlling party of the Trust is Deutsche Bank AG, Frankfurt am Main.

(2) Basis of Accounting

The financial statements constitute an annual financial report within the meaning of the Transparenzrichtlinie-Umsetzungsgesetz (TUG – Transparency Directive Implementation Act (section 37v of the WpHG – Securities Trading Act)) as of January 5, 2007.

Interest income represents the payments received or receivable as Capital Payments on the Class B Preferred Securities. Interest expense represents payments paid or payable on the Trust Preferred Securities subject to mandatory redemption.

The Trust is a grantor trust and, as such, is a simple trust. Simple trusts must pass through all items of income and deductions to the grantor. Therefore, the Trust has no taxable income and no requirement to record a tax expense.

The disclosures on risks from financial instruments (in accordance with IFRS 7) are presented in the Risk Report contained in the Management Report.

The following Standards were required to be applied for the first time in the reporting period: IAS 39 (am. 2008) "Financial Instruments: recognition and measurement" and the "Annual Improvements Project 2009". These changes did not have any material impact on the Trust.

Amendments resulting from Standards and Interpretations to be applied in future fiscal years

The principal Standards issued, the effective date, and the expected effects on Trust are summarized below:

Standard	Effective date	Description of amendments and their effects on the Trust
IAS 24 (rev. 2009) "Related party disclosures"	January 1, 2011 (endorsed by EU Regulation 632/2010 dated July 19, 2010)	The definition of related parties was modified in order to clarify which equity interests held are covered. The Trust does not anticipate any material effects from the new requirements.
Annual Improvements Project 2010	January 1, 2011 (endorsed by EU Regulation 149/2011 dated February 18, 2011)	The IASB made clarifications, amendments, and additions to six Standards and one Interpretation as part of the Annual Improvements Project 2010. The Trust does not anticipate any material effects from the new requirements.
IFRS 9 "Financial instruments"	At present, IFRS 9 (Phase 1) is intended to apply to fiscal years beginning on or after January 1, 2013. So far, there is no endorsement by the EU.	The IASB has launched a project to replace IAS 39 "Financial instruments: recognition and measurement". The project is broken down into three phases, which will ultimately lead to a new Standard, IFRS 9 "Financial instruments". A final Standard for Phase 1, "Classification and Measurement", has already been produced. This specifies that the classification of financial instruments must be based on the criteria of the entity's business model and the contractual cash flow characteristics. Depending on how these criteria are applied, the financial instruments are classified and measured at amortized cost or at fair value. Exposure drafts of Phase 2 ("Amortized Cost and Impairment") and Phase 3 ("Hedge accounting") have now been issued. Phase 2 aims to replace the incurred loss impairment model by an expected loss model, which will enable risks to be accounted for ahead of time. Phase 3 provides for simplifications to hedge accounting, and especially to the effectiveness test. The Trust is currently examining the potential effects on, and changes to, the financial statements.

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Notes to Financial Statements

Year ended December 31, 2010

(3) Summary of Significant Accounting Policies

All assumptions, estimates and assessments required for recognition and measurement in accordance with the IFRSs are in conformity with the respective Standards, and are regularly reassessed and based on past experience as well as other factors, including expectations as to future events that appear reasonable under the given circumstances.

(a) Investment securities

The investment securities are classified as loans and receivables (LaR) in accordance with IAS 39.

Loans and receivables (LaR) portfolios are recognized at amortized cost in the balance sheet.

The fair value disclosures on these investment securities are based upon present value estimates because they are not actively traded.

(b) Liabilities

Pursuant International Accounting Standards (IAS) 32, *Financial Instruments: Disclosure and Presentation*, and IAS 39, *Financial Instruments: Recognition and Measurement*, the Trust Preferred Securities have been classified as liabilities and are described as "Preferred Securities Subject to Mandatory Redemption".

Liabilities debts are carried at amortized cost (IAS 39.47).

(4) Preferred Securities Subject to Mandatory Redemption

On December 2, 2004, the Trust issued EUR 300 Million of Trust Preferred Securities. The Trust Preferred Securities have no stated maturity, but are redeemable, in whole or in part. Distributions on the Trust Preferred Securities are Capital Payments, which are non-cumulative and accrue on the Liquidation Preference Amount. Since December 2, 2005, the Reset Date, Capital Payments accrue at the Reference Rate plus 0.025 per cent per annum, payable semi-annually in arrears on June 2 and December 2 in each year, provided that no Capital Payment shall accrue at a rate of more than 8.00 per cent per annum. Capital Payments are subject to certain conditions, including that Postbank has an amount of Distributable Profits for the preceding financial year at least equal to the Capital Payments.

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(5) Related Party Transactions

Related Parties of the Trust are Deutsche Postbank AG, Deutsche Postbank AG subsidiaries and Deutsche Bank AG, which has controlled Postbank and indirectly, the Trust since December 3, 2010. Other related parties are Deutsche Bank AG's subsidiaries (since December 3, 2010).

Name	Address
Deutsche Bank AG	Taunusanlage 12, 60262 Frankfurt am Main, Germany
Deutsche Postbank AG	Friedrich-Ebert-Allee 114-126, 53113, Bonn, Germany
Deutsche Postbank Funding LLC I	230 Park Avenue, New York, NY 10169, USA
PB Capital Corporation	230 Park Avenue, New York, NY 10169, USA

With the proceeds of the issuance of the Trust Preferred Securities, the Trust purchased an aggregate principal amount of €300,001,000 of Class B Preferred Securities, issued by Deutsche Postbank Funding LLC I (the "Company"), an affiliated entity, on December 2, 2004. The Class B Preferred Securities do not have a maturity date and are not redeemable at any time at the option of the holders. The Trust and the Company may redeem the Trust Preferred Securities and the Class B Preferred Securities, as the case may be, on the Initial Redemption Date scheduled to occur on any Capital Payment Date, except upon the occurrence of certain tax and capital disqualification events, as described below.

Capital Payments are payable on the Class B Preferred Securities since December 2, 2005 (the Reset Date) at the Reference Rate plus 0.025 per cent per annum, payable semi-annually in arrears on June 2 and December 2 in each year, commencing on June 2, 2006, provided that no Capital Payment commencing on or after the Reset Date shall accrue at a rate of more than 8.00 per cent per annum.

All Capital Payments paid on the Class B Preferred Securities are passed through to the holders of the Trust Preferred Securities as Capital Payments on the Trust Preferred Securities.

The Class B Preferred Securities are not redeemable by the Company prior to the maturity date except upon the occurrence of a Tax Event, a Regulatory Event or Investment Company Event (as described below). If the Company redeems the Class B Preferred Securities, the Trust must redeem the Trust Preferred Securities under the terms of the Trust Agreement. Any redemption of the Trust Preferred Securities, in whole or in part, will be at an amount equal to €1,000 per Trust Preferred Security and an amount equal to €1,000 per Trust Common Security, plus any additional amounts, if any, plus any accrued and unpaid Capital Payments for the then current Payment Period ending on the date of redemption. In the case of redemption upon the occurrence of a Trust Special Redemption Event (as defined in the Trust Agreement), the Company Capital Securities would be distributed, after satisfaction of the claims of the creditors, if any, 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.

In the event of any voluntary or involuntary liquidation, dissolution, winding up or termination of the Trust, the holders of the Trust Preferred Securities at the time outstanding shall, subject to certain limitations, be entitled to receive (a) the Company Capital Securities in an aggregate stated liquidation

preference amount on such Trust Securities and (b) pro rata based on the respective liquidation preference amounts of the Trust Securities, any other assets of the Trust.

A Tax Event means the receipt by Postbank of an opinion of a nationally recognized law firm or other tax adviser in the United States or Germany, as appropriate, 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 the United States or Germany or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) ("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, on or after the date of issuance of the Company Securities and Trust Securities, there is more than an insubstantial risk that (a) the Trust or Company is or will be subject to more than a de minimis amount of taxes, duties or other governmental charges, or (b) the Trust, the Company or an obligor on the Initial Debt Securities or substitute debt securities would be obligated to pay additional amounts.

A Regulatory Event means that, as a result of the occurrence of any amendment to, or change (including any change that has been adopted but has not yet become effective) in, the applicable banking laws of Germany (or any rules, regulations or interpretations thereunder, including rulings of the relevant banking authorities) or the guidelines of the Basle Committee for Banking Supervision, Postbank is not, or will not be, allowed to treat the Company Capital Securities as supplementary or Tier 2 regulatory capital for capital adequacy purposes on a consolidated basis.

An Investment Company Event means that Postbank will have requested and received an opinion of a nationally recognized U.S. law firm experienced in such matters to the effect that there is more than insubstantial risk that the Company or the Trust is or will be considered an "investment company" within the meaning of the Investment Company Act of 1940, as amended, as a result of any judicial decision, pronouncement or interpretation (irrespective of the manner made known), 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 the date of the Agreement.

The Company, an affiliated entity, pays all administrative expenses incurred by the Trust and the Company. In addition, Postbank and the Company have entered into a support undertaking for the benefit of the Trust and the holders of the Trust Preferred Securities.

The common stock of the Trust is held by Postbank acting through its New York subsidiary. The common stock of the Company is held by Postbank.

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Notes to Financial Statements

Year ended December 31, 2010

(6) Fair Value of Financial Instruments

International Financial Accounting Standards (IFRS) 7, *Financial Instruments: Disclosure* requires the disclosure of fair value information about financial instruments for which it is practicable to estimate that value, whether or not the instrument is recognized in the statement of financial condition. Quoted market prices, when available, are used as the measure of fair value. In cases where quoted market prices are not available, fair values are based on present value estimates of anticipated cash flows.

These derived fair values are significantly affected by assumptions used, principally the timing of future cash flows and the discount rate. Because comparisons to independent market quotes are not possible and assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated and, in many cases, these estimated fair values could not necessarily be realized in an immediate sale or settlement of the instruments.

The following are the estimated fair values of the Trust's financial instruments recognized on the statement of financial condition:

	December 31, 2010		December 31, 2009	
	Carrying amount (€)	Fair value (€)	Carrying amount (€)	Fair value (€)
Investment securities	300,001,000	174,015,660	300,001,000	147,013,230
Securitized liabilities	300,000,000	172,800,000	300,000,000	140,250,000

Responsibility Statement by the Regular Trustees

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

New York/New York, April 15, 2011

The Regular Trustees



Kurt Sachs



M. Rebecca Robertson



Berit Block

Auditors' Report

To Deutsche Postbank Funding Trust I, Wilmington/Delaware, USA

We have audited the financial statements, comprising the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, together with the bookkeeping system, and the management report of Deutsche Postbank Funding Trust I, Wilmington/Delaware, USA (the "Trust") for the business year from January 1 to December 31, 2010, which are part of the annual financial report (Jahresfinanzbericht) pursuant to § (Article) 37v WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The maintenance of the books and records and the preparation of the financial statements in accordance with the IFRS, as adopted by the EU, and of the management report in accordance with German commercial law are the responsibility of the Trust's legal representatives. Our responsibility is to express an opinion on the financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the financial statements in accordance with § 317 HGB ("Handelsgesetzbuch": German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial statements in accordance with IFRS, as adopted by the EU, and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Trust and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Trust's legal representatives as well as evaluating the overall presentation of the financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the financial statements comply with the IFRS, as adopted by the EU, and give a true and fair view of the net assets, financial position and results of operations of the Trust in accordance with these requirements. The management report is consistent with the financial statements and as a whole provides a suitable view of the Trust's position and suitably presents the opportunities and risks of future development.

Düsseldorf, April 20, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Christoph Theobald
Wirtschaftsprüfer
(German Public Auditor)

ppa. Caroline Neupel
Wirtschaftsprüferin
(German Public Auditor)