

PB Consumer 2008-1 GmbH

Unsecured Consumer Loans / Germany

Closing Date

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DEFINITIVE RATINGS

Class	Rating	Amount (million)	% of Notes	Legal Final Maturity	Coupon
A	Aaa	€ 997.70	86.00	28 August 2021	1mE + 0.45%
B	Aa2	€ 18.60	1.60	28 August 2021	1mE + 0.95%
C	A1	€ 30.20	2.60	28 August 2021	1mE + 1.60%
D	Baa2	€ 42.90	3.70	28 August 2021	1mE + 2.60%
E	Ba2	€ 17.40	1.50	28 August 2021	1mE + 3.90%
F	NR	€ 53.30	4.60	28 August 2021	1mE + 1.00%
Total		€ 1,160.10	100.00		

The ratings address the expected loss posed to investors by the legal final maturity. In Moody's opinion the structure allows for timely payment of interest and ultimate payment of principal at par on or before the rated final legal maturity date. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

OPINION

Strengths of the Transaction

- Deutsche Postbank AG is rated **Aa2/P-1** and regulated by the German Supervisory Authority for Banking Business ("BAFin"), hence the chances of disruptions in the servicing process due to financial solidity of the Servicer are limited;
- Deutsche Postbank AG has gained good securitisation experience from the previous three synthetic securitisations of its RMBS portfolios (Provide Domicile, PB Domicile, PB Domicilio);
- The transaction involves a static pool; hence there is no additional loss potential arising from replenishment;
- At the cut-off date of the transaction, all loan receivables are current and at least one instalment must be paid;
- The deal benefits from credit enhancement, which is provided through (1) excess spread, (2) subordination and (3) a first-loss piece;
- The portfolio is geographically diversified across Germany;
- At closing, the top 25 obligors only make up 0.10% of the total loan portfolio. This limits the risk that the notes are exposed to high credit losses because of single obligor defaults.
- The securitised portfolio is well seasoned with a weighted average seasoning of 19 months and a minimum seasoning of 5 months.

Weaknesses and Mitigants

- Limited historical data are available. The historical default data only covers 36 months whereas the maximum remaining loan maturity could be up to 84 months. This uncertainty will be mitigated by conservative extrapolation of the historical data from month 36 to month 84;



- The payment structure is not fully sequential, but switches to pro rata once the pro-rata test (based on certain triggers) has been met. The risk associated with the pro rata amortisation has been tested by using various back loaded timing of default curves in the model;
- Commingling risk is inherent in the transaction as portfolio collections are not kept separately from Deutsche Postbank AG's total collections and only have to be transferred to the SPV once a month; to partially mitigate this risk, a loss of **Baa1** on Moody's long-term rating for Deutsche Postbank AG will trigger a transfer of the collections to the SPV's account every 3 days. Loss of **Baa3** triggers a daily sweep. Additionally a commingling reserve will be set up once Deutsche Postbank AG is downgraded below **Ba2**;
- Potential set-off risk from Deutsche Postbank AG's deposit business in case of an originator insolvency is mitigated by the following factors:
 - i) Deutsche Postbank AG is rated **Aa2/ P-1**;
 - ii) Upon Deutsche Postbank AG loses its **Baa3** rating, a set-off risk reserve at minimum of 100% of the then potential set-off amount will be provided by Deutsche Postbank AG. The required reserve amount will be adjusted monthly;
- There are interest deferral triggers present in the transaction that may stop interest payment on class B, class C, class D or class E respectively to benefit from the liquidity reserve if the PDL balance for the correspondent class of notes has reached the amount equal to the lesser of 20% of the initial outstanding class balance and 100% of the current outstanding class balance. Moody's has considered the probability of triggering this event in its analysis. In Moody's opinion, the level of defaults which will trigger the interest deferral is relatively high and therefore unlikely;
- The liquidity reserve required amount is set to cover only two months liquidity on senior expenses and senior coupons (Class A to Class E). In addition, there will be no principal available to pay interest in a pre-enforcement scenario. However, upon loss of **Aa3**, Deutsche Postbank AG is required to fund the liquidity reserve up to three months liquidity;
- There is limited excess spread available in the transaction to cover defaults in the transaction. Defaults will mainly be absorbed by a larger first-loss piece (class F). Nonetheless, Moody's has considered this in its quantitative analysis.

STRUCTURE SUMMARY *(see page 4 for more details)*

Issuer:	PB Consumer 2008-1 GmbH
Structure Type:	True sale under the German TSI platform, sequential/pro-rata payment structure
Seller/Originator:	Deutsche Postbank AG (Aa2/ P-1)
Servicer:	Deutsche Postbank AG
Back-up Servicer:	NA
Interest Payments:	Monthly in arrears starting on 28 February 2008
Principal Payments:	Monthly in arrears starting on 28 February 2008
Credit Enhancement/Reserves:	Excess spread, subordination, first-loss piece
Liquidity Facility:	Liquidity reserve to cover 2 months senior expenses and senior coupons
Interest Rate Swap Counterparty:	Fixed/floating swap with Société Générale (Aa1/ P-1)
Transaction Account Bank:	BNP Paribas Securities Services, Frankfurt Branch (Aa1/ P-1)
Cash Administrator/ Principal Paying Agent:	BNP Paribas Securities Services
Security Trustee:	BNP Paribas Trust Corporation UK Limited
Data Trustee:	BNP Paribas Securities Services
Corporate Administrator	Wilmington Trust SP Services (Frankfurt) GmbH
Arranger/Co-Arranger:	Royal Bank of Scotland plc/ Deutsche Postbank AG (Aa2/ P-1)
Lead Managers	Royal Bank of Scotland plc, (Aaa/ P-1), JPMorgan (Aa2/ P-1), Société Générale Corporate and Investment Banking (Aa1/ P-1)

COLLATERAL SUMMARY AS OF 30 NOVEMBER 2008¹ *(see page 8 for more details)*

Receivables:	Approx. € 1.201 billion unsecured consumer loans originated by Deutsche Postbank AG under two brands "Postbank" and "DSL Bank" to private individuals resident in Germany
Original Amount at Origination	€ 1,727,216,649
Number of Contracts:	140,694
Number of Borrowers:	136,916; Largest 25 borrowers account for 0.10% of the total loans portfolio
Geographic Diversity:	All across Germany
Remaining Term:	Average: 52.50 months; max: 81 months
Seasoning:	Average: 18.60 months
Delinquency Status:	Only non-delinquent loans are eligible
Yield:	6.09%

NOTES

Class	Subordination	Liquidity Reserve	Total
Class A	14.00%	0.72%	14.00%
Class B	12.40%	0.72%	12.40%
Class C	9.80%	0.72%	9.80%
Class D	6.10%	0.72%	6.10%
Class E	4.60%	0.72%	4.60%
Class F	0.00%	0.72%	0.00%

Excess spread at closing is approximately 0.20% p.a.

¹ The asset balance sold to the SPV is as of 31 December 2007 and is thus slightly lower than the asset balance as at the cut-off date of 30 November 2007 due to portfolio amortisation over one month.

TRANSACTION SUMMARY

First ABS term transaction of unsecured consumer loans (“Ratenkredite”) in Germany

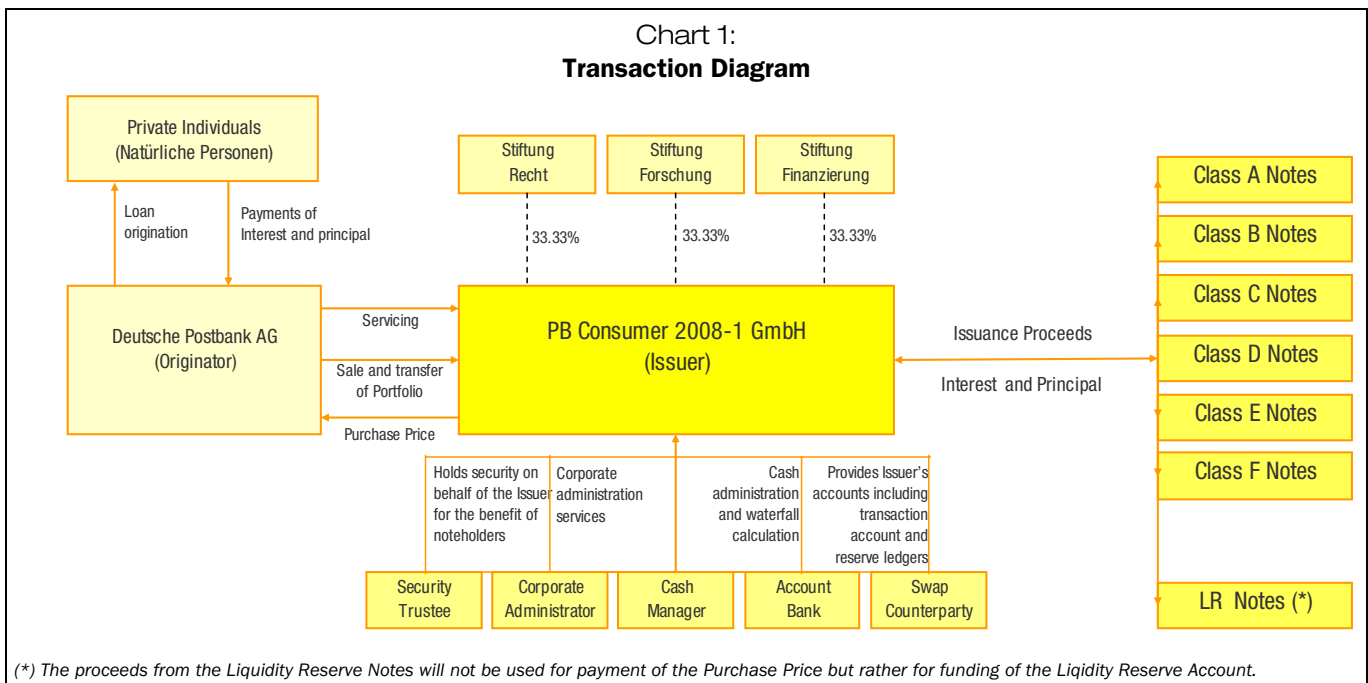
PB Consumer 2008-1 is the first ABS term transaction of unsecured consumer loans in Germany.² In this transaction, Deutsche Postbank AG sells approx. €1,160 million of receivables arising under consumer loans via true sale (sale and assignment) under the German TSI platform to the PB Consumer 2008-1 GmbH (SPV). To fund the purchase price, the SPV issues six classes of notes: the class A, class B, class C, class D, class E and the class F notes. The class F notes provide the first-loss piece in the transaction. All classes of notes will amortise sequentially from day one (static structure) and switch to pro-rata once the pro-rata test has been met – which means

- the class A notes have amortised to 50% of its initial amount;
- the liquidity reserve meets its required level;
- the dynamic 3-month rolling average default has not reached 0.40%;
- the PDL balance is zero for class A-E; and
- the outstanding notes amount exceeds 10% of the initial senior notes (class A-E).

If the pro-rata test is not met at any time, the transaction will switch back to sequential payment.

Liquidity is covered through excess spread and a liquidity reserve. The liquidity reserve is initially funded by liquidity reserve notes. Payments made to the liquidity reserve notes solely come from interest earned on the the liquidity reserve account and the liquidity reserve amortisation amount. Thus, these notes are not backed by the loan receivables.

Commingling risk is mitigated by rating triggers based on Deutsche Postbank AG’s Moody’s long-term rating. Additionally, once Deutsche Postbank AG is rated below **Baa3**, a separate set-off reserve will be provided by Deutsche Postbank AG to cover potential set-off risk.



² There has been no securitisation of unsecured consumer loans in Germany so far due to the lack of portfolio critical mass for securitisation.

Liquidity and Liquidity Reserve

Liquidity is provided through excess spread and a liquidity reserve

Liquidity is provided by excess spread and a liquidity reserve. The liquidity reserve is initially funded through the issuance of liquidity reserve notes in an amount equal to € 8.3 million which corresponds to 0.72% of the total initial notes balance. The reserve provides liquidity for the senior notes (class A to class E) throughout the life of the transaction.

The liquidity reserve will be built up through excess spread starting at the closing date, and the target liquidity reserve amount is equal to the two months senior expenses and interest payments on the senior notes. Once having reached its target amount, the liquidity reserve will amortise to its required level. The required liquidity reserve amount is defined as the greater of €5,000,000 and an amount equal to the two month senior expenses and senior notes interests on each payment date (before the payment date on which the portfolio is fully amortised – on that payment date the required reserve amount is 0). The required target liquidity reserve amount will be increased to cover three months senior expenses and senior notes interests once Deutsche Postbank AG is downgraded below **Aa3** (or €5,000,000 if this amount is greater).

There will be no principal available to pay interest in a pre-enforcement scenario (two separate payment waterfalls: interest payment waterfall and principal payment waterfall).

Interest Payment Waterfall (Pre-Enforcement)

There are two separate waterfalls in the pre-enforcement scenario

There are a waterfall for interest payment and a waterfall for principal payment prior to an enforcement notice (and one single waterfall in the post-enforcement scenario in which the priority of payments is fully sequential). The available distribution amount (revenue available) for the interest payment waterfall mainly consists of:

- Interests collected under the purchased receivables;
- Recoveries;
- Any amount paid (other than collateral) by the interest swap counterparty to the issuer under the interest swap;
- Revenue shortfall amount (drawing from the liquidity reserve to pay senior fees and senior notes interests).

The revenue available is applied to the following simplified priority of payments

- 1) Issuer's tax liability;
- 2) Fees and expenses to the Security Trustee
- 3) To the liquidity reserve account the liquidity reserve top up amount;
- 4) Other administrative fees and expenses;
- 5) Netted amounts due under the interest swap other than any issuer close out payment obligation;
- 6) Interest on class A;
- 7) To credit class A PDL until it has reached zero;
- 8) Interest on class B;
- 9) To credit class B PDL until it has reached zero;
- 10) Interest on class C;
- 11) To credit class C PDL until it has reached zero;
- 12) Interest on class D;
- 13) To credit class D PDL until it has reached zero;
- 14) Interest on class E;
- 15) To credit class E PDL until it has reached zero;
- 16) To the liquidity reserve account the liquidity reserve ramp up amount;
- 17) Any issuer close out payment obligation;
- 18) Interest on class F;
- 19) To credit class F PDL until it has reached zero;
- 20) The success fee to the originator;

Sequential amortisation of the notes after closing with switch to pro-rata as long as the pro-rata test is met

Principal Payment Waterfall (Pre-Enforcement)

The available principal distribution amount (principal available) is (inter alia) the sum of:

- Principal repayment (excluding recoveries);
- Payments of a non-eligible receivable repurchase price;
- The principal deficiency ledger credit amount.

The principal available is applied on each payment date in accordance with the following priority of payments (simplified):

If the pro-rata test has not been met, sequentially for the repayment of

- 1) Principal of the class A notes until all class A notes have been fully redeemed;
- 2) Principal of the class B notes until all class B notes have been fully redeemed;
- 3) Principal of the class C notes until all class C notes have been fully redeemed;
- 4) Principal of the class D notes until all class D notes have been fully redeemed;
- 5) Principal of the class E notes until all class E notes have been fully redeemed;

If the pro-rata test has been met, pari passu with each other Class of Notes on a pro rata basis for the repayment of

- 1) Principal of the class A notes until all class A notes have been fully redeemed;
- 2) Principal of the class B notes until all class B notes have been fully redeemed;
- 3) Principal of the class C notes until all class C notes have been fully redeemed;
- 4) Principal of the class D notes until all class D notes have been fully redeemed;
- 5) Principal of the class E notes until all class E notes have been fully redeemed;
- 6) Principal of the class F notes until all class F notes have been fully redeemed;
- 7) Any remaining amount of principal available to the operating account.

Post-Enforcement Priority of Payments

Upon an issuer event of default, the post enforcement priority of payments will be applicable. In that case, all excess spread (if any) and the amount standing to the credit of the liquidity reserve are used to pay down the notes in a IPIP structure.

Single waterfall in the post-enforcement scenario. Interest payment and notes amortisation are fully sequential

Pro-Rata Test

All classes of notes will amortise sequential from day one, but switch to pro-rata once the pro-rata test has been met which means

- the class A notes have amortised to 50% of its initial amount;
- the liquidity reserve meets its required level;
- the dynamic 3-month rolling average default has not reached 0.40%;
- the PDL balance is zero for class A-E;
- the outstanding notes amount exceeds 10% of the initial senior notes (class A-E).

If the pro-rata test is not met at any time, the transaction will switch back to sequential payment (and vice versa).

Moody's has tested the pro-rata payment structure (which is in general less favourable to the most senior notes) under various default scenarios. Certain triggers under the pro-rata test were envisioned in the structure to ensure that the senior notes could potentially benefit from sequential amortisation in case of deteriorating development during the life of the transaction.

Interest Deferral Triggers

The liquidity reserve is purely used to cover shortfall on payments of senior expenses and senior interests (class A to class E). In order to enhance liquidity for the most senior notes, interest payment will not be made from the liquidity reserve to the class E, class D, class C and class B respectively if the PDL for the correspondent class has reached 20% of its initial balance. Moody's has considered the PDL interest deferral triggers in its quantitative assessment of the transaction.

If the pro-rata test is met, the structure will switch from sequential to pro-rata amortisation (pre-enforcement waterfall)

Interest payment will be shut off for the class of notes which PDL balance has reached the PDL trigger level

Standard fixed to floating interest rate swap with eligible swap counterparty in place

Market Risk Hedging

The loans have a fixed interest rate and the interest on the notes is based on one month Euribor. In order to hedge the interest rate risk, the SPV will enter into an interest rate swap with an eligible counterparty. Under the interest rate swap, the SPV will pay to the swap counterparty a fixed swap rate based on the swap notional amount (net of PDL), which is equal to the outstanding amount of the class A, class B, class C, class D, class E and class F notes. In return the SPV will receive from the swap counterparty the one month Euribor based on the same notional amount.

Excess Spread

The estimated annual excess spread in the transaction at closing can be derived as follows:

6.09% weighted average interest rate at closing
-5.09% weighted average coupon and senior fees
-0.80% servicing fee
=0.20%

Servicer, Servicing Fees and Back-Up Servicer

No back-up servicer contracted at closing, but attractive contractual servicing fee of 0.80% available

Deutsche Postbank AG has been appointed as servicer at closing and the servicing fee is contractually set at 0.80% of the aggregate outstanding principal amount. The transaction does not have a back-up servicer at closing. A back-up servicer will be identified within 15 days once Postbank loses its **Baa3** rating and will only step in upon a servicer termination event.

The servicer termination events include (inter alia):

- The servicer becomes insolvent;
- The servicer defaults in respect of the performance or observance of any of its obligations under the Servicing Agreement provided such default is materially prejudicial to the interest of the issuer;
- Any event occurs which would be materially prejudicial to the interests of the issuer;
- Any material adverse change occurs in the financial position or collection procedures of the servicer;
- Any material information provided by the servicer is materially false, incorrect or misleading

Moody's believes that the risk of not having a contracted back-up servicer from closing is fairly limited due to an attractive contractual servicing fee of 0.80%, the fact that there are many potential back-up servicers in Germany which are able to process Deutsche Postbank AG's SAP CML IT-software and the current rating level of Deutsche Postbank AG.

Commingling Risk and Sweeping Mechanism

Triggers based on Deutsche Postbank AG's rating are set to reduce commingling risk

Potential commingling risk of one month collection is existent in the transaction as Deutsche Postbank AG transfers to PB Consumer 2008-1 distribution account the amounts received from receivables and related claims collected on monthly basis. The obligors can make payments either by mid of the month or end of the month. Approximately 60% of the monthly instalments are made by mid of the month and around 99% of the borrowers pay via direct debit (1% via bank transfer).

Pursuant to Section 48 Insolvency Code, where insolvency proceedings have been instituted in relation to an assignor of rights and claims and the assignor/insolvency administrator have received payments from the debtors of such rights and claims prior to and after the commencement of insolvency proceedings, the assignee has a claim against the insolvency administrator of the assignor for substitutional segregation (Ersatzaussonderung) of such collections, provided that (i) the assignor or its insolvency administrator had no right to collect such payments and (ii) such payments have not been commingled with the assets of the assignor/insolvent estate. In order to profit from substitutional segregation, Deutsche Postbank AG's authorisation to collect the loan receivables as servicer ceases and the debtors will be notified to pay into the SPV's account at the earlier of (i) Deutsche Postbank AG becoming insolvent, or (ii) Deutsche Postbank AG becoming subject to a moratorium.

Initial monthly sweep to 3 days sweep upon loss of Baa1 and further to daily sweep upon loss of Baa3

Potential set-off risk is mitigated by a set-off reserve which will be provided by Deutsche Postbank AG upon loss of Baa3

Obligors will be notified of the assignment and will be advised to pay the monthly instalments directly into the SPV account upon the occurrence of a “notification event”

The portfolio consists of consumer loan receivables in an amount equal to €1,201 million as of November 2007

To further mitigate the commingling risk, Deutsche Postbank AG as servicer will be requested to transfer the collections to the SPV's account:

- Every 3 days once Deutsche Postbank AG loses its **Baa1** rating;
- Daily once Deutsche Postbank AG loses its **Baa3** rating.

Additionally, a commingling reserve at the lower of 1) the higher of 1.50% of the aggregate outstanding principal amount or € 8,000,000; or 2) € 25,000,000 will be funded once Deutsche Postbank AG is downgraded below **Ba2**.

Set-off Risk

Deutsche Postbank AG as a retail bank grants loans and is engaged in deposit business. An obligor under a loan contract might have at the same time deposits with Deutsche Postbank AG. Such an obligor has a set-off right as long as the obligor of the loan receivables is not notified of the assignment by Deutsche Postbank AG. Such an obligor may set-off its debt with counterclaims against Deutsche Postbank AG which have become due prior to obtaining knowledge of the assignment of the loan receivables to PB Consumer 2008-1.

In order to mitigate this risk, Deutsche Postbank AG is obliged to set up a separate set-off reserve account in an amount equal to the then potential set-off amount if it is downgraded below **Baa3**. This reserve is adjusted on a monthly basis. The set-off risk potential based on the total loan portfolio of Deutsche Post AG is around 7.00%.

Notification of the Obligors

Upon the occurrence of a notification event, the obligors will be notified of the assignment of the receivables and will be informed to discharge their loans by paying directly into the SPV's transaction account. The notifications should be sent out by Deutsche Postbank AG. However, if Deutsche Postbank AG fails to do so, the issuer is able to either send out the notification itself or employ an agent to send out the notifications.

The data trustee will receive the decoding key from the seller at closing and will pass on the decoding key to the issuer or the security trustee upon the occurrence of a data release event (similar to the notification event) or if reasonably requested the security trustee on behalf of the issuer. The mechanism ensures that the issuer is at all times in a position to send out the notifications to the obligors in case Deutsche Postbank AG has failed to do so after the occurrence of the earlier of i) Deutsche Postbank AG becoming insolvent, or (ii) Deutsche Postbank AG becoming subject to a moratorium.

PORTFOLIO AS OF 30 NOVEMBER 2007

The portfolio consists of receivables in an amount equal to €1,200,572,143 arising under consumer loan contracts (“Ratenkreditverträge”) originated by Deutsche Postbank under two brands “Postbank” and “DSL Bank” and granted to private obligors resident in Germany. The loans are fully amortising loans with equal instalments over the life of the contract.

As of 30 November 2007, the number of loan contracts in the portfolio amounts to 140,694 and the number of obligors equals 136,916. The largest 25 obligors in the portfolio only account for 0.10% of the total portfolio amount. The obligors are geographically well diversified across Germany. The maximum remaining maturity of a loan is 81 months and the weighted average remaining maturity is 52.50 months. The weighted average seasoning of the initial portfolio is 18.60 months. The weighted average interest rate, which determines the excess spread in the transaction, is 6.09 %. 99% of the obligors pay via direct debit.

The actual portfolio sold to the SPV is as of 31 December 2007 and amounts to €1,160 million

A portfolio summary is shown in Appendix I of this report. Please note that the actual portfolio sold to the SPV is as of 31 December 2007 and is thus slightly different than the portfolio as of 30 November 2007 (cut-off date) shown in Appendix I.

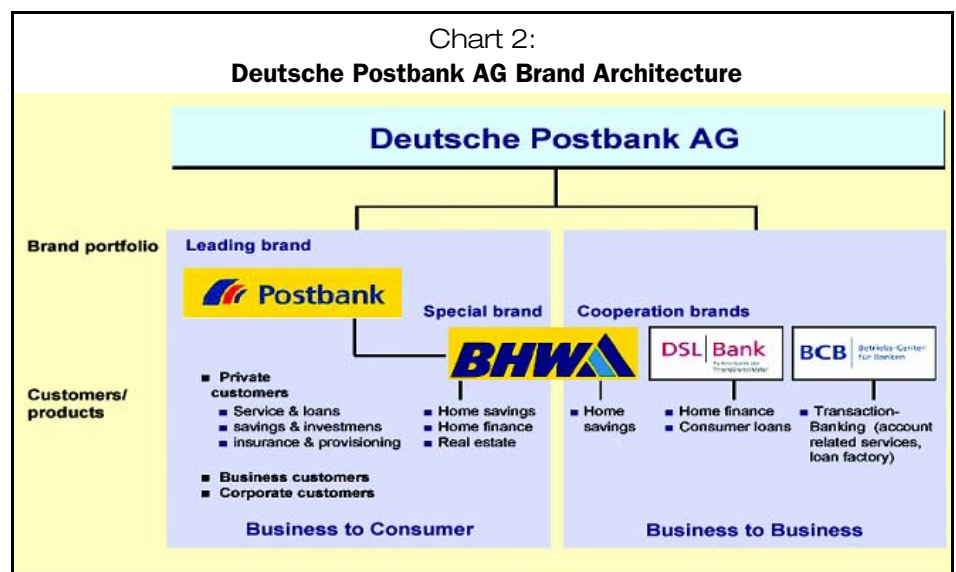
Eligibility Criteria (Inter Alia)

- i) each receivable derives from a consumer loan agreement which
 - has the economic terms of a "Postbank Privatkredit" or a "DSL Privatkredit";
 - remaining term as of the cut-off date is not less than 1 months and not more than 84 months;
 - has an original outstanding principal amount of not more than €50,000³ and not less than €1,500;
- ii) each receivable
 - has no instalment in arrears;
 - bears a fixed interest rate and is not subject to an ordinary interest reset from time to time;
 - has a yield as of the cut-off date at least equal to 4.5 per cent.
- iii) each debtor
 - has made at least one instalment payment on the cut-off date;
 - is a private individual resident in Germany;
 - is not employed by Deutsche Postbank AG or any of its affiliates;
 - has no negative SCHUFA registration;
- iv) Deutsche Postbank AG
 - is the sole creditor of the receivable.

Deutsche Postbank AG is the largest retail bank in Germany

ORIGINATOR, SERVICER AND OPERATIONS REVIEW

Deutsche Postbank AG (Aa2/ P-1) is 50% (plus one share) owned by Deutsch Post AG and is the largest retail bank in Germany with 14.5 million domestic customers, approximately 4.8 million private checking accounts, total assets of €182.9 billion, approximately 23,000 employees and 5,000 mobile advisors. It focuses on retail business with private customers, but is also active in the corporate and transaction banking and offers back office services for other financial services providers. Deutsche Postbank AG sells its products through a networked multi-channel platform via the Internet, by telephone (direct sales), in branches and via mobile consultants (branch and mobile sales). In addition, Deutsche Post AG offers financial services of Deutsche Postbank AG through Deutsche Post AG's retail outlets and partner outlets.



³ Amount excludes capitalised insurance fees and contracts fees

Operations Review

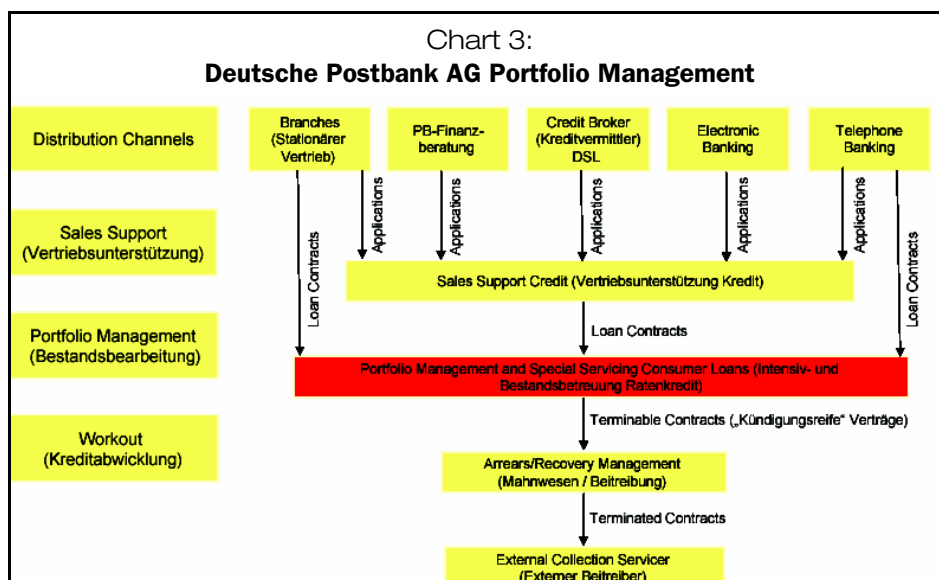
Operations review took place in October 2007

Moody's has performed an operations review at Deutsche Postbank AG in October 2007. Based on this review, Moody's believes that Deutsche Postbank AG has the systems and knowledge necessary to fulfil its role as Servicer.

Collection Process, Dunning Levels and Write-off Procedure

Within Deutsche Post AG portfolio management is an integrated process

The underwriting, collection process, arrears management and contract termination at Deutsche Postbank AG are an integrated process and its flow can be illustrated by the following chart:



Automatic dunning starts for loans of more than 15 days in arrears

The management of the loan portfolio at Deutsche Postbank AG begins directly after successful origination and can be summarised as follows:

1. The system-based dunning process is active when an overdue amount exists for more than 15 days. The dunning process will continue automatically if there is no manual intervention.
2. Manual intervention is based on certain early warning indicators.
3. Special servicing (active, systematic and individual client contact) takes place when the obligor is delinquent for one instalment. Various restructuring instruments can be employed if needed.
4. If special servicing proves to be unsuccessful, delinquent loans will be passed on to the arrears and recovery management team where active dunning via call centers is carried out.
5. Final collection step is the employment of external collection servicers.

Contract termination is only possible if obligor is at least two instalments are overdue

A loan contract can be terminated at any time after two overdue instalments if it fulfills the criteria for contract termination under the section 498 of the German Civil Code (498 BGB) for consumer protection.

Analysis of Historical Data

Historical default data do not cover the maximum remaining life of the loans. Conservative extrapolation has been exercised to derive the mean default assumption

Moody's has performed a detailed review of the portfolio and the historical performance data provided for the Deutsche Postbank AG loan portfolio. Moody's has been provided with dynamic default data calculated on the outstanding balance for the total portfolio.

Furthermore, Moody's was provided with limited static default data, as the cohort analysis only starts in September 2004 and thus the most seasoned cohort only covers 36 months whereas the maximum remaining loan life can be up to 84 months. The default vintage curves are still sloping upwards with declining trends for some seasoned vintages. Due to the limited availability of the static loss data, which serves as basis to estimate a portfolio's cumulative mean default rate, Moody's has conservatively extrapolated the default data up to 84 months. Additionally, to account for further uncertainty Moody's has accordingly increased the volatility around the extrapolated mean default rate.

Moody's has also received detailed information on dynamic recovery and prepayment. As loans are unsecured, historical recovery is extremely low and generally below 2.00%. Thus, Moody's has assumed a recovery rate of 0% in its cash flow modelling.

Key Inputs to the Cash Flow Model

ABSROM has been employed for cash flow modelling

Moody's has used Moody's ABSROM™ to model the cash flow and the resulting relative net present value losses on the tranches in the respective default scenarios, which are then weighted by the probability of the default scenario according to the default distribution to come up with the expected loss of the tranches and finally the quantitative rating.

In order to model the default pattern on the portfolio, Moody's uses a default distribution. The default distribution assigns a certain probability to each default rate scenario.

A log-normal default distribution is assumed for granular portfolios

Moody's expects the default distribution to be log-normally distributed for granular portfolios. The rationale for the application of this distribution is that historic default distributions of granular portfolios show a pattern, which is very similar to that of a log-normal distribution.

The cumulative mean default rate and the standard deviation of the cumulative mean default rate determine the shape of such default rate distribution. Those two parameters are estimated from the historical default data provided to Moody's.

Mean default of 2.9% and CoV of 40% determine the shape of the default curve

From the extrapolated cohort analysis, qualitative assessment of portfolio characteristics and future economic performance expectations, Moody's estimated a cumulative mean portfolio default rate of 2.9% on the initial portfolio at origination. The coefficient of variance (CoV) for the distribution of the approx. 2.9% mean, defined as standard deviation of the cumulative default rate for the total portfolio based on the extrapolated cohort analysis divided by the mean, has been estimated at 40% for modelling purposes.

The amortisation profile for the portfolio in a 0% default and 0% prepayment scenario, which was provided to Moody's, serves to calculate the amortisation per monthly period.

Annualised prepayment rate of 18% has been modelled

Moody's has received monthly prepayment data for a period starting in September 2004 June 2007. During this period the monthly prepayment rate has been stable around 1.5%. In its cash flow model, Moody's has applied a fixed annual prepayment rate ("CPR") of approx. 18%.

Default is mainly covered by the large first-loss piece

Moody's has estimated the timing of default curve from the static default analysis. The timing of the defaults is another input parameter for the cash flow model, which shows the losses per period as a percentage of the cumulative defaults. The timing of defaults gains additional importance by the fact that the structure includes the feature to switch from a sequential to a pro rata amortisation of the notes. In addition, as available excess to cover default is quite small and is lost when not used, the first-loss piece (class F) would take most of the defaults in a heavy back loaded default scenario and as a consequence a bigger first-loss piece is needed to maintain the ratings of the senior notes. Moody's has taken this risk into account when sizing the credit enhancement and has tested various timing of default scenarios.

No credit for recoveries

Based on the recovery analysis described above, Moody's estimated for modelling purposes a fix recovery rate of 0%, hence transforming the portfolio default estimate above in an actual portfolio loss estimate.

Default is calculated based on the portfolio origination amount and the default curve is adjusted by seasoning

A seasoning adjustment was also applied for the initial portfolio, by lagging the timing of default timing curve by the number of months of seasoning (18 months). At the same time, an amortisation adjustment for the initial portfolio was applied, as the amount of default in the respective month is not calculated based on the closing balance but rather on the €1,727 million original balance at origination of the portfolio.

Only small excess spread available to cover defaults

As the estimated available excess spread in the transaction is quite small (i.e. 20bps estimated at closing) and the liquidity reserve is only available for senior expenses and senior interests, defaults would only be covered in very low default scenarios, otherwise if not covered by excess spread defaults are debited in the PDL account. Any balance on the PDL account would breach the pro-rata test, thus in most of the default scenarios the transaction benefits from the sequential amortisation.

Sequential amortisation is most likely, especially in high default scenarios

The liability side of the cash flow model built by Moody's reflects the priority of payments as set out in the transaction documents. Moody's has modelled all the pro-rata test triggers described above and the interest deferral trigger which stops certain class of notes to benefit from the liquidity reserve if the trigger PDL level of the respective class of notes has been reached.

The cash flow model is fed with various default rate scenarios. The percentage loss of each class of notes in each of the default rate scenarios is recorded.

Moody's uses an expected loss methodology that reflects the probability of each default rate scenario times the relative NPV loss for each class of notes in the respective default rate scenario.

"Quantitative" rating results for each class of notes are based on their respective 1) NPV expected loss and 2) WAL

The probability for each default rate scenario is derived from the log-normal default distribution. The relative NPV loss for each class of notes in a certain default rate scenario is calculated as 1 minus the ratio of (i) the net present value of the cash flows (interest and principal) received for the respective class in that default rate scenario using the interest rate of that class (Euribor plus spread on that class) as the discount rate to calculate the NPV and (ii) the original outstanding principal amount of that class.

The expected loss is then calculated as the sum product of the probability of each default rate scenario and the corresponding loss in each default rate scenario for a specific class of notes.

Additionally, Moody's calculates the average life for each class in each default rate scenario. The weighted average life of each class of notes is calculated as the sum product of the probability of each default rate scenario and the corresponding average life in each default rate scenario for a specific class of notes.

The combination of the expected loss and the weighted average life for each class of notes is mapped into a Moody's rating, based on the idealised expected loss table.

RATING SENSITIVITIES AND MONITORING

Limited rating sensitivity

Various rating triggers are present in the transaction to limit rating sensitivity to transaction counterparties credit quality. In particular, the swap counterparties will either be replaced will obtain a guarantor or provide additional collateral at the loss the minimum ratings of "**P-1**" and/or "**A2**" rating. Furthermore, the account bank is required to have a **P-1** rating.

Moody's will monitor the transaction on an ongoing basis to ensure that the transaction continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

RELATED RESEARCH

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions please refer to the following reports:

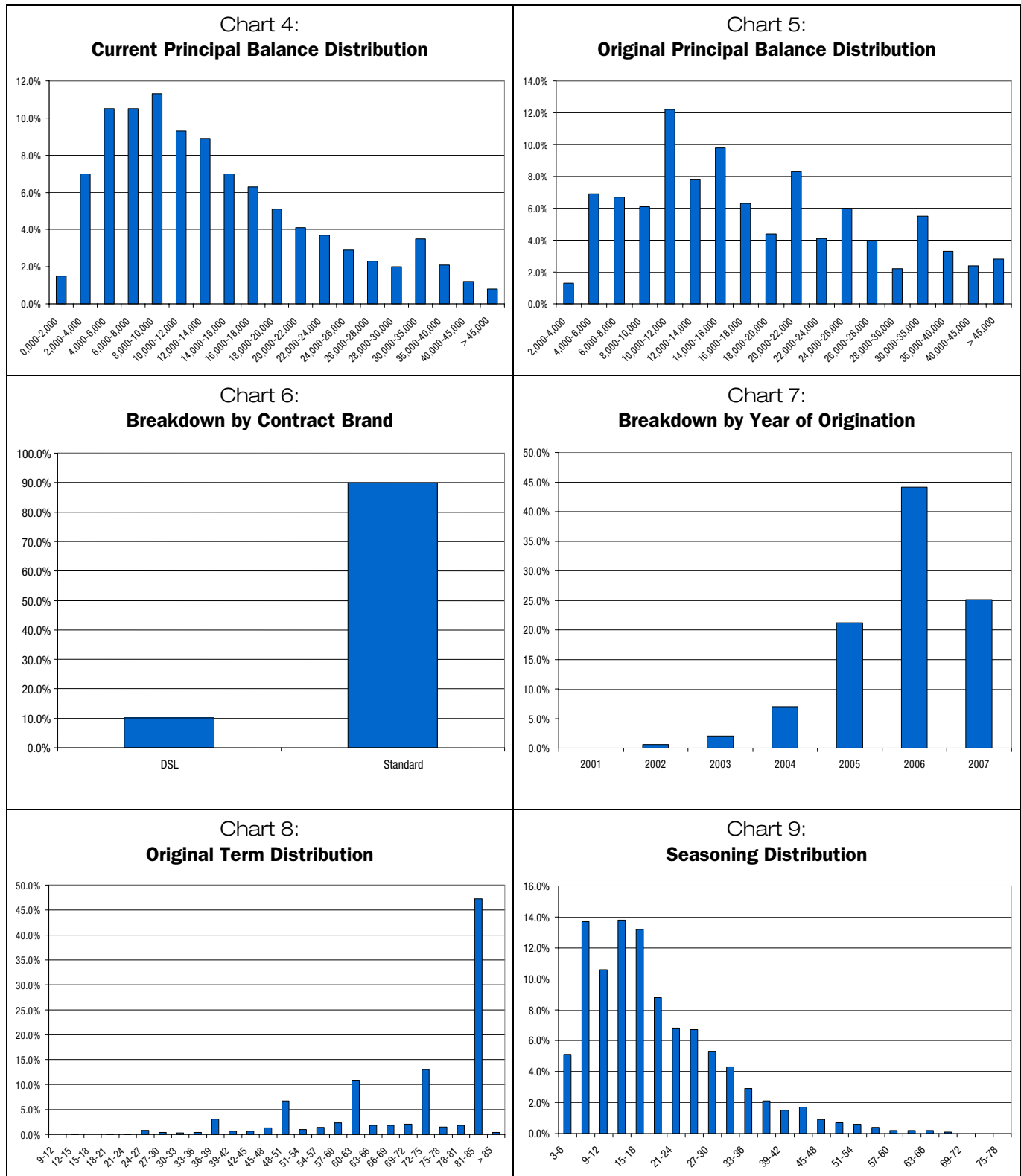
Rating Methodology

- Lognormal Method Applied to ABS Analysis, 14 September 2000 (SF8827)

Special Report

- Moody's ABSROMTM User Guide v 1.0, May 2006 (SF75072)
- Historical Default Data Analysis for ABS Transactions in EMEA, November 2005 (SF64042)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.



⁴ The asset balance sold to the SPV is as of 31 December 2007 and is thus slightly lower than the asset balance as at the cut-off date of 30 November 2007 due to portfolio amortisation over one month.

Chart 10:
Remaining Term Distribution

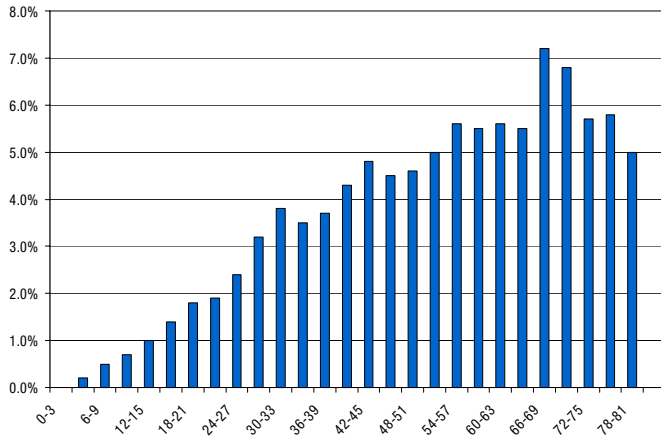


Chart 11:
Interest Rate Distribution

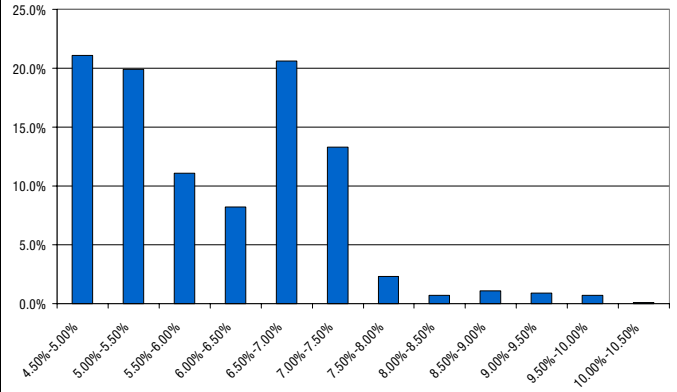
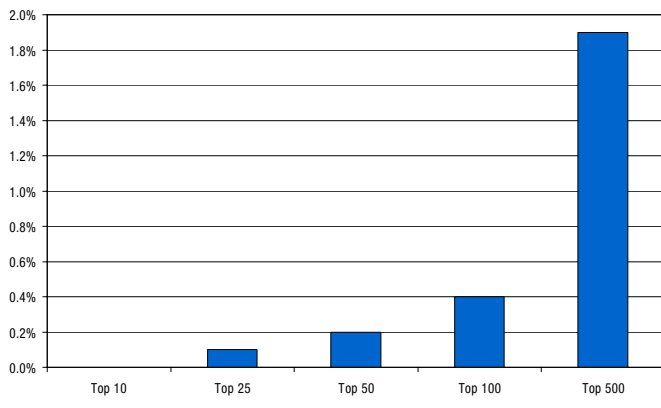
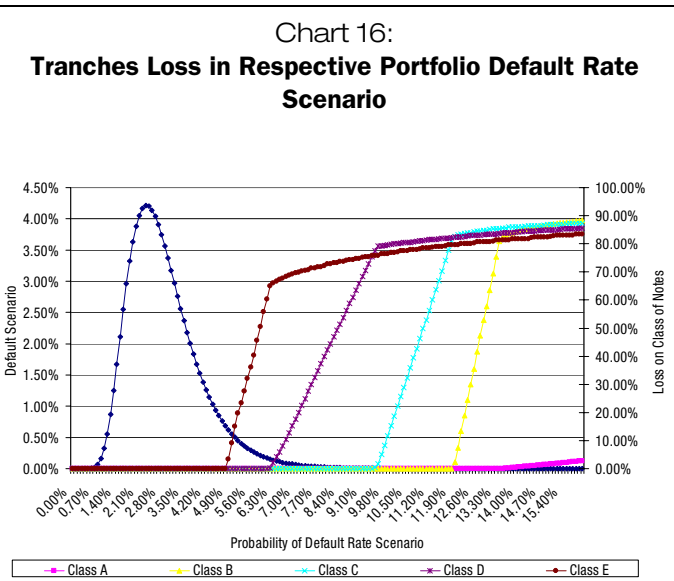
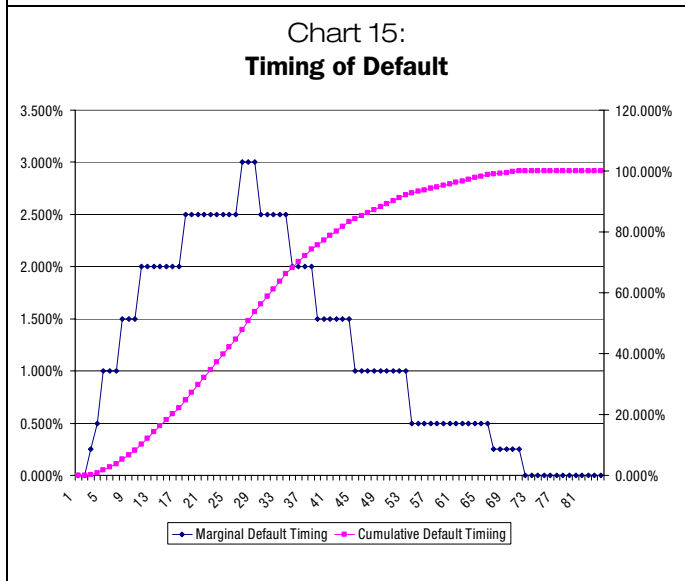
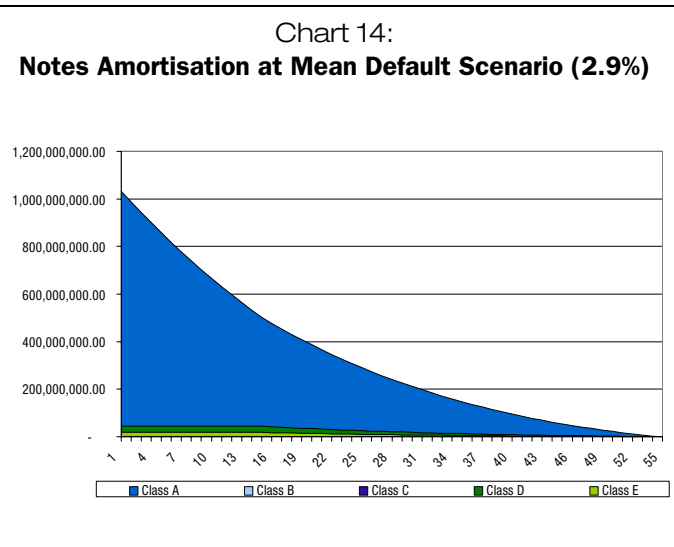
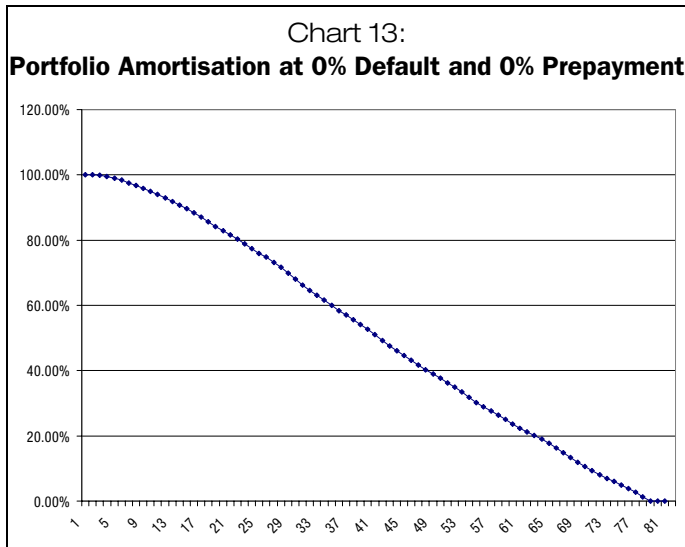


Chart 12:
Borrower Concentrations



APPENDIX II – CASH FLOW MODEL INPUTS AND CALCULATIONS



SF118347isf

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