

Roadshow Presentation

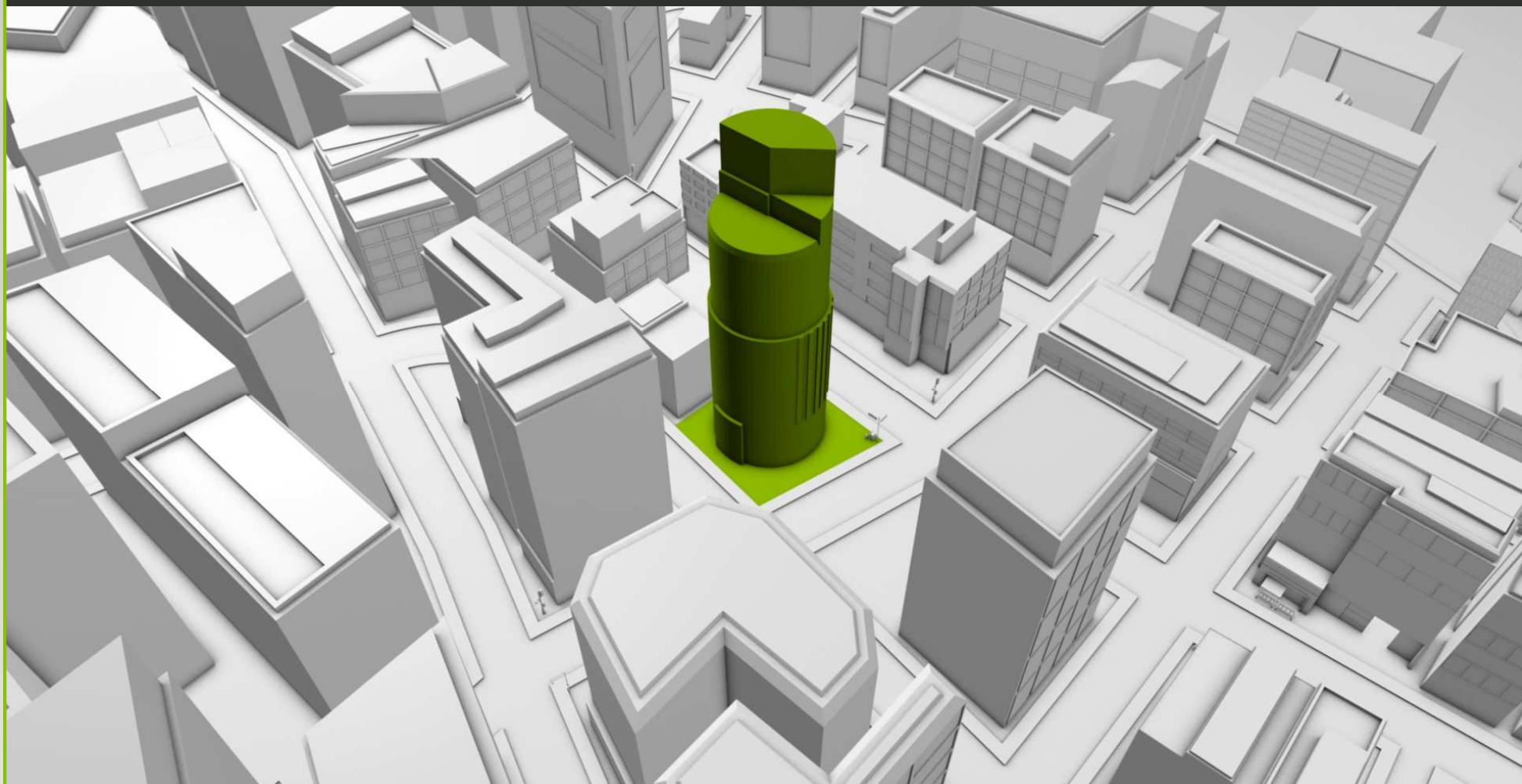
May 2011

Successful re-start of new business origination at profitable margins

PUBLIC SECTOR FINANCE
REAL ESTATE FINANCE







pbb

DEUTSCHE
PFANDBRIEFBANK



pbb re-emerged as de-risked, re-positioned and profitable specialist bank, following the asset transfer to FMS-WM as of Oct 1, 2010



-  **pbb significantly de-risked and de-leveraged**
-  **Balance sheet structure improved with significantly reduced impact from market volatility and credit spread movements**
-  **Liquidity support by German government/SoFFin no longer required – conservative funding profile with limited funding gaps and the German Pfandbrief as main funding instrument**
-  **pbb profitable and sufficiently capitalised**
-  **Cover pools optimised**
-  **Successful re-start of new business origination at profitable margins since Q4 2010**

Business Model, Portfolio and New Business

- ✓ **Focus on Pfandbrief eligible Public Sector and Real Estate business with Pfandbrief as main funding instrument**
- ✓ **Target markets for Public Sector and Real Estate identified**
- ✓ **Business strategies for respective markets defined with regional presence in core markets**
- ✗ **Rebuilding franchise based on existing customer relationships and usage of synergies between PSF and REF**

Business model and strategy

New business model and strategy derived from in-depth market and competitor analysis



Public Sector Finance

Market

- EUR ~150 bn market volume p.a. identified to be within reach of pbb in target countries
- Focus on municipalities and selected regional states with sufficient margins
- Additional market potential through financing of state-guaranteed PSE¹ and PPP²-projects

Business model and strategy

- Focus on primary market origination in core countries Germany and France as well as further selected European countries
- Sales offices in Germany, France, Spain and Italy
- Intensify sales capacity/relationship approach towards municipalities in strategic countries
- Analyse further products (e.g. deposits)

1 Public Sector Entities 2 Public Private Partnerships

Real Estate Finance

Market

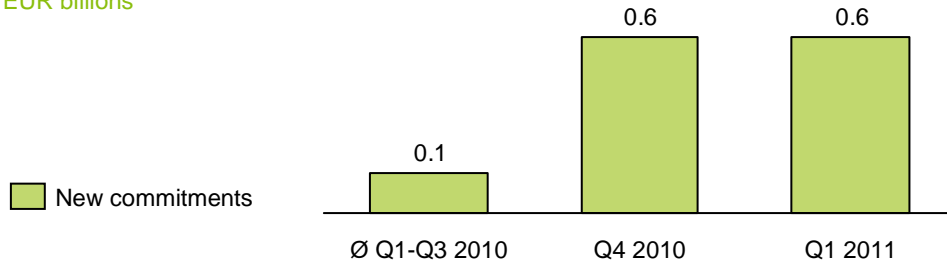
- EUR ~100 bn market volume p.a. identified to be within reach of pbb in target countries
- Focus on property types office, retail, logistics/ distribution and residential

Business model and strategy

- Focus on investment loans in core countries Germany, UK and France as well as further selected European countries
- Sales offices in Germany, UK, France and Spain
- Key account approach for further strategic countries

New business

EUR billions

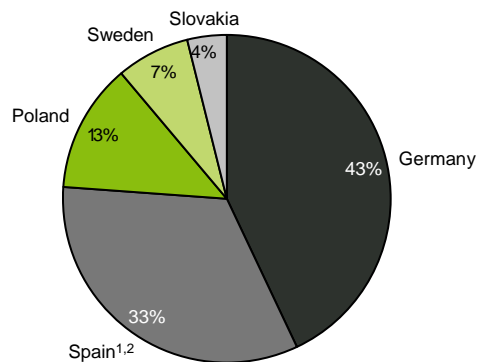


	FY 2010	Q1 2011
No. of deals	51	13
Average maturity	~7.4 yrs	~6.7 yrs
Average gross margin	>100 bp	>100 bp



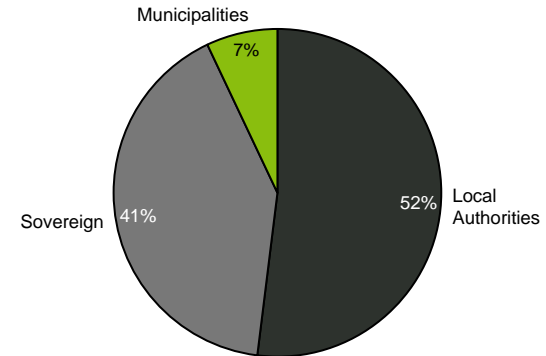
Q1 2011: EUR 0.6 bn

by region



Q1 2011: EUR 0.6 bn

by counterparty type



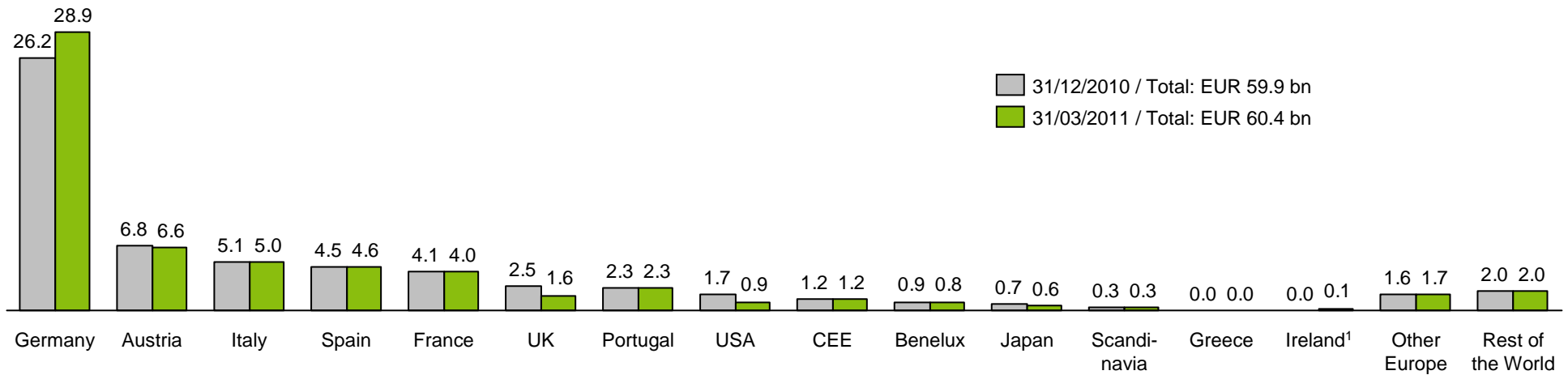
Note: Figures may not add up due to rounding 1 ICO deal: EUR 60 mio out of initially EUR 100 mio already sold 2 FADE deal: EUR 80 mio out of initially EUR 100 mio already sold

Non-Real Estate portfolio

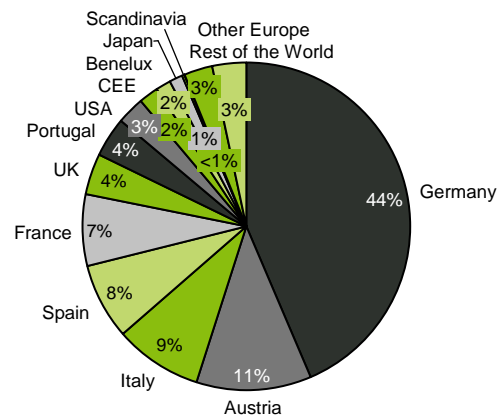
Exposure mainly consists of cover pool eligible assets in Germany and Europe

Exposure by region

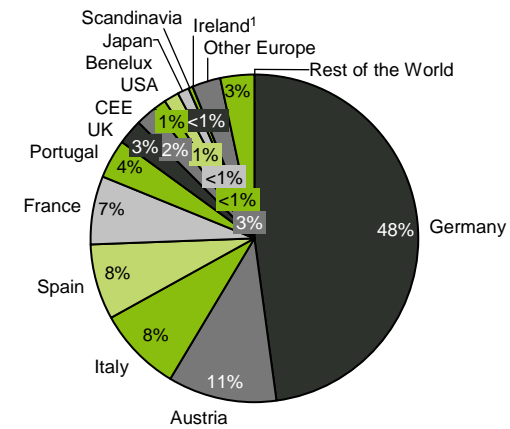
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010



31/03/2011



Note: Figures may not add up due to rounding 1 Excl. intra-group exposure; increase q-o-q due to derivative positions with international investment banks (Dublin branches)

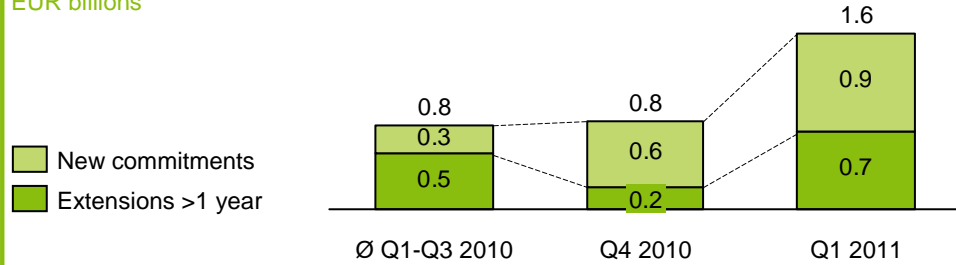
Real Estate Finance

New business origination successfully re-started at profitable margins since Q4 2010



New business

EUR billions



- New commitments
- Extensions >1 year

	FY 2010	Q1 2011
No. of deals	65	22
Average maturity	~3.9 yrs	~4.1 yrs
Average LTV	66%	72%
Average gross margin	>200 bp	>190 bp

JP Morgan Asset Management
Bishops Square
£ 334.2 million
Acquisition Financing, Club Deal
Co-Underwriter
London, UK, December 2010

Bainbridge Capital
Retail Properties
Retail Portfolio
€ 181 million
Refinancing Loan
Central Eastern Europe
December 2010

GSW Immobilien AG
118 buildings
with 7,100 apartments
€ 200 million
Long-Term Loan
Berlin, Germany
February 2011

CLS Holdings PLC
Shopping Centre
Adlershofer Tor
€ 28.8 million
Investment Loan
Berlin, Germany
February 2011

Bürozentrum Parkstadt
München-Schwabing KG
HighLight Towers
€ 224 million
Investment Loan, Club Deal
Munich, Germany
March 2011

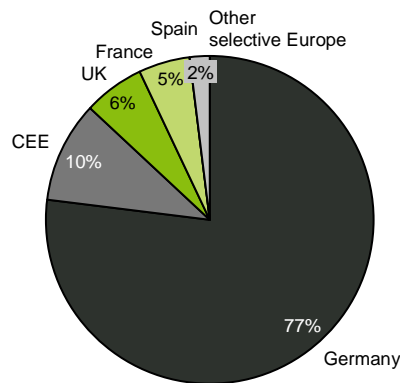
Pradera
2 Shopping Centres
€ 24.3 million
Acquisition Financing
Lodz & Torun, Poland
March 2011

Entities managed by Cerberus Capital Management, L.P.
Retail Portfolio
€ 480 million
Acquisition financing, Club Deal
Germany
March 2011

GLL Real Estate Partners
Office & Logistic Portfolio
€ 308 million
Investment Loan, pbb as Arranger
Central and Eastern Europe
March 2011

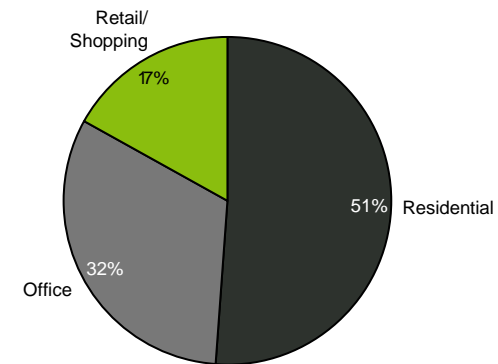
Q1 2011: EUR 1.6 bn

by region



Q1 2011: EUR 1.6 bn

by property type



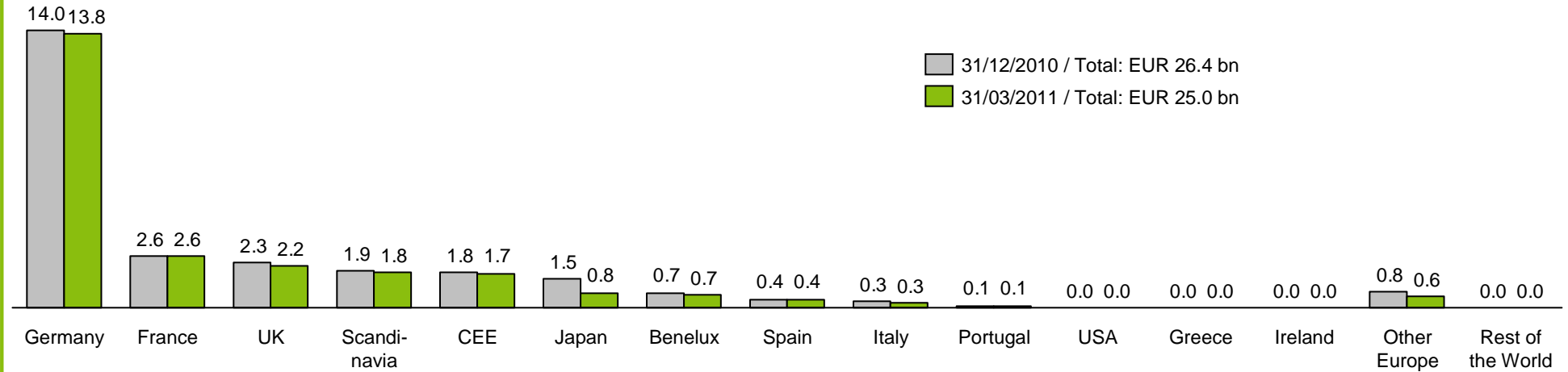
Note: Figures may not add up due to rounding

Real Estate portfolio

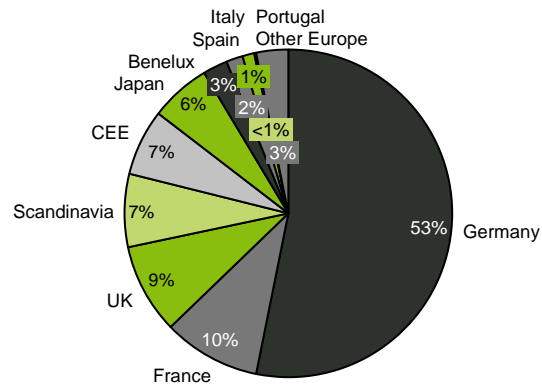
Exposure mainly consists of cover pool eligible assets in Germany and Europe

Exposure by region

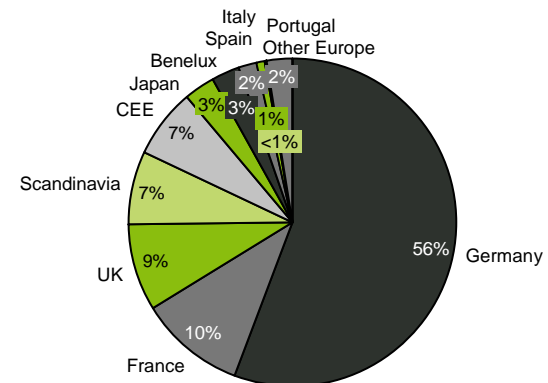
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010



31/03/2011

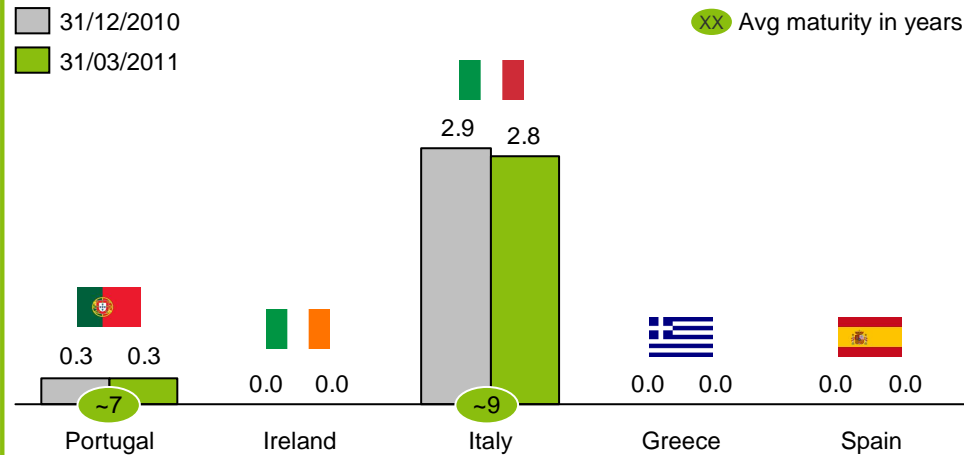


Note: Figures may not add up due to rounding

Exposure in selected countries

PSF: Sovereign exposure in selected countries

EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



Public Sector Finance (PSF)

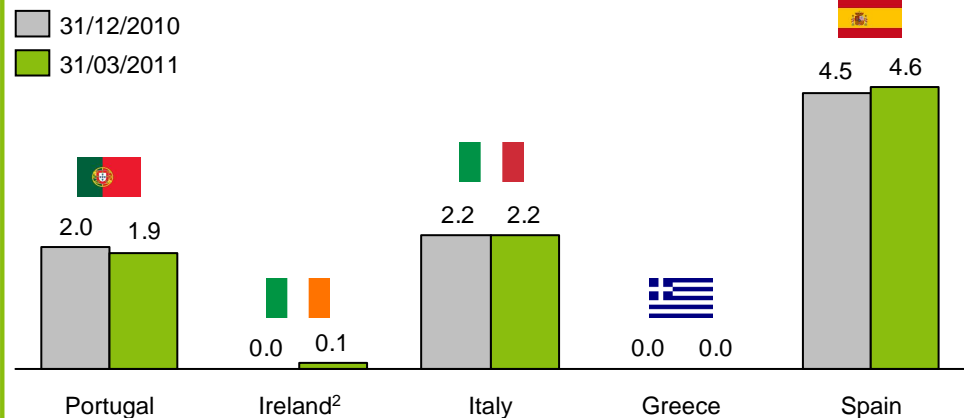
- Only limited Sovereign exposure in selected countries – 5% of total Non-Real Estate exposure
 - Only small exposure to Portugal
 - Italy further reduced
 - No Ireland, no Greece and no Spain
- Non-Sovereign exposure in selected countries mainly related to the following counterparties
 - Portugal: PSE (58%), Financial Institutions (21%), Local Authorities (11%)
 - Ireland²: Financial Institutions (100%)
 - Italy: Local Authorities (59%), PSE (36%)
 - Spain: Local Authorities (50%), Financial Institutions (37%), PSE (9%)

Real Estate Finance (REF)

- Only small exposure in selected countries – 3% of total Real Estate exposure

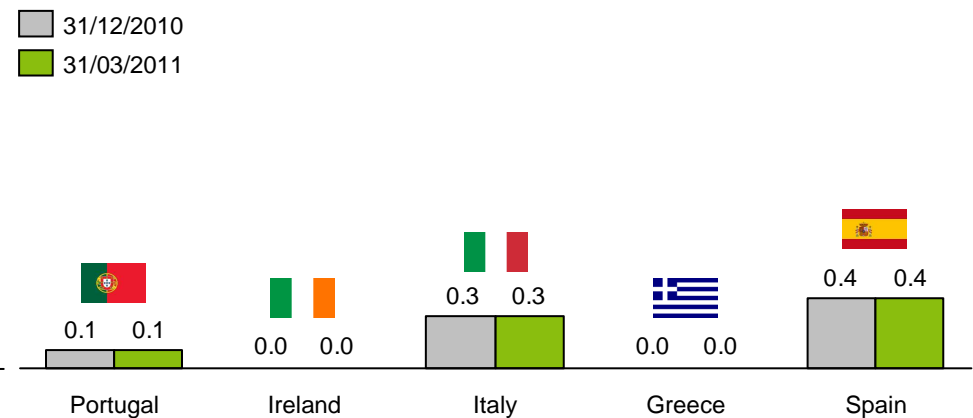
PSF: Non-sovereign¹ exposure in selected countries

EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



REF: Real Estate exposure in selected countries

EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



Note: Figures may not add up due to rounding

¹ Sub-Sovereign (Local Authorities), Financial Institutions (FI), Public Sector Entities (PSE), Government Related Companies/Institutions (GRC/GRI), Corporates, Others

² Excl. intra-group exposure; increase q-o-q due to derivative positions with international investment banks (Dublin branches)

Total problem loans

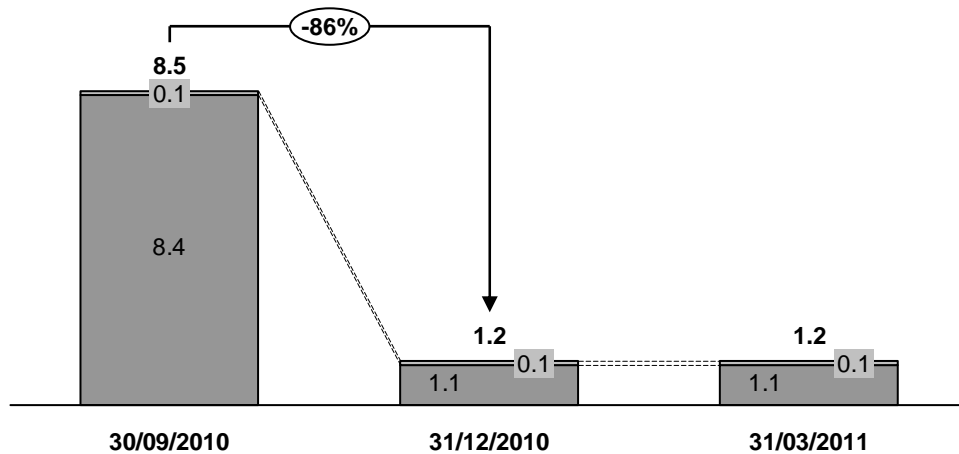
Total problem loans

EUR billions (EaD)

■ Non-REF
■ REF

■ Total problem loans remain unchanged – EUR 1.2 bn remaining restructuring loans consist of 93 individual cases (31/12/2010: 92), which are adequately covered by loan-loss provisions

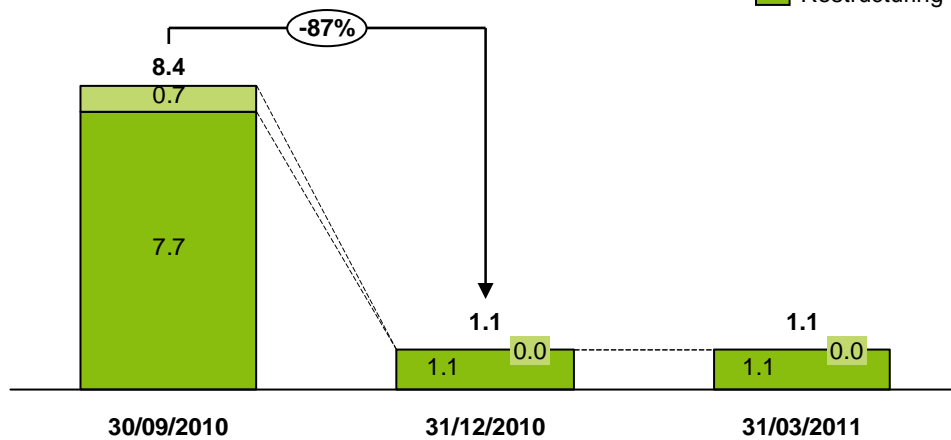
- Non-REF: EUR 0.1 bn – coverage ratio ~47% (31/12/2010: ~76%)
- REF: EUR 1.1 bn – coverage ratio ~33% (31/12/2010: ~34%); mainly properties in
 - Germany (42%)
 - UK (30%)
 - and Japan (18%)



REF. Problem loans

EUR billions (EaD)

■ Workout¹
■ Restructuring²



Note: Figures may not add up due to rounding 1 No signs that the deal will recover soon, compulsory measures necessary 2 Payments more than 90 days overdue or criteria acc. to respective policy apply

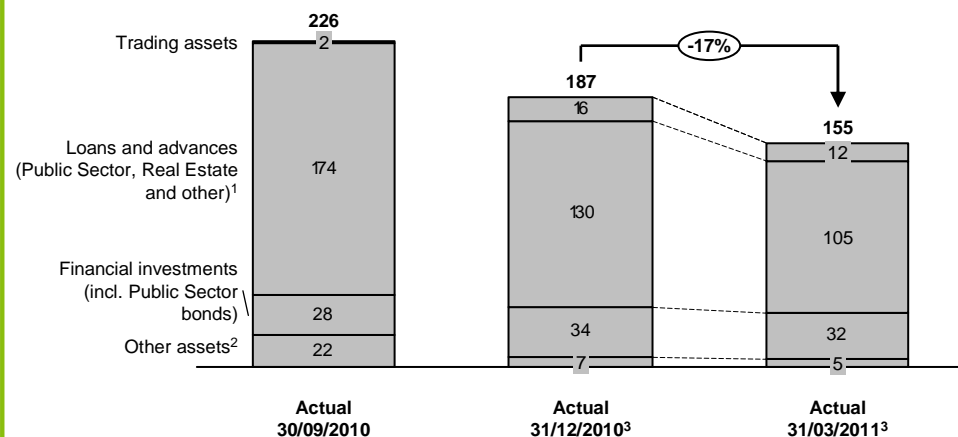
Balance Sheet and Capitalisation

Balance sheet

Total assets down to EUR 155 bn as counter-effects resulting from the asset transfer to FMS-WM have been reduced by 50% since Oct 1, 2010

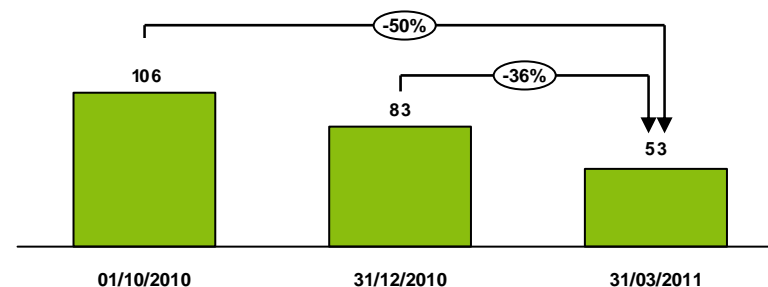
Total assets (IFRS)

EUR billions



Counter-effects resulting from the asset transfer to FMS-WM

EUR billions



- In Q1 2011, total assets down by EUR 32 bn (-17%) to EUR 155 bn, predominantly as counter-effects resulting from the asset transfer to FMS-WM have been further reduced
 - Since Oct 1, 2010, total counter-effects were reduced by 50%
 - In Q1 2011, these effects have been reduced by EUR 30 bn (-36%) to EUR 53 bn
- The main counter-effects are as follows:
 - Pass-through funding for FMS-WM: Reverse repo transactions with FMS-WM have been reduced by EUR 25 bn (-42%) to EUR 35 bn as of 31/03/2011 (31/12/2010: EUR 60 bn)
 - Back-to-back derivatives: Reduction by EUR 4 bn to EUR 10 bn (31/12/2010: EUR 14 bn) due to market valuation effects

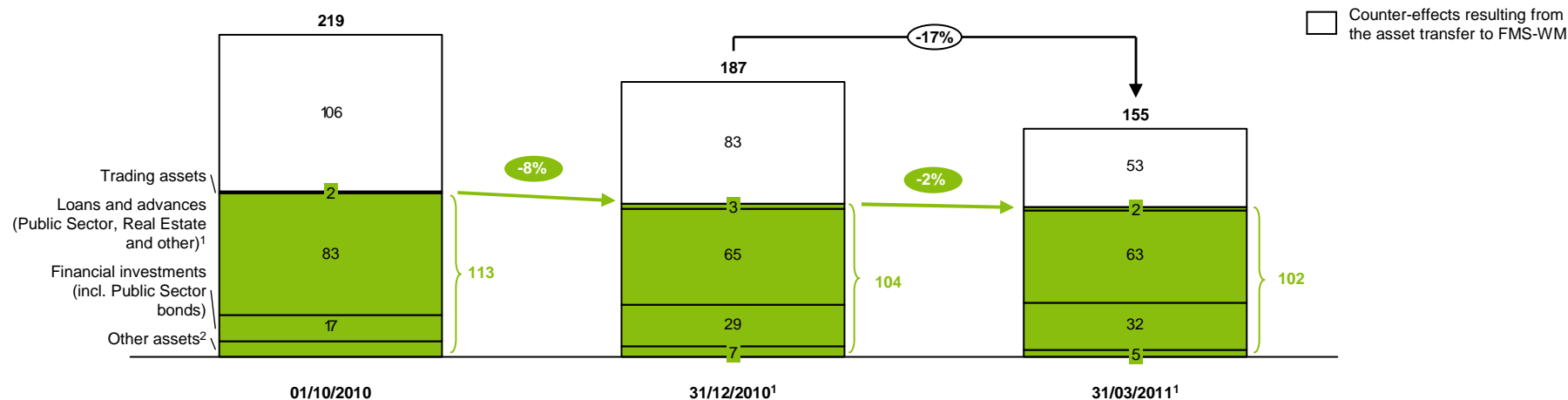
Note: Figures may not add up due to rounding 1 Incl. allowances for losses on loans and advances 2 Cash reserve, other assets (esp. positive market values of hedging derivatives), income tax assets

Balance sheet

Total assets on pro-forma basis declined by 2% to EUR 102 bn as maturities in existing portfolios exceeded new business volumes

Total assets (IFRS)

EUR billions



- Excluding the counter-effects of EUR 53 bn (31/12/2010: EUR 83 bn), total assets on a pro-forma basis declined slightly to EUR 102 bn (-2%), primarily due to maturities (pre-/ re-payments) in the existing loan portfolio exceeding new business volumes
- Actual and pro-forma total assets will continue to converge over time as pass-through funding for FMS-WM is expected to decline further and as derivatives will get novated

Note: Figures may not add up due to rounding

¹ Incl. reclassification of securities from 'Loans and advances' to 'Financial investments' for the purpose of consistent reporting of all securities with IFRS category LaR in the same balance sheet position

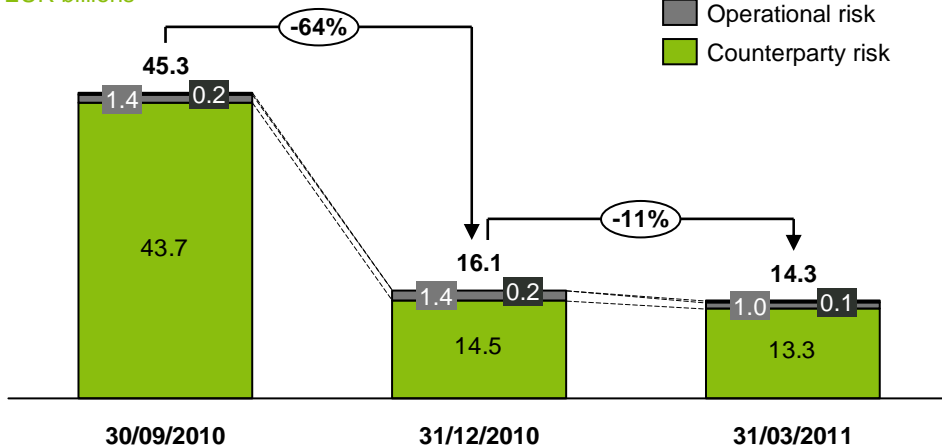
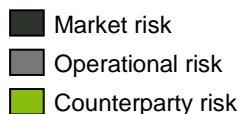
Capitalisation

pbb sufficiently capitalised with Tier I ratio of 18.7%



Pro-forma Risk-Weighted Assets (RWA)

EUR billions

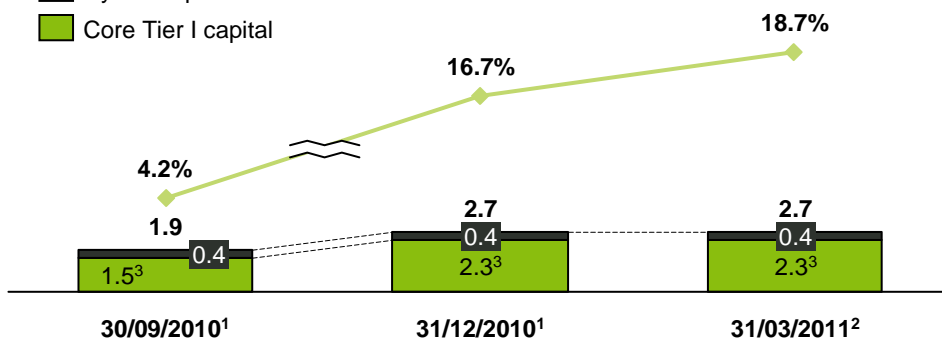
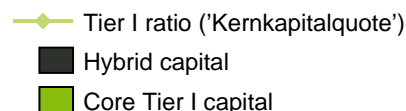


Deutsche Pfandbriefbank AG is according to the 'Waiver Rule' regulated in Sec. 2a KWG (German Banking Act) not obliged to determine the equity capital ratio and the core capital ratio on a sub-group level. Therefore the regulatory capital ratios stated are calculated on an unaudited pro-forma basis.

- RWA reduced further by EUR 1.8 bn (-11%) to EUR 14.3 bn, primarily reflecting maturities (pre-/ repayments) in the existing loan portfolio exceeding new business volumes and rating upgrades
- Tier I capital stable (excluding year-to-date profit/adjustments) – silent participation now included in core Tier I capital following the permission by the German regulatory authorities
- Tier I ratio now at 18.7% (31/03/2011)
- Within the framework of the transfer of assets, FMSA has reserved the right to stipulate a required payment in order to avoid distortion of competition
 - With this, the FMSA can, for reasons of fair competition, reduce the capitalisation of individual legal entities to the required extent, if the Tier I ratio of the relevant legal entity is above 15%.
 - This payment requirement can be up to a maximum of EUR 1.59 bn for all HRE entities (subject to approval by the regulatory authorities as well as certain other conditions)
 - However, such payment is expected to materialise predominantly at DEPFA and not to affect the income statement

Pro-forma Tier I capital/ratio (SolvV, German GAAP/HGB)

EUR billions



Note: Figures may not add up due to rounding 1 Incl. year-to-date losses/adjustments 2 Excl. year-to-date profits/adjustments 3 Incl. silent participation; 30/09/2010 and 31/12/2010 restated

Funding and Cover Pools

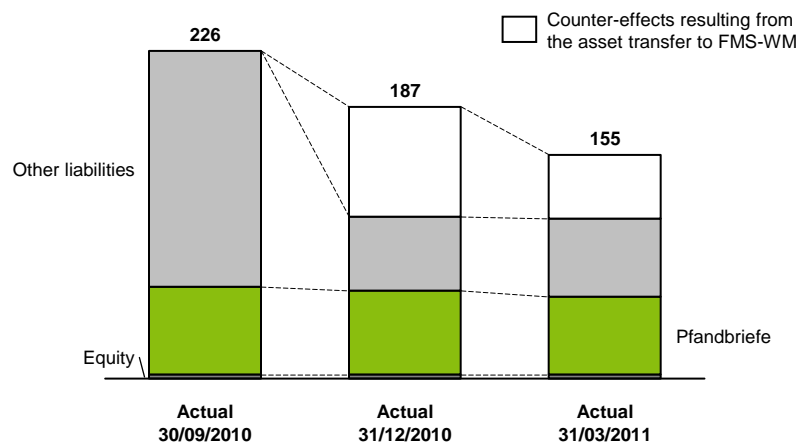
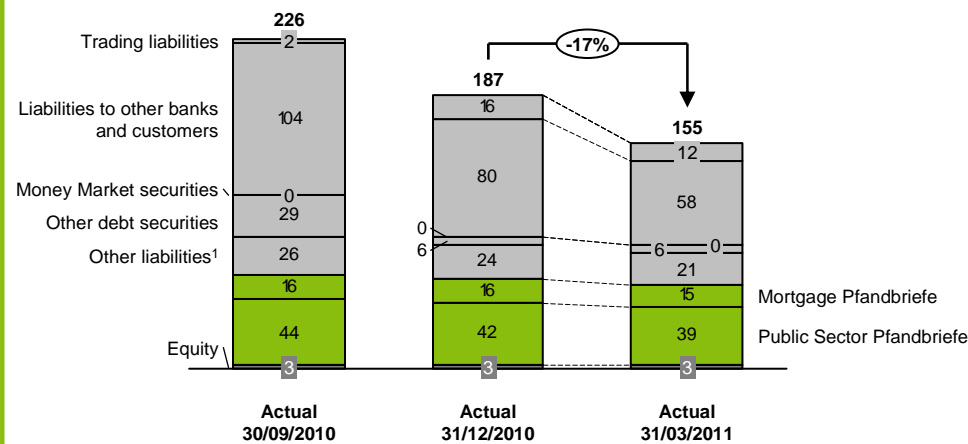
- ✓ **pbb no longer dependent on liquidity support by the German government/SoFFin**
- ✓ **Liquidity surplus in excess of EUR 10 bn in place after asset transfer to FMS-WM to support gradual re-entrance into the Pfandbrief market and unsecured capital markets**
- ✓ **Conservative funding profile with only minor funding gaps**
- ✓ **Pfandbrief as main funding instrument (Public Sector Pfandbrief and Mortgage Pfandbrief)**
- ✓ **Funding volumes depending on new business volumes**

Balance sheet

Conservative funding profile with only minor funding gaps

Total liabilities and equity (IFRS)

EUR billions



Note: Figures may not add up due to rounding 1 Provisions, other liabilities (esp. negative market values of hedging derivatives), income tax liabilities

- Liquidity support by SoFFin no longer required after the asset transfer to FMS-WM
- Favourable maturity profile with unencumbered liquid assets in excess of EUR 10 bn in place to support gradual re-entrance into the Pfandbrief market and unsecured capital markets
 - invested in highly rated, liquid bonds and held in cash
 - sufficient to cover upcoming maturities of liabilities
 - secures planned new business for more than one year even in case of stressed capital markets
- Conservative funding profile with only minor funding gaps and German Pfandbrief as main funding instrument – excluding counter-effects resulting from the asset transfer to FMS-WM, rd. 50% of the total balance sheet now Pfandbrief funded
- In 2011, so far no benchmark transaction carried out due to the pending final EU ruling and due to long liquidity position
- Offered spreads have been reduced to reflect the liquidity situation and to minimize negative carry effects
- Market depth for planned issuance volumes existing – well established investor base to cover future funding needs (total new long-term funding in 2010: EUR 4.6 bn)
- Funding volumes depending on new business volumes

The Pfandbrief market

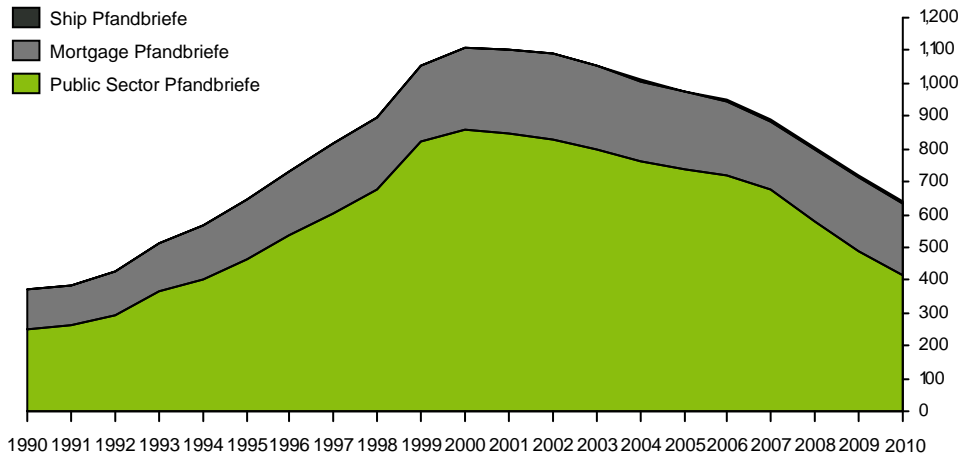
Germany's second-largest market for fixed-income securities, with EUR ~640 bn volume outstanding – pbb is No. 2 market player



Total Pfandbriefe outstanding

Nominal, EUR billion

- Ship Pfandbriefe
- Mortgage Pfandbriefe
- Public Sector Pfandbriefe



- The Pfandbrief market is Germany's second-largest market for fixed-income securities, with EUR ~640 billion volume outstanding
- Its market volume and its crisis-remoteness make the Pfandbrief an important element of Germany as a financial centre
 - **ECB eligibility of Pfandbriefe** Pfandbriefe are eligible as collateral within the scope of open-market operations with the European Central Bank (ECB)
 - **Liquidity through the repo market** Given the high standards of safety, Pfandbrief issuers and investors can also tap the repo market to create liquidity

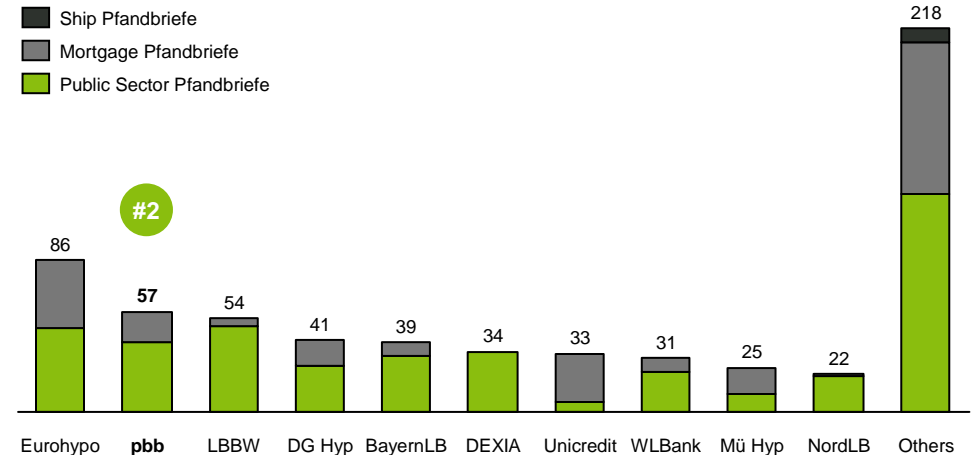
Source: German Pfandbriefbank Association (vdp)

Roadshow Presentation March 2011

Total Pfandbriefe outstanding

Nominal, 12/2010, EUR billion

- Ship Pfandbriefe
- Mortgage Pfandbriefe
- Public Sector Pfandbriefe



- pbb is the second largest player in the German Pfandbrief market (Public Sector + Mortgage Pfandbriefe) with a market share of ~9% based on total Pfandbriefe outstanding as of 12/2010
- Even after transfer of EUR ~5 bn assets to FMS-WM and restructuring of the Public Sector cover pool pbb remains TOP 2 market player

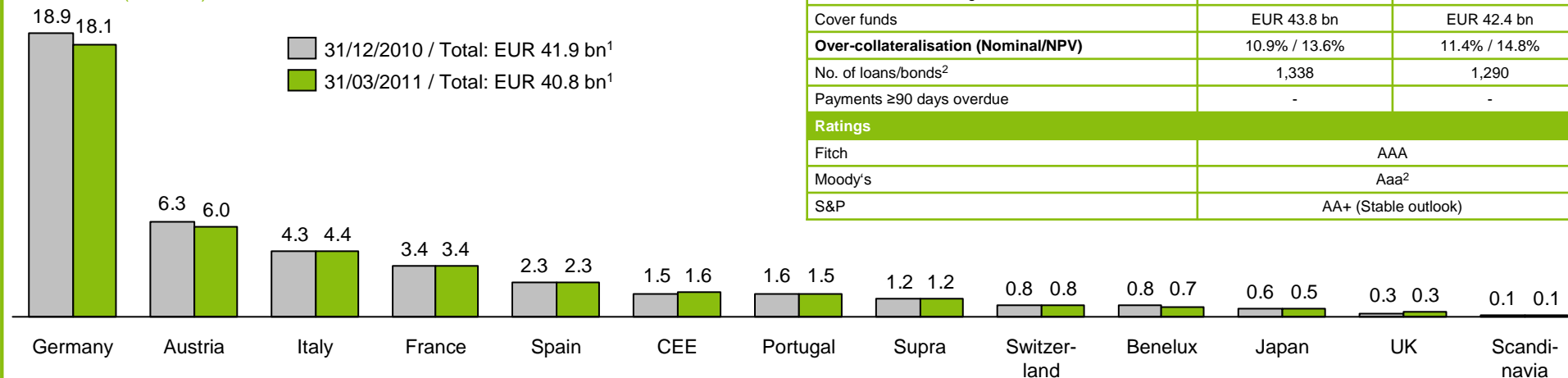
Public Sector cover pool

Cover pool with by region and rating and as well the biggest exposures show quite a sound profile



Cover funds by region

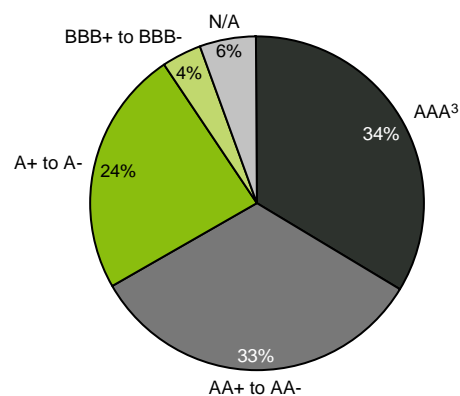
EUR billions (Nominal)



Public Sector cover pool (Nominal)	31/12/2010	31/03/2011
Pfandbriefe outstanding	EUR 39.5 bn	EUR 38.0 bn
Cover funds	EUR 43.8 bn	EUR 42.4 bn
Over-collateralisation (Nominal/NPV)	10.9% / 13.6%	11.4% / 14.8%
No. of loans/bonds ²	1,338	1,290
Payments ≥90 days overdue	-	-
Ratings		
Fitch	AAA	
Moody's	Aaa ²	
S&P	AA+ (Stable outlook)	

Cover funds by rating

31/03/2011



Largest borrowers

31/03/2011

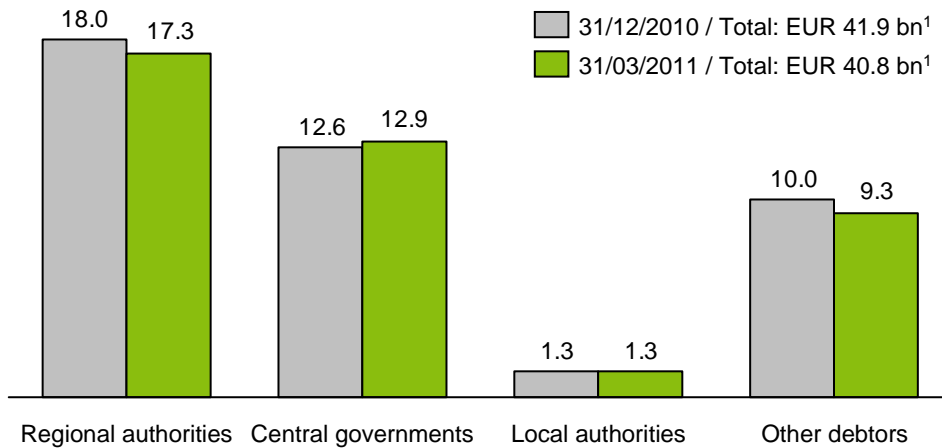
Borrower ⁴	Region	Counterparty type	Nominal ⁵
Republic of Austria	Austria	Central government	EUR 4.0 bn
Etablissement Public de Financement et de Restructuration	France	Central government	EUR 2.6 bn
Republic of Italy	Italy	Central government	EUR 2.3 bn
Federal State of Northrhine-Westfalia	Germany	Regional authority	EUR 2.0 bn
Federal State of Baden-Württemberg	Germany	Regional authority	EUR 1.9 bn
Federal State of Berlin	Germany	Regional authority	EUR 1.6 bn
Federal State of Lower Saxony	Germany	Regional authority	EUR 1.1 bn
Federal State of Hesse	Germany	Regional authority	EUR 1.1 bn
Federal State of Hamburg	Germany	Regional authority	EUR 0.9 bn
Federal State of Lower Austria	Austria	Regional authority	EUR 0.9 bn

Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Collateral Score: 3.5%, Cover Pool Loss Score: 8.6% 3 Incl. Etablissement Public de Financement et de Restructuration (EPFR) with no external rating (internally AAA-rated); remainder non-rated Public Sector 4 If loan is guaranteed, guarantor stated 5 Total amount of respective borrower in cover pool

Public Sector cover pool Split by counterparty type and maturity profile

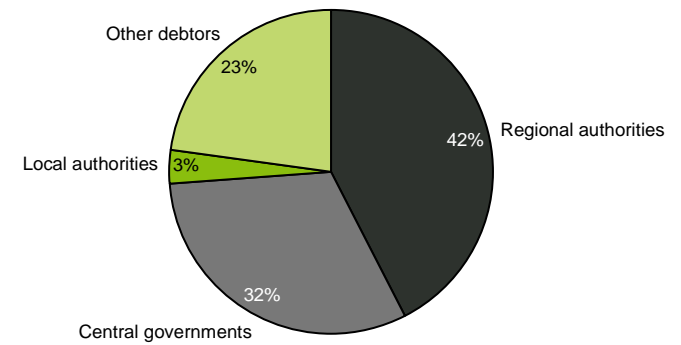
Cover funds by counterparty type

EUR billions (Nominal)



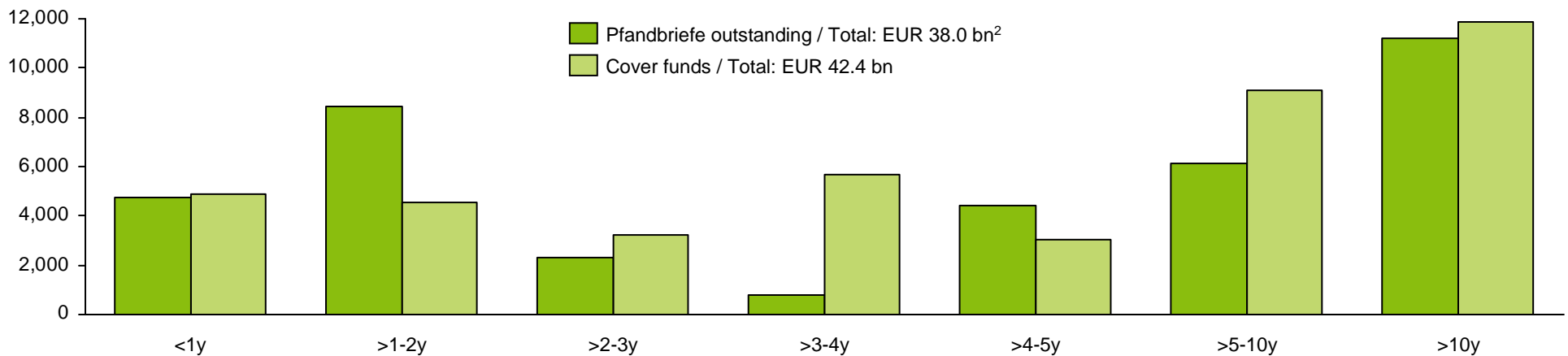
Cover funds by counterparty type

31/03/2011



Maturity profile²

31/03/2011: EUR millions (Nominal)



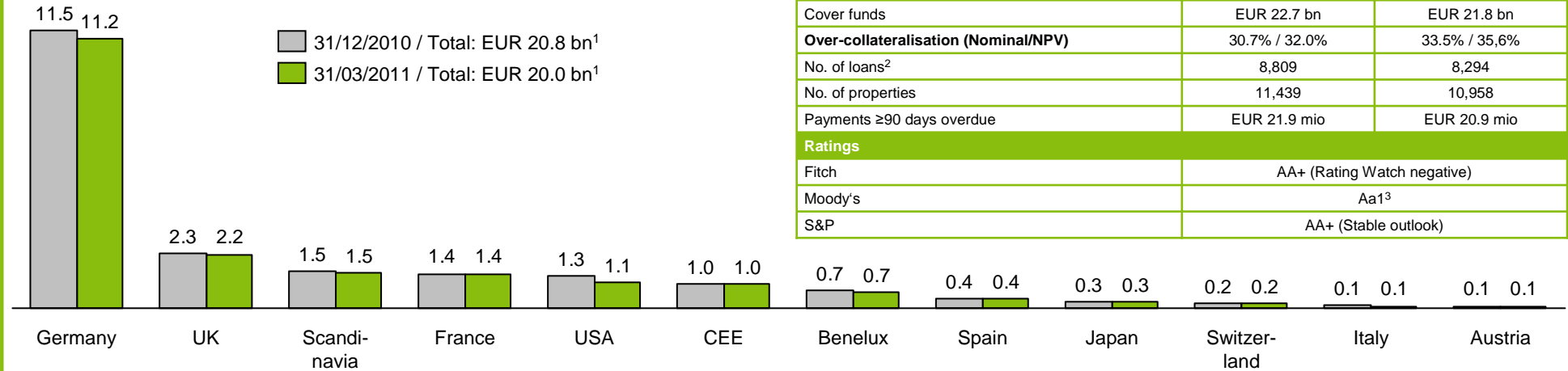
Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Excl. Swaps

pbb Deutsche Pfandbriefbank Mortgage cover pool



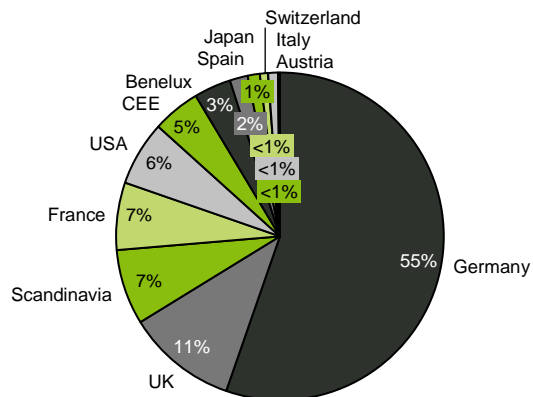
Cover funds by region

EUR billions (Nominal)

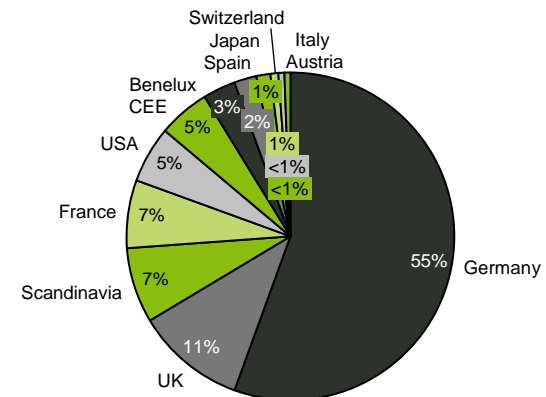


Mortgage cover pool (Nominal)	31/12/2010	31/03/2011
Pfandbriefe outstanding	EUR 17.4 bn	EUR 16.3 bn
Cover funds	EUR 22.7 bn	EUR 21.8 bn
Over-collateralisation (Nominal/NPV)	30.7% / 32.0%	33.5% / 35.6%
No. of loans ²	8,809	8,294
No. of properties	11,439	10,958
Payments ≥90 days overdue	EUR 21.9 mio	EUR 20.9 mio
Ratings		
Fitch	AA+ (Rating Watch negative)	
Moody's	Aa1 ³	
S&P	AA+ (Stable outlook)	

31/12/2010



31/03/2011

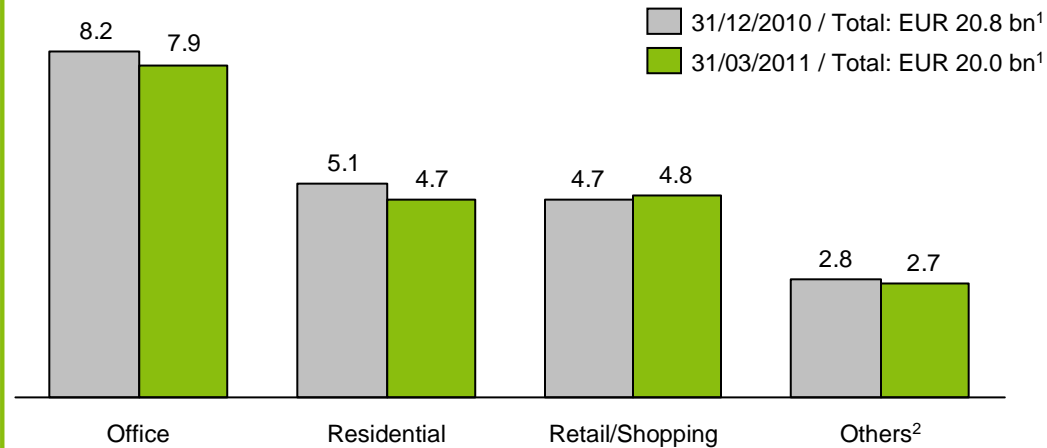


Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Excl. derivatives 3 Collateral Risk Score: 12.9%, Cover Pool Loss Score: 20.9%

Mortgage cover pool Split by property type and maturity profile

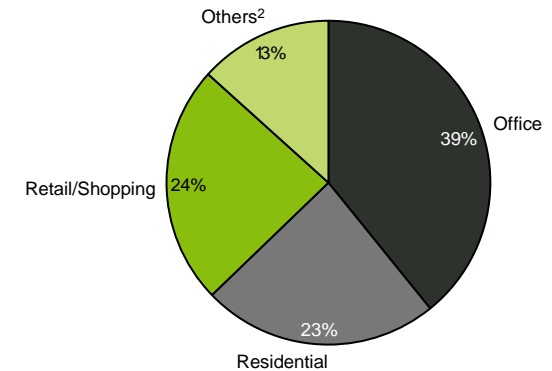
Cover funds by property type

EUR billions (Nominal)

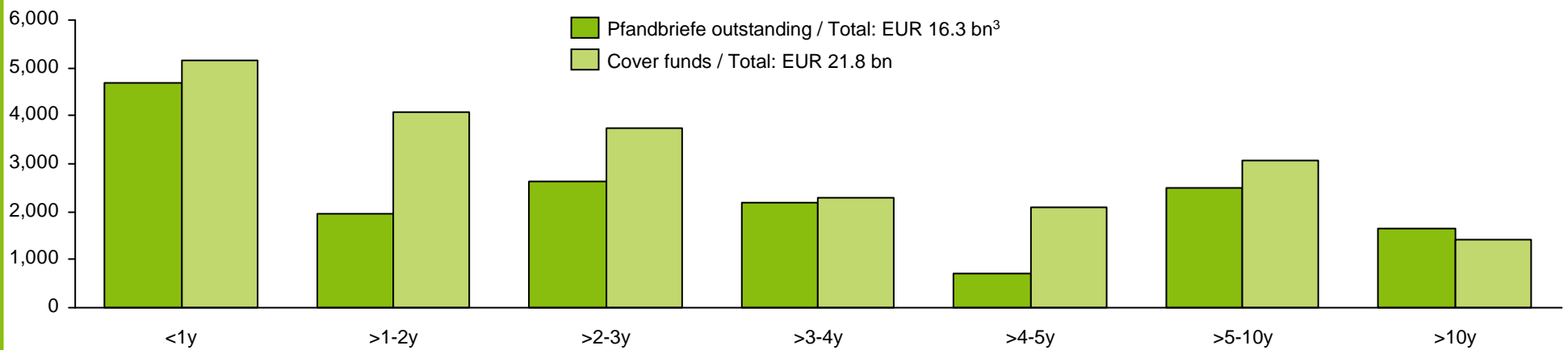


Cover funds by property type

31/03/2011



31/12/2010: EUR millions (Nominal)



Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Incl. Industrial/Logistics 3 Excl. Swaps

Fitch	
Public Sector Covered Bonds	AAA
Mortgage Covered Bonds	AA+ (Rating Watch negative)
Long Term	A- (Outlook stable)
Short Term	F1
Individual Rating	D

Moody's	
Public Sector Covered Bonds	Aaa
Mortgage Covered Bonds	Aa1
Long Term	A3 (Outlook stable)
Short Term	P-1
Bank Financial Strength Rating	E+ (Outlook positive)

S&P	
Public Sector Covered Bonds	AA+ (Outlook stable)
Mortgage Covered Bonds	AA+ (Outlook stable)
Long Term	BBB (Outlook stable)
Short Term	A-2

Note: The above list does not include all ratings

Strategic Priorities and Outlook

- ➔ Regain full strength of new business origination – new business expected to increase to EUR ~8 bn in 2011, primarily Real Estate Finance
- ➔ Set up and expand pbb's refinancing capabilities to optimise funding costs
- ➔ Support FMS-WM as portfolio manager to reduce transferred assets in a value preserving manner
- ➔ Finalise EU state aid process – final ruling from the EU Commission expected in the first half of 2011

**pbb expects to be profitable in 2011 –
more detailed indication will be given once the EU ruling has been finalised**

Contact details



Treasury / Funding

- **Andreas Schenk**
(Head of Treasury) +49 (0)6196 9990 2938
andreas.schenk@pfandbriefbank.com

- **Götz Michl**
(Head of Funding) +49 (0)6196 9990 2931
goetz.michl@pfandbriefbank.com

- **Funding Desk** funding@pfandbriefbank.com

Investor Relations / Rating Agency Relations

- **Frank Ertz** +49 (0)89 2880 28776
frank.ertz@pfandbriefbank.com

- **Michael Heuber** +49 (0)89 2880 28778
michael.heuber@pfandbriefbank.com

www.pfandbriefbank.com/investor-relations.html

© Deutsche Pfandbriefbank AG
Freisinger Strasse 5
85716 Unterschleissheim/Germany
+49 (0) 89 28 80-0
www.pfandbriefbank.com

Disclaimer



- This presentation is not an offer or invitation to subscribe for or purchase any securities.
- No warranty is given as to the accuracy or completeness of the information in this presentation. You must make your own independent investigation and appraisal of the business and financial condition of Deutsche Pfandbriefbank AG (pbb) and its securities. Nothing in this presentation shall form the basis of any contract or commitment whatsoever.
- For the purpose of this presentation pbb means pbb sub-group.
- This presentation may only be made available, distributed or passed on to persons in the United Kingdom in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply.

This presentation and any written materials distributed during such presentation may only be made available to persons residing in the U.S. and to U.S. citizens if they are qualified institutional buyers, as such term is defined in Rule 144A under the U.S. Securities Act of 1933, as amended ("QIBs"). By participating in the presentation and accepting this document, you are deemed to represent that you are a QIB.

- This presentation is furnished to you solely for your information. You may not reproduce it or redistribute to any other person.
- This document contains forward-looking statements based on calculations, estimates and assumptions made by the company top management and external advisors and are believed warranted. These statements may be identified by such words as "may", "plans", "expects", "believes" and similar expressions, or by their context and are made on the basis of current knowledge and assumptions. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. Such factors include general economic conditions, the conditions of the financial markets in Germany, in Europe and in the United States, the performance of pbb's core markets and changes in laws and regulations. No obligation is assumed to update any forward-looking statements.
- All support measures HRE Group received from the German government are subject to final approval by the European Commission (EC) under EU State aid rules.
- By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the noted limitations.

Income statement

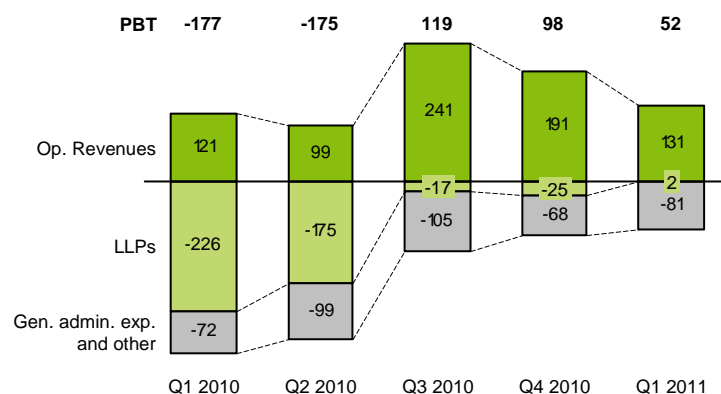
pbb profitable since Q3 2010 – decline in pre-tax profit q-o-q attributable to reduction in one-off effects

Income statement (IFRS)

EUR millions

	FY 2010	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011
Operating revenues	652	121	99	241	191	131
Net interest and similar income	600	166	164	161	109	97
Net commission income	-10	-7	-1	-12	10	14
thereof: SoFFin guarantees	-74	-24	-22	-26	-2	0
Net trading income	77	-12	-36	110	15	-8
Net income from financial investments	-17	-13	-4	-1	1	-1
Net income from hedge relationships	-45	-17	-22	-2	-4	-15
Balance of other operating income/expenses	47	4	-2	-15	60	44
Provisions for losses on loans and advances	-443	-226	-175	-17	-25	2
General administrative expenses	-352	-73	-98	-105	-76	-81
Balance of other income/expenses	8	1	-1	0	8	0
Pre-tax profit/loss	-135	-177	-175	119	98	52

- In Q1 2011, net interest income benefited from EUR 12 mio gains from buy-back of debt instruments for reasons of balance sheet management and on customer request
- Net commission income includes EUR 7 mio back-end fees on loan termination – no fees to be paid any more for SoFFin guarantees
- Net trading income affected by fair value changes of derivatives
- Other operating income includes EUR 29 mio income from servicing for FMS-WM and EUR 11 mio income from pbb Services for IT services to DEPFA
- Loan-loss provisions positive due net releases of portfolio-based provisions
- General administrative expenses include expenses relating to the servicing for FMS-WM and have been slightly reduced q-o-q, not taking into account the EUR 13 mio gain from release of accruals for variable compensation in Q4 2010



pbb Deutsche Pfandbriefbank (sub-group)
Balance sheet (IFRS)



Assets EUR millions	31.03.2011 ¹	31.12.2010 ¹	Change	
			EUR mio	%
Cash reserve	242	224	18	8.0
Trading assets	12,320	16,168	-3,848	-23.8
Loans and advances to other banks	14,341	12,128	2,213	18.2
Loans and advances to customers	91,457	118,642	-27,185	-22.9
Allowances for losses on loans and advances	-478	-561	83	14.8
Financial investments	32,024	33,605	-1,581	-4.7
Property, plan and equipment	4	5	-1	-20.0
Intangible assets	32	32	-	-
Other assets	3,455	5,035	-1,580	-31.4
Income tax assets	1,572	1,545	27	1.7
Total assets	154,969	186,823	-31,854	-17.1

Equity and liabilities EUR millions	31.03.2011	31.12.2010	Change	
			EUR mio	%
Liabilities to other banks	40,776	62,587	-21,811	-34.8
Liabilities to customers	17,691	17,384	307	1.8
Liabilities evidenced by certificates	60,050	63,846	-3,796	-5.9
Trading liabilities	12,328	16,294	-3,966	-24.3
Provisions	184	176	8	4.5
Other liabilities	16,507	18,883	-2,376	-12.6
Income tax liabilities	1,540	1,526	14	0.9
Subordinated capital	2,586	2,766	-180	-6.5
Liabilities	151,662	183,462	-31,800	-17.3
Subscribed capital	380	380	-	-
Silent participation	999	999	-	-
Additional paid-in capital	5,036	5,036	-	-
Retained earnings	-3,310	-3,124	-186	-6.0
Revaluation reserve	167	255	-88	-34.5
<i>Afs reserve</i>	-258	-259	1	0.4
<i>Cash flow hedge reserve</i>	425	514	-89	-17.3
Consolidated profit/loss 2010	0	-185	185	100.0
Consolidated profit/loss Q1 2011	35	0	35	>100.0
Equity	3,307	3,361	-54	-1.6
Total equity and liabilities	154,969	186,823	-31,854	-17.1

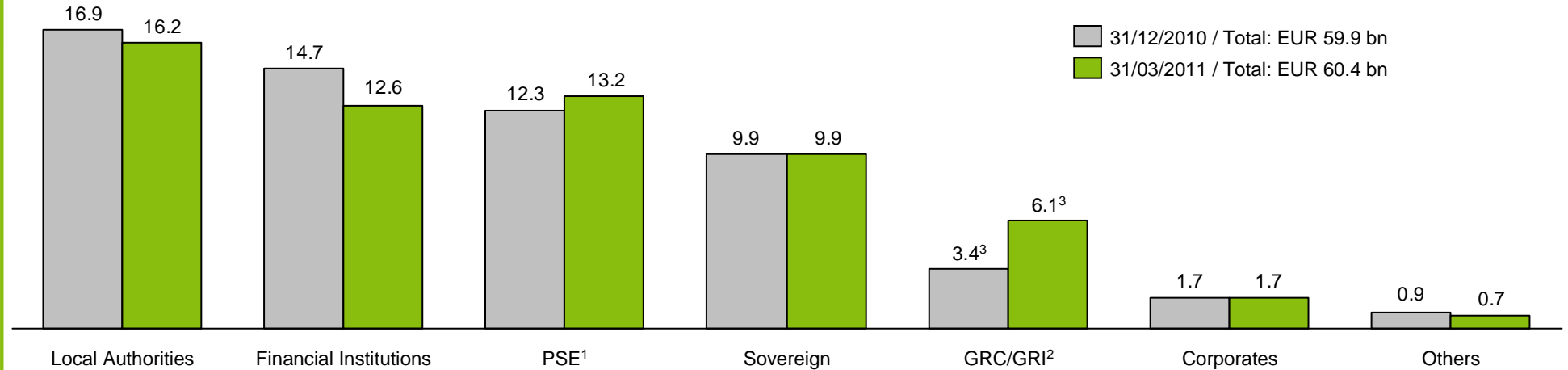
1 Incl. reclassification of securities from 'Loans and advances to other banks/customers' to 'Financial investments' for the purpose of consistent reporting of all securities with IFRS category LaR in the same balance sheet position

pbb Deutsche Pfandbriefbank (sub-group) Non-Real Estate portfolio

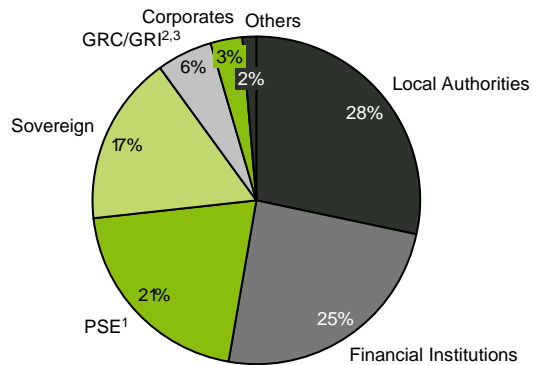


Non-Real Estate exposure by counterparty type

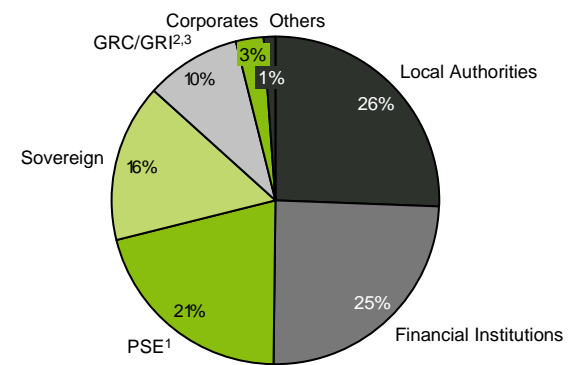
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010



31/03/2011



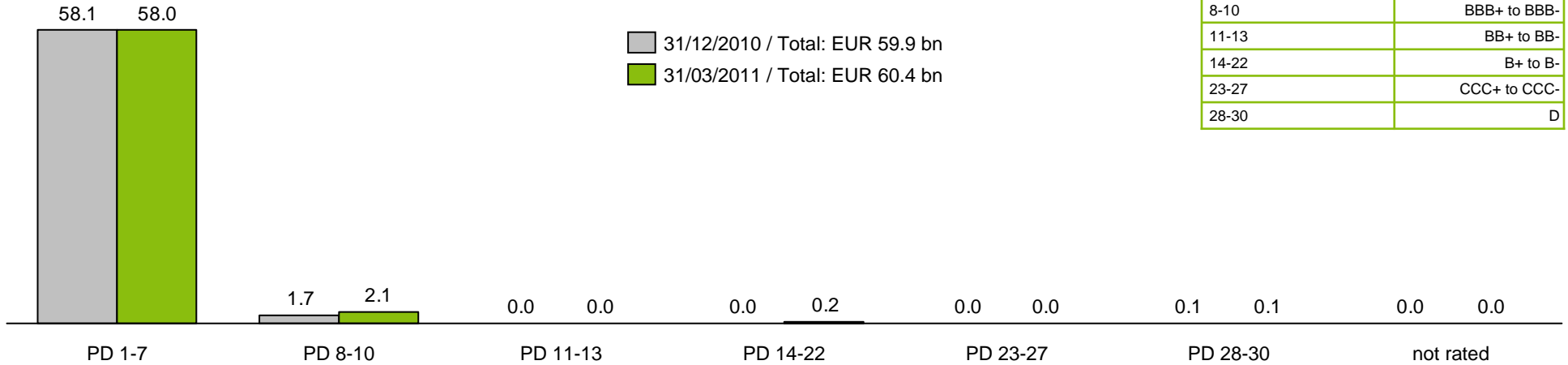
Note: Figures may not add up due to rounding 1 Public Sector Entities 2 Government Related Companies/Institutions 3 Incl. accounts with German Central Bank (31/12/2010: EUR 3.3 bn; 31/03/2011: EUR 6.0 bn)

pbb Deutsche Pfandbriefbank (sub-group) Non-Real Estate portfolio



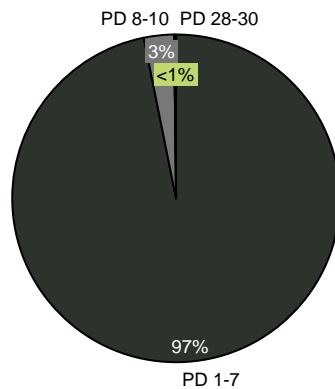
Non-Real Estate exposure by PD class

EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)

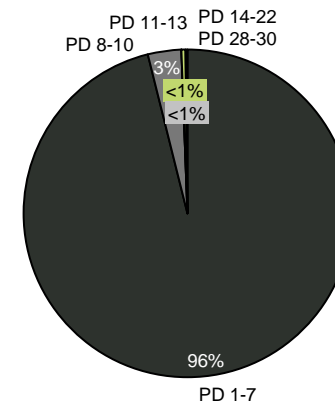


PD class	S&P rating scale
1-7	AAA to A-
8-10	BBB+ to BBB-
11-13	BB+ to BB-
14-22	B+ to B-
23-27	CCC+ to CCC-
28-30	D

31/12/2010



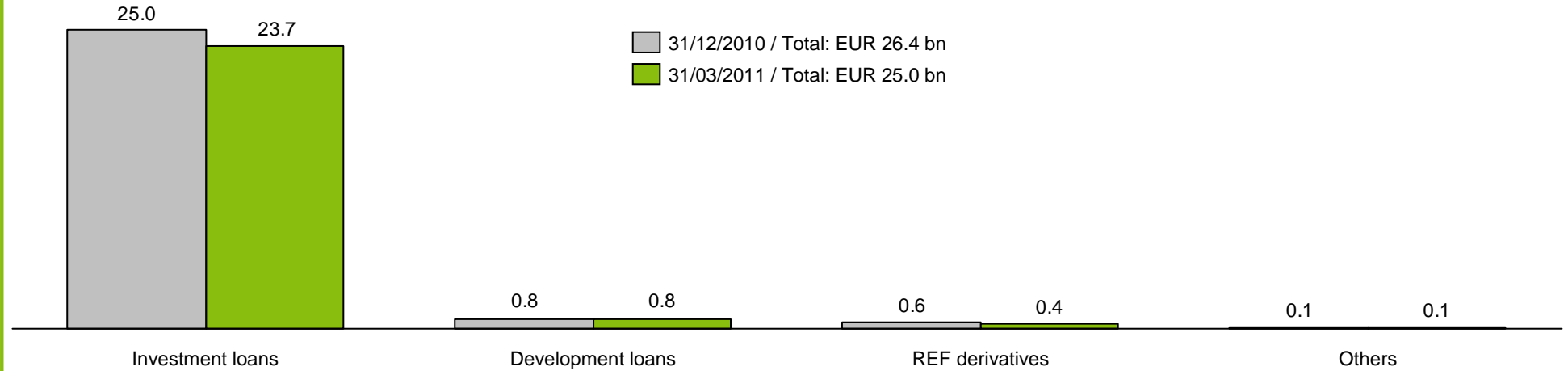
31/03/2011



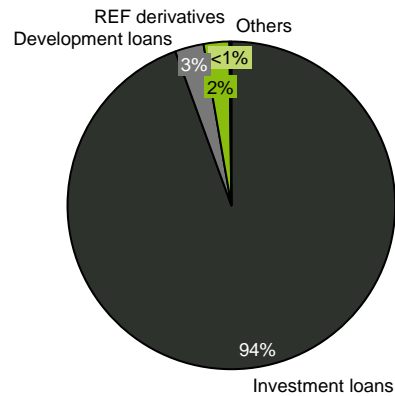
Note: Figures may not add up due to rounding

Real Estate exposure by loan type

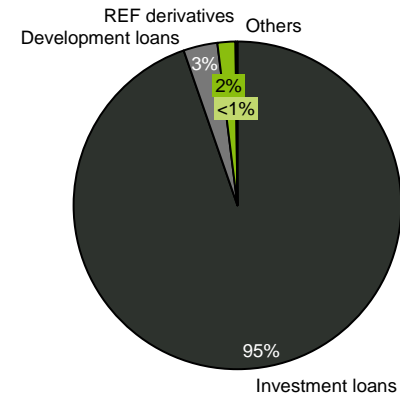
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010



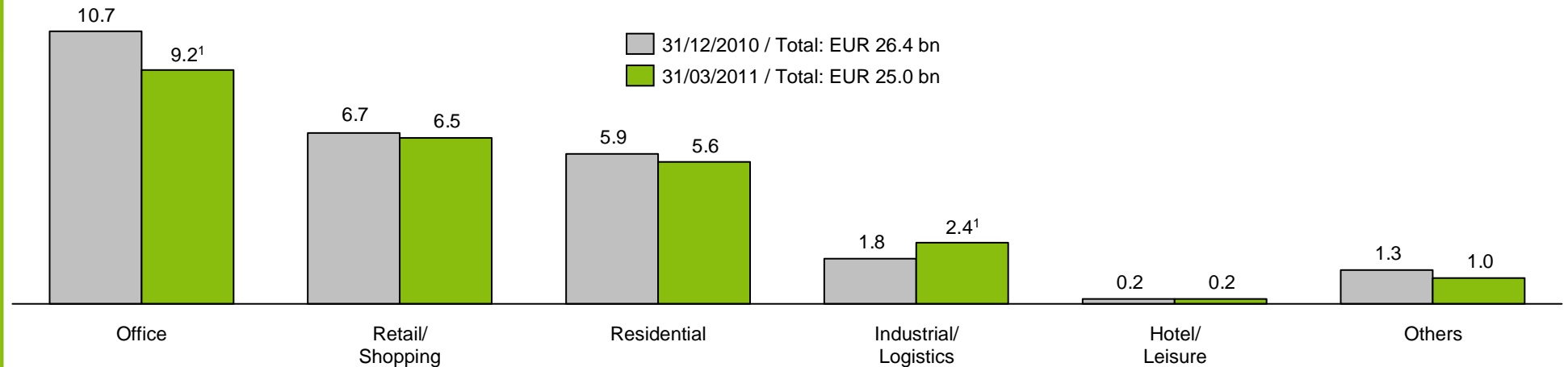
31/03/2011



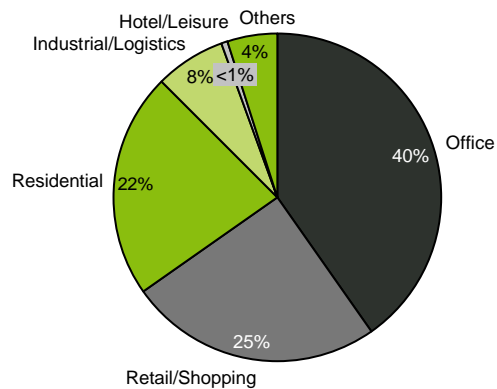
Note: Figures may not add up due to rounding

Real Estate exposure by property type

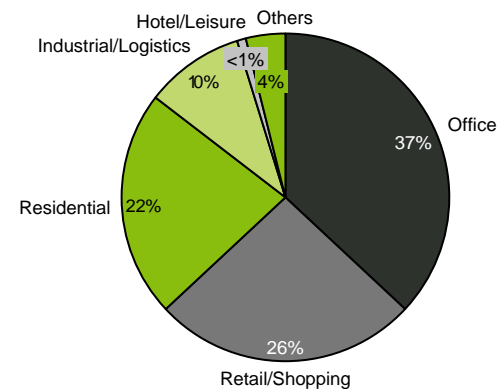
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010



31/03/2011



Note: Figures may not add up due to rounding 1 Change of main property type from 'Office' to 'Industrial/Logistics' in a portfolio transaction (EUR 636 mio)

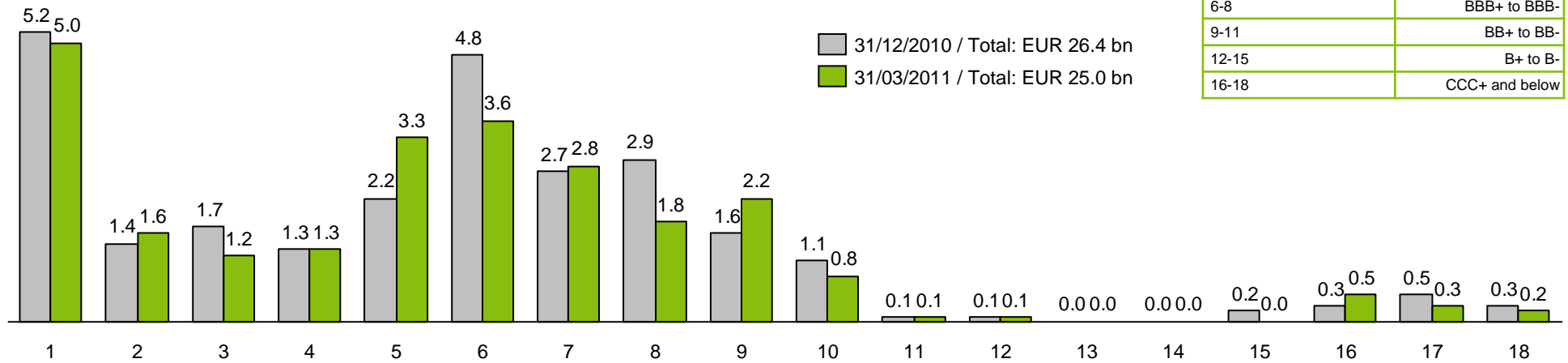
pbb Deutsche Pfandbriefbank (sub-group) Real Estate portfolio



Real Estate exposure by EL classes

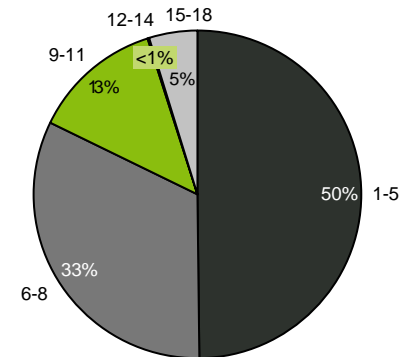
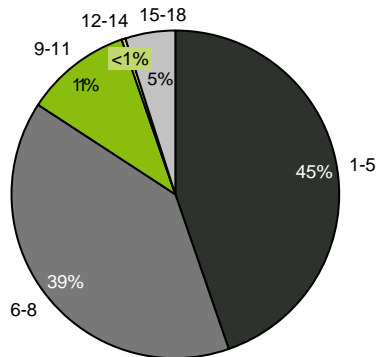
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)

EL class	S&P rating scale
1-5	AAA to A-
6-8	BBB+ to BBB-
9-11	BB+ to BB-
12-15	B+ to B-
16-18	CCC+ and below



31/12/2010

31/03/2011



Note: Figures may not add up due to rounding

Public Sector Finance

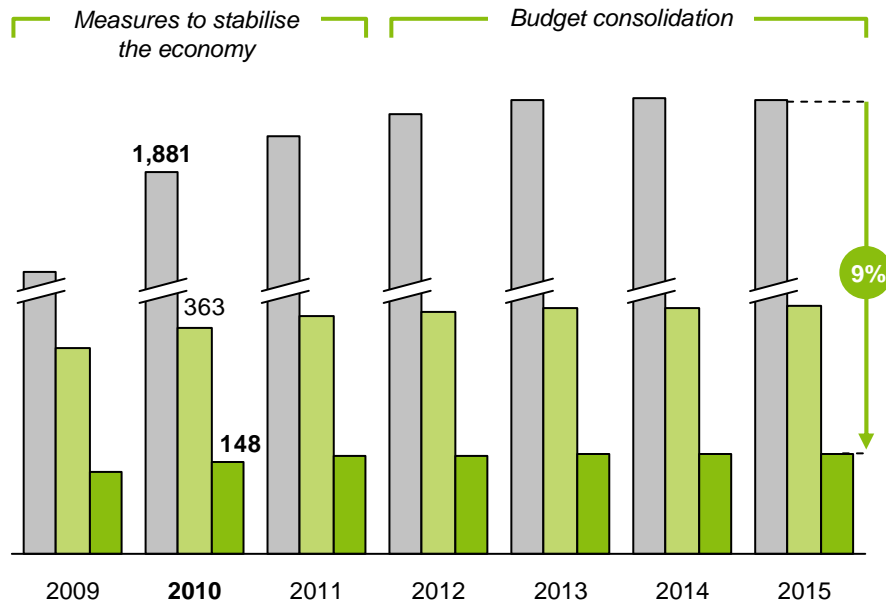
EUR ~150 bn market volume p.a. identified to be within reach of pbb in target countries
 – new business focus on municipalities and selected regions with sufficient margins



Gross new borrowings¹

EUR billion

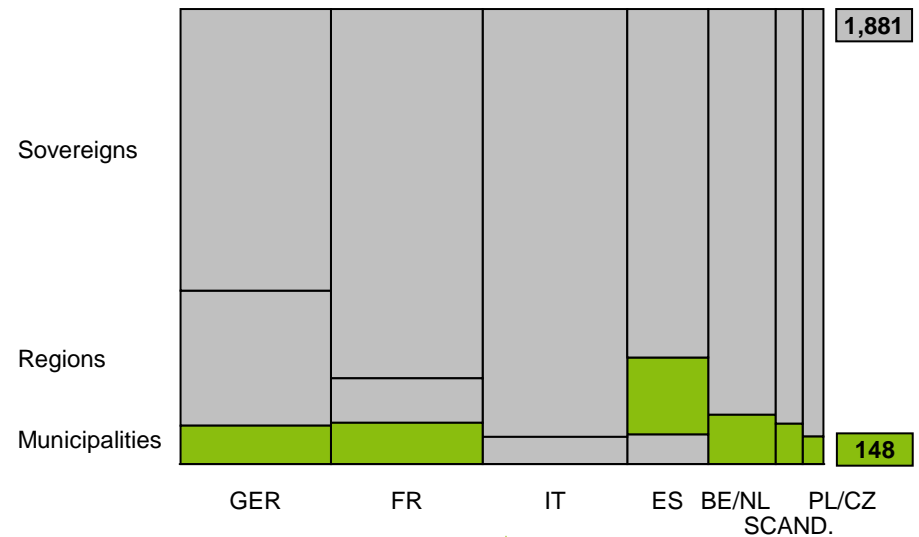
- Total market
- Regions/Municipalities
- Target market



Gross new borrowings¹

2010, EUR billion

- Total market
- Target market



¹ Germany, France, Italy, Spain, Belgium, Netherlands, Scandinavia, Poland, Czech Republic

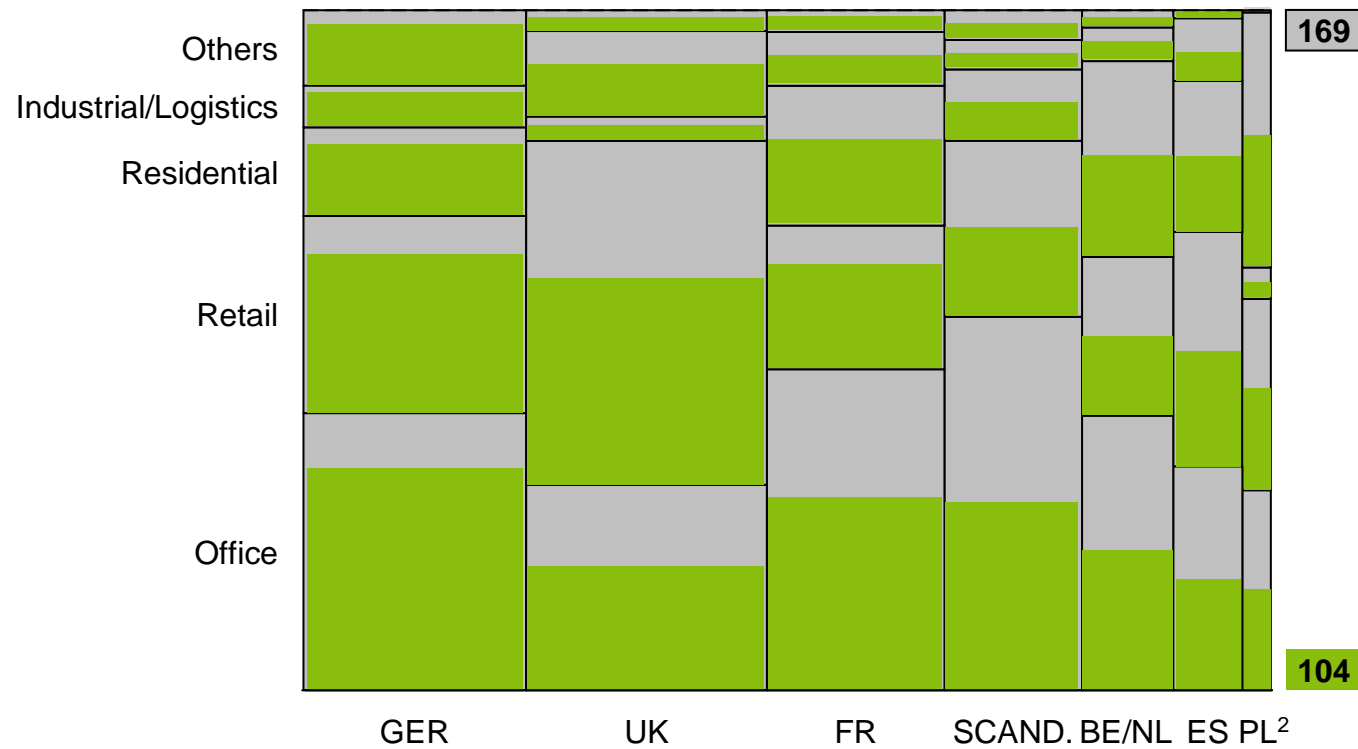
Real Estate Finance

EUR ~100 bn market volume p.a. identified to be within reach of pbb in target countries



Market volume¹
2009, EUR billion

Total market
 Target market



¹ Germany, UK, France, Scandinavia, Belgium, Netherlands, Spain, Poland ² Exemplary for CEE

Disclaimer

- | This presentation is not an offer or invitation to subscribe for or purchase any securities.
- | No warranty is given as to the accuracy or completeness of the information in this presentation. You must make your own independent investigation and appraisal of the business and financial condition of DEPFA Bank plc (DEPFA plc), DEPFA ACS Bank (DEPFA ACS) or Hypo Pfandbrief Bank International (HPBI) and its securities. Nothing in this presentation shall form the basis of any contract or commitment whatsoever.
- | For the purpose of this presentation DEPFA means DEPFA sub-group.
- | This presentation may only be made available, distributed or passed on to persons in the United Kingdom in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply.

This presentation and any written materials distributed during such presentation may only be made available to persons residing in the U.S. and to U.S. citizens if they are qualified institutional buyers, as such term is defined in Rule 144A under the U.S. Securities Act of 1933, as amended ("QIBs"). By participating in the presentation and accepting this document, you are deemed to represent that you are a QIB.

- | This presentation is furnished to you solely for your information. You may not reproduce it or redistribute to any other person.
- | This document contains forward-looking statements based on calculations, estimates and assumptions made by the company top management and external advisors and are believed warranted. These statements may be identified by such words as "may", "plans", "expects", "believes" and similar expressions, or by their context and are made on the basis of current knowledge and assumptions. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. Such factors include general economic conditions, the conditions of the financial markets in Germany, in Europe and in the United States, the performance of DEPFA's core markets and changes in laws and regulations. No obligation is assumed to update any forward-looking statements.
- | All support measures HRE Group received from the German government are subject to final approval by the European Commission (EC) under EU State aid rules.
- | By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the noted limitations.

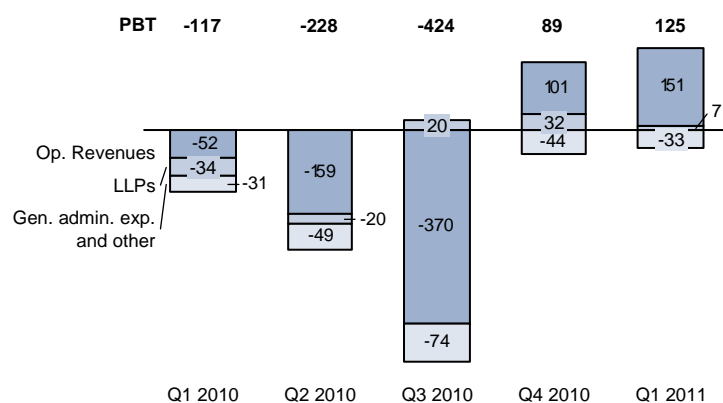
DEPFA (sub-group)

Income statement

Income statement (IFRS)

EUR millions

	FY 2010	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011
Operating revenues	-480	-52	-159	-370	101	151
Net interest and similar income	252	125	90	34	3	122
Net commission income	-310	-94	-96	-112	-8	-6
thereof: Intra-group refinancing ¹	-310	-95	-98	-114	-3	0
Net trading income	-457	-85	-145	-278	51	2
Net income from financial investments	31	2	12	19	-2	-19
Net income from hedge relationships	-11	0	-29	10	8	12
Balance of other operating income/expenses	15	0	9	-43	49	40
Provisions for losses on loans and advances	-2	-34	-20	20	32	7
General administrative expenses	-203	-31	-50	-73	-49	-33
Balance of other income/expenses	5	0	1	-1	5	0
Pre-tax profit/loss	-680	-117	-228	-424	89	125



- In Q1 2011, net interest income benefited from EUR 118 mio gains from buy-back of debt instruments for reasons of balance sheet management and on customer request (Q4 2010: EUR 33 mio)
However, the sale of the assets, which have been released from the cover pool as a result of these buy-backs resulted in a loss of EUR 19 mio (net income from financial investments)
- Net commission income not burdened any more by expenses for intra-group refinancing, which had been provided by pbb and guaranteed by SoFFin
- Net trading income insignificant – Q4 2010 included EUR 33 mio one-off gain from early termination of GICs²
- Other operating income includes EUR 21 mio income from servicing for FMS-WM and EUR 17 mio FX effects
- Loan-loss provisions positive due to EUR 7 mio release of an individual allowance
- General administrative expenses lower due to lower IT costs but include expenses relating to the servicing for FMS-WM – Q4 2010 included EUR 6 mio release of accruals for variable compensation

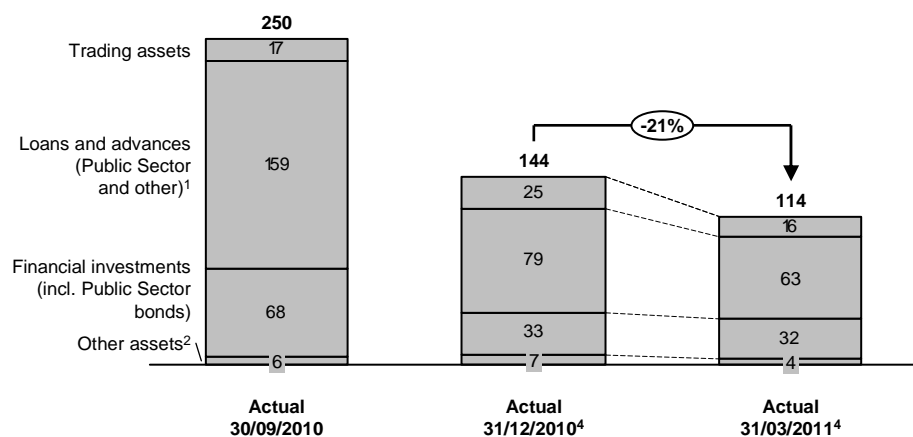
¹ SoFFin guaranteed refinancing provided by pbb ² Guaranteed Investment Contracts

DEPFA (sub-group)

Balance sheet

Total assets (IFRS)

EUR billions



- In Q1 2011, total assets down by EUR 30 bn (-21%) to EUR 114 bn, predominantly as counter-effects resulting from the asset transfer to FMS-WM have been further reduced and due to balance sheet management and maturities
- The main counter-effects are as follows:
 - Pass-through funding for FMS-WM: Reverse repo transactions with FMS-WM have been reduced by EUR 9 bn (-24%) to EUR 28 bn (31/12/2010: EUR 37 bn)
 - Back-to-back derivatives: Back-to-back derivatives have been partly replaced by way of direct business relations between FMS-WM and the external counterparties (novation of derivatives), resulting in a termination of the original position as well as the back-to-back derivative (31/03/2011: EUR 10 bn; 31/12/2010: EUR 13 bn)
 - Moreover, this significantly reduced the collateral positions provided and received for these derivatives (31/03/2011: EUR 9 bn; 31/12/2010: EUR 13 bn)
- These counter-effects will be reduced further over time

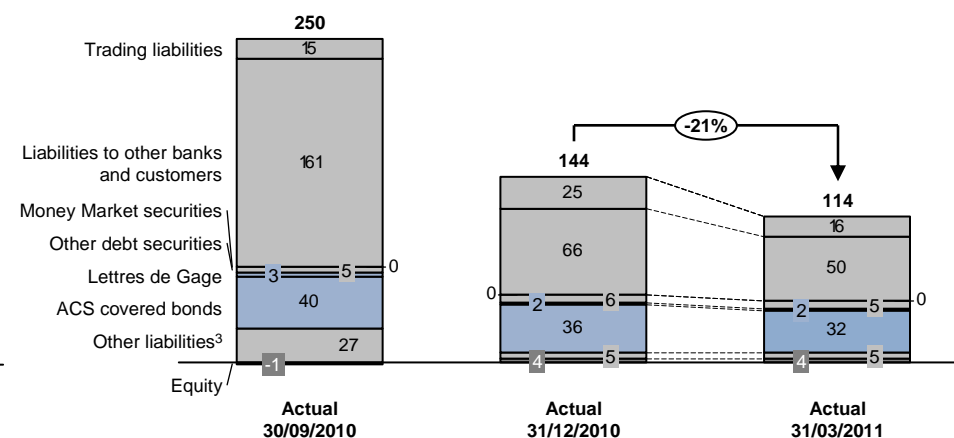
Note: Figures may not add up due to rounding

¹ Incl. allowances for losses on loans and advances

² Cash reserve, other assets (esp. positive market values of hedging derivatives), income tax assets

Total liabilities and equity (IFRS)

EUR billions



- Liquidity profile balanced – net liability maturities are anticipated to be financed from available cash, through the sale of assets or with cash generated from repo activities with the ECB and/or bilateral counterparties; in excess, more than 50% of cover pool assets are repoable
- No new financing business planned, therefore no capital market issuances planned – EU state aid ruling pending
 - Only cover pool and asset management
 - Balance sheet continues to shrink through natural redemptions as well as balance sheet management

³ Provisions, other liabilities (esp. negative market values of hedging derivatives), income tax liabilities

⁴ Incl. reclassification of securities from 'Loans and advances' to 'Financial investments' for the purpose of consistent reporting of all securities with IFRS category LaR in the same balance sheet position

DEPFA (sub-group)

Balance sheet

Assets EUR millions	31.03.2011 ¹	31.12.2010 ¹	Change	
			EUR mio	%
Cash reserve	550	2,283	-1,733	-75.9
Trading assets	16,029	24,740	-8,711	-35.2
Loans and advances to other banks	15,953	21,737	-5,784	-26.6
Loans and advances to customers	46,700	57,066	-10,366	-18.2
Allowances for losses on loans and advances	-93	-100	7	7.0
Financial investments	31,538	33,466	-1,928	-5.8
Property, plan and equipment	1	1	-	-
Intangible assets	18	19	-1	-5.3
Other assets	3,272	4,655	-1,383	-29.7
Income tax assets	90	128	-38	-29.7
Total assets	114,058	143,995	-29,937	-20.8

Equity and liabilities EUR millions	31.03.2011	31.12.2010	Change	
			EUR mio	%
Liabilities to other banks	31,151	39,803	-8,652	-21.7
Liabilities to customers	19,206	25,856	-6,650	-25.7
Liabilities evidenced by certificates	39,251	44,288	-5,037	-11.4
Trading liabilities	15,536	24,618	-9,082	-36.9
Provisions	51	96	-45	-46.9
Other liabilities	3,958	4,524	-566	-12.5
Income tax liabilities	143	169	-26	-15.4
Subordinated capital	1,072	1,072	-	-
Liabilities	110,368	140,426	-30,059	-21.4
Share capital	106	106	-	-
Share premium	1,142	1,142	-	-
Capital reserve	1,500	1,500	-	-
Preferred securities	1,136	1,136	-	-
Retained earnings	-141	-256	115	44.9
Other reserves	-53	-59	6	10.2
<i>Available-for-sale</i>	-53	-59	6	10.2
<i>Currency translation</i>	0	0	-	-
Equity	3,690	3,569	121	3.4
Total equity and liabilities	114,058	143,995	-29,937	-20.8

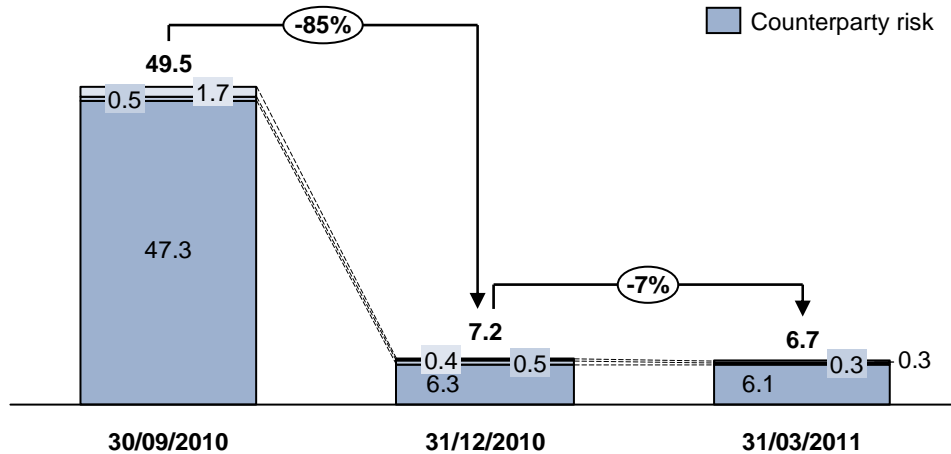
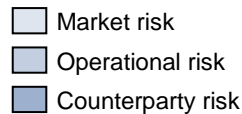
¹ Incl. reclassification of securities from 'Loans and advances to other banks/customers' to 'Financial investments' for the purpose of consistent reporting of all securities with IFRS category LaR in the same balance sheet position

DEPFA (sub-group)

Capitalisation (IFSRA)

Risk-weighted Assets (RWA)

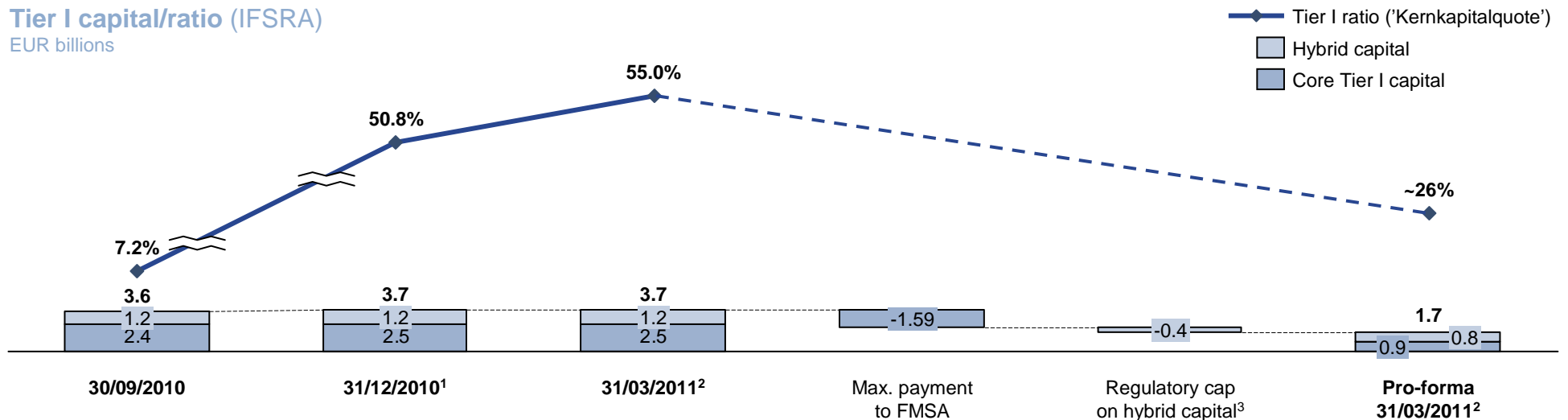
EUR billions



- RWA reduced further by EUR 0.5 bn (-7%) to EUR 6.7 bn
- Tier I capital stable (excluding year-to-date result/adjustments)
- Tier I ratio now at 55.0% (31/03/2011)
- Within the framework of the transfer of assets, FMSA has reserved the right to stipulate a required payment in order to avoid distortion of competition
 - With this, the FMSA can, for reasons of fair competition, reduce the capitalisation of individual legal entities to the required extent, if the Tier I ratio of the relevant legal entity is above 15%.
 - This payment requirement can be up to a maximum of EUR 1.59 bn for all HRE entities (subject to approval by the regulatory authorities as well as certain other conditions)
 - However, such payment is expected to materialise predominantly at DEPFA and not to affect the income statement
 - Including such maximum payment, the pro-forma Tier I ratio of DEPFA (sub-group) would have been approx. 26% as of 31/03/2011

Tier I capital/ratio (IFSRA)

EUR billions



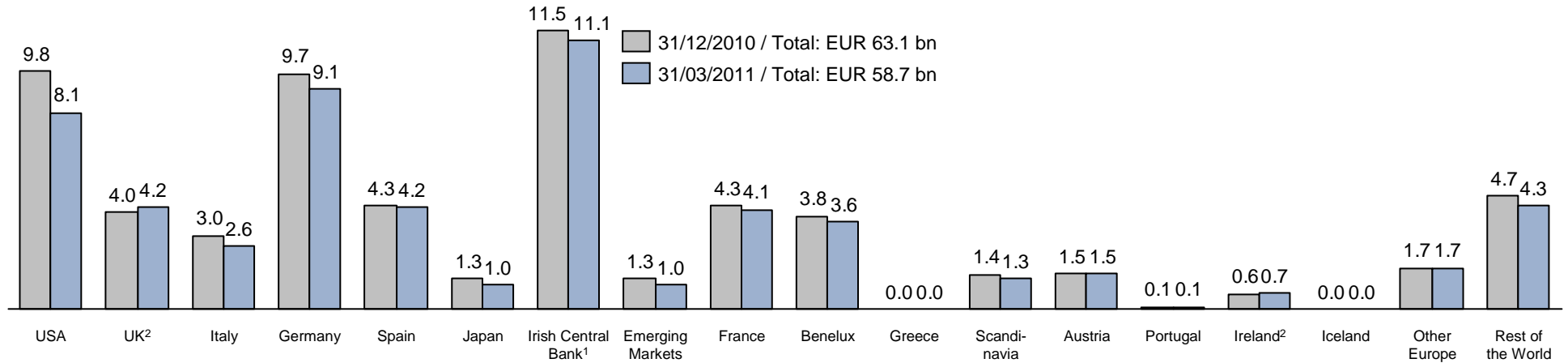
Note: Figures may not add up due to rounding 1 Incl. year-to-date losses/adjustments 2 Excl. year-to-date result/adjustments 3 To be included in Tier II capital

DEPFA (sub-group)

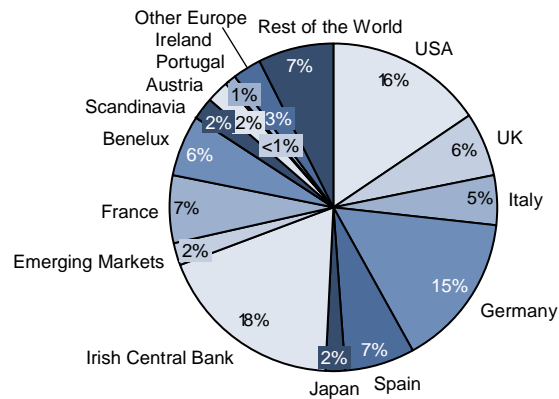
Total portfolio

Total exposure by region

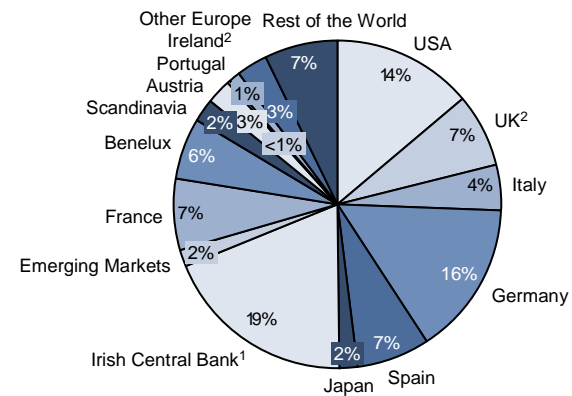
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010



31/03/2011



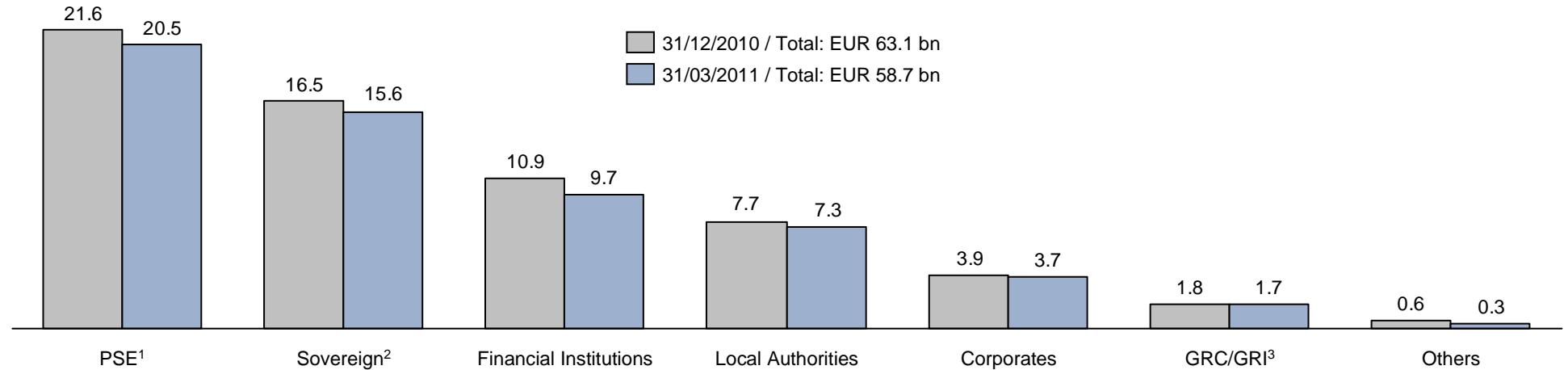
Note: Figures may not add up due to rounding ¹ Claims against the Irish Central Bank out of secured refinancing (repo) transactions ² Increase q-o-q due to derivative positions with international investment banks (Dublin branches)

DEPFA (sub-group)

Total portfolio

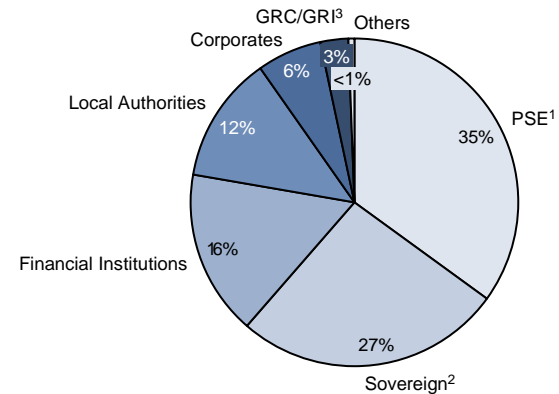
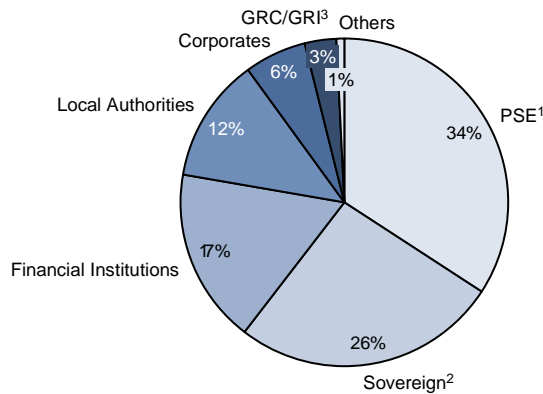
Total exposure by counterparty type

EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010

31/03/2011



Note: Figures may not add up due to rounding

1 Public Sector Entities

2 Incl. claims against the Irish Central Bank out of secured refinancing (repo) transactions (31/12/2010: EUR 11.5 bn, 31/03/2011: EUR 11.1 bn)

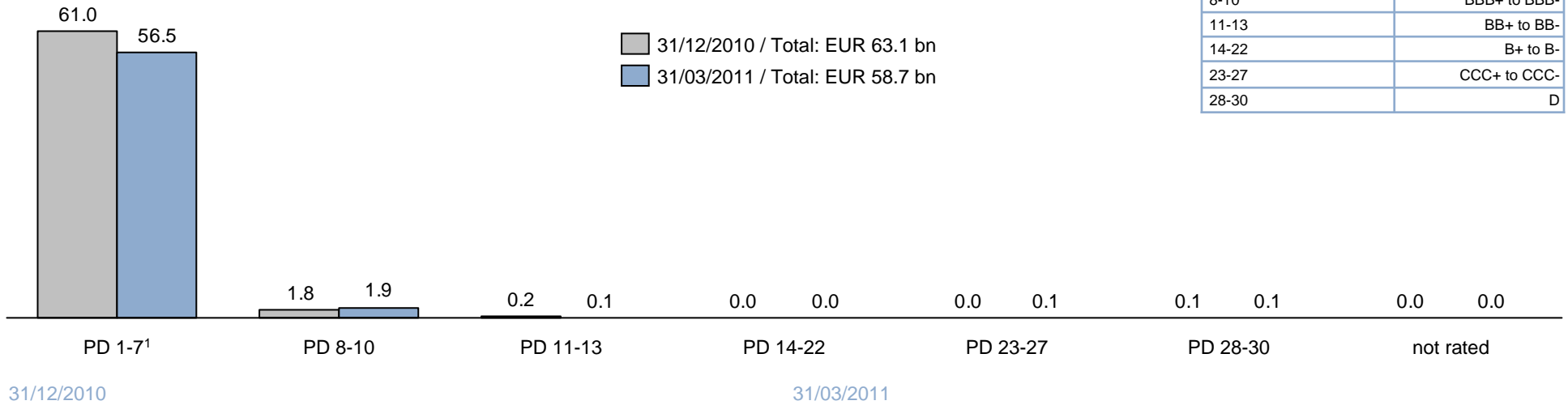
3 Government Related Companies/Institutions

DEPFA (sub-group)

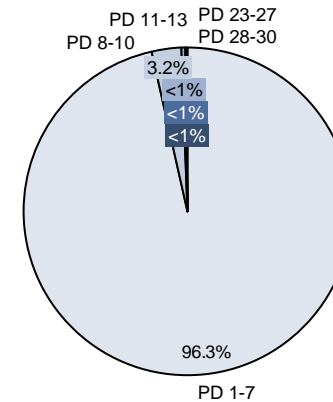
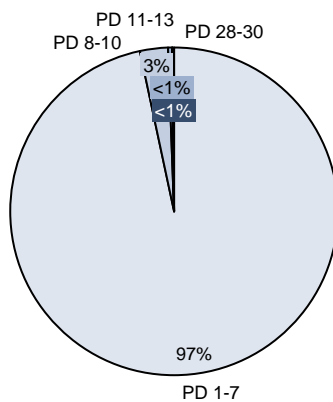
Total portfolio

Total exposure by PD class

EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



PD class	S&P rating scale
1-7	AAA to A-
8-10	BBB+ to BBB-
11-13	BB+ to BB-
14-22	B+ to B-
23-27	CCC+ to CCC-
28-30	D



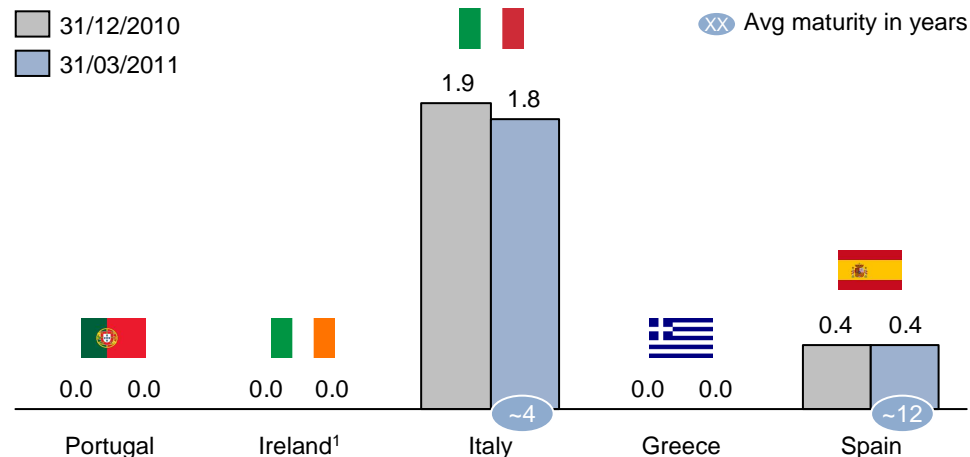
Note: Figures may not add up due to rounding ¹ Incl. claims against the Irish Central Bank out of secured refinancing (repo) transactions (31/12/2010: EUR 11.5 bn, 31/03/2011: EUR 11.1 bn)

DEPFA (sub-group)

Exposure in selected countries

Sovereign exposure in selected countries

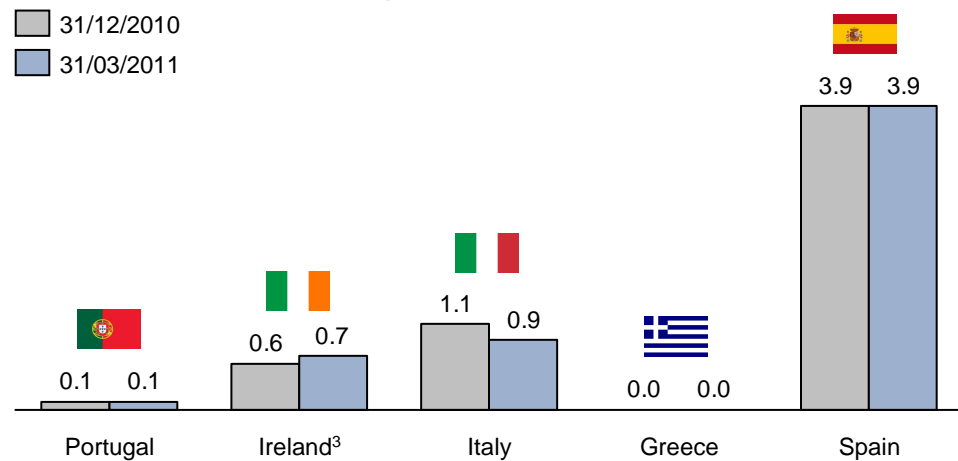
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



- Only limited Sovereign exposure in selected countries – 4% of total exposure
 - No Portugal, no Ireland and no Greece
 - Italy further reduced
 - Only small exposure to Spain
- Non-Sovereign exposure in selected countries mainly related to the following counterparties
 - Portugal: PSE (100%)
 - Ireland: PSE (57%), Financial Institutions (43%)
 - Italy: Local Authorities (44%), PSE (44%)
 - Spain: PSE (74%), Local Authorities (15%)

Non-sovereign² exposure in selected countries

EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



Note: Figures may not add up due to rounding
 1 Excl. claims against the Irish Central Bank out of secured refinancing (repo) transactions (31/12/2010: EUR 11.5 bn, 31/03/2011: EUR 11.1 bn)
 2 Sub-sovereign (Local Authorities), Financial Institutions (FI), Public Sector Entities (PSE), Government Related Companies/Institutions (GRC/GR), Corporates, Others
 3 Increase q-o-q due to derivative position with international investment bank (Dublin branch)

DEPFA (sub-group)

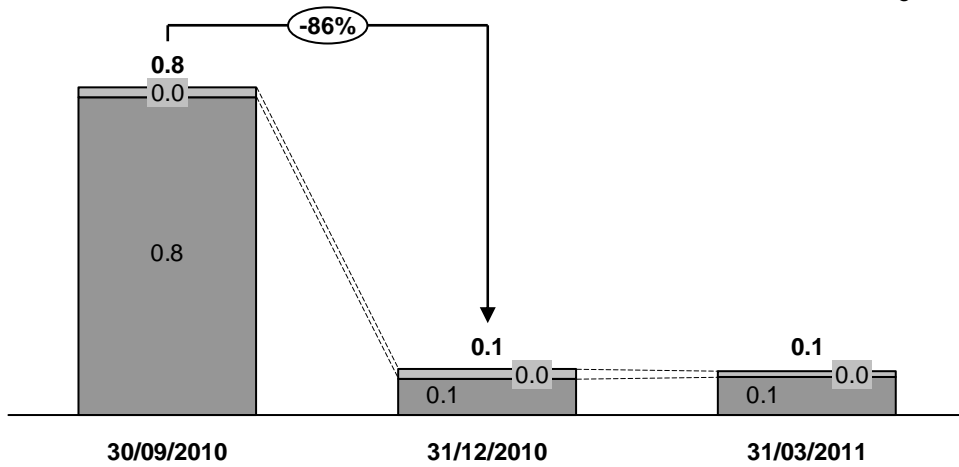
Total problem loans

Total problem loans

EUR billions (EaD)

- Workout¹
- Restructuring²

- EUR 95 mio total problem loans consist of 3 individual cases (31/12/2010: 5), which are adequately covered by loan-loss provisions with a coverage ratio of ~53% as of 31/03/2011 (31/12/2010: 50%)



Note: Figures may not add up due to rounding 1 No signs that the deal will recover soon, compulsory measures necessary 2 Payments more than 90 days overdue or criteria acc. to respective policy apply

DEPFA (sub-group)

Agenda

Financial Results

Total Portfolio

ACS Cover Pool

HPBI Cover Pool

pbb

Appendix 1 – pbb

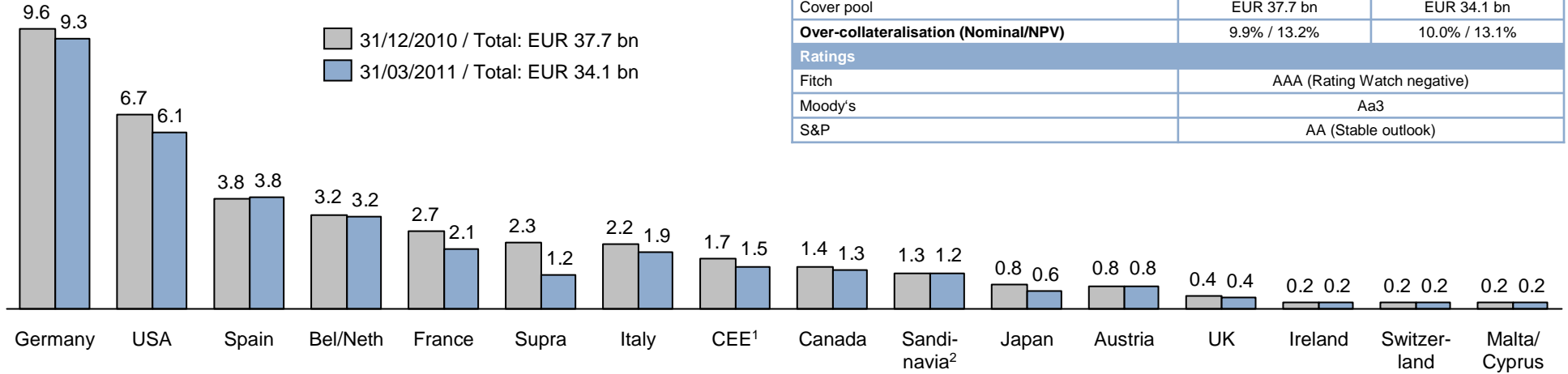
Appendix 2 – DEPFA

DEPFA ACS Bank

ACS cover pool

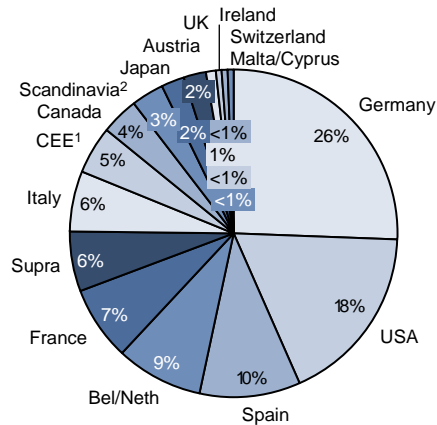
Cover pool by region

EUR billions (Nominal)

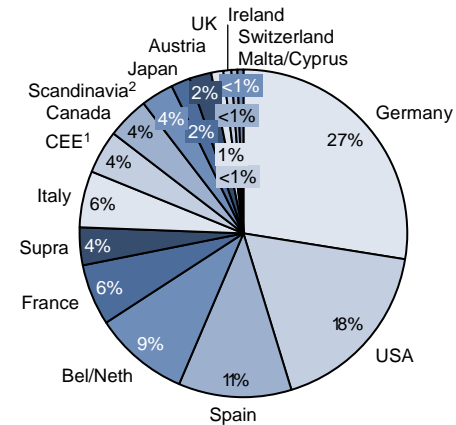


ACS cover pool (Nominal)	31/12/2010	31/03/2011
Public Sector ACS outstanding	EUR 34.3 bn	EUR 31.1 bn
Cover pool	EUR 37.7 bn	EUR 34.1 bn
Over-collateralisation (Nominal/NPV)	9.9% / 13.2%	10.0% / 13.1%
Ratings		
Fitch	AAA (Rating Watch negative)	
Moody's	Aa3	
S&P	AA (Stable outlook)	

31/12/2010



31/03/2011



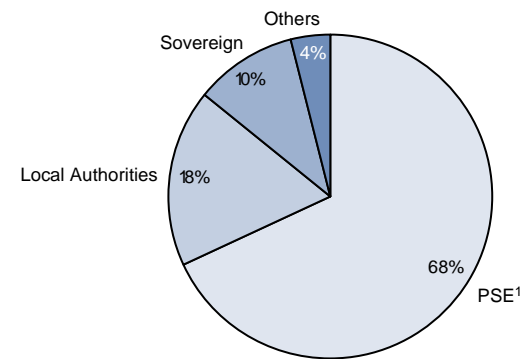
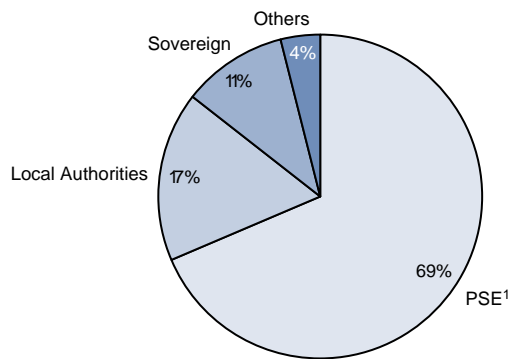
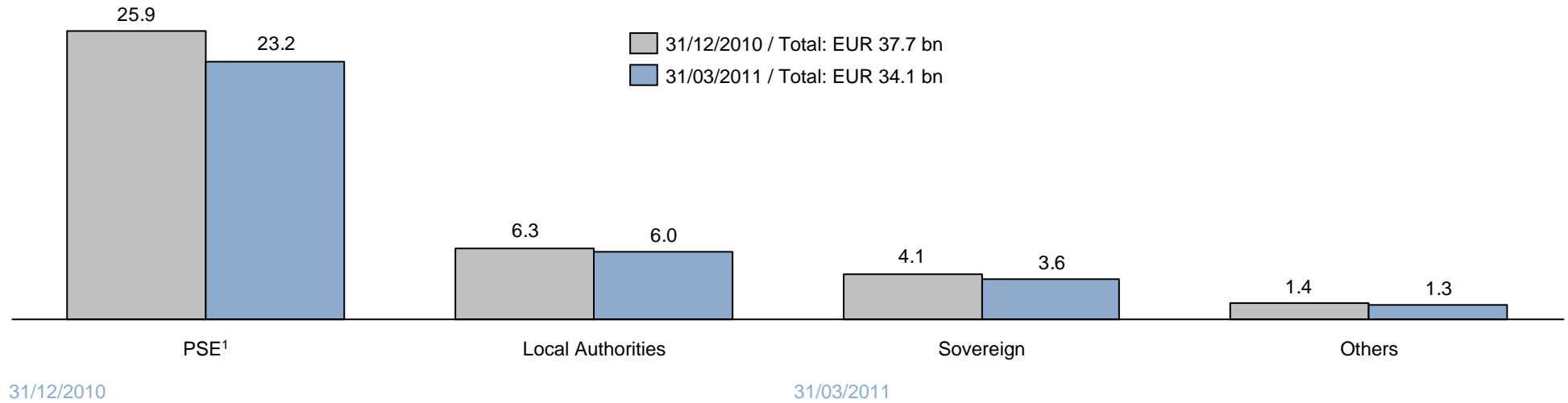
Note: Figures may not add up due to rounding 1 Poland, Slovenia, Czech Republic, Slovakia and Estonia (in order of exposure) 2 Sweden, Finland, Norway and Denmark (in order of exposure)

DEPFA ACS Bank

ACS cover pool

Cover pool by counterparty type

EUR billions (Nominal)



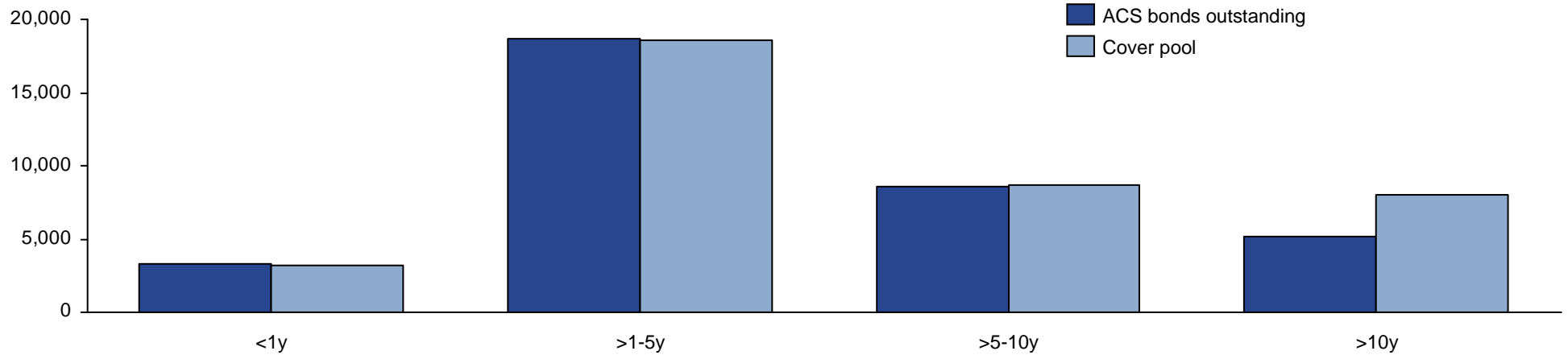
Note: Figures may not add up due to rounding ¹ Public Sector Entities

DEPFA ACS Bank

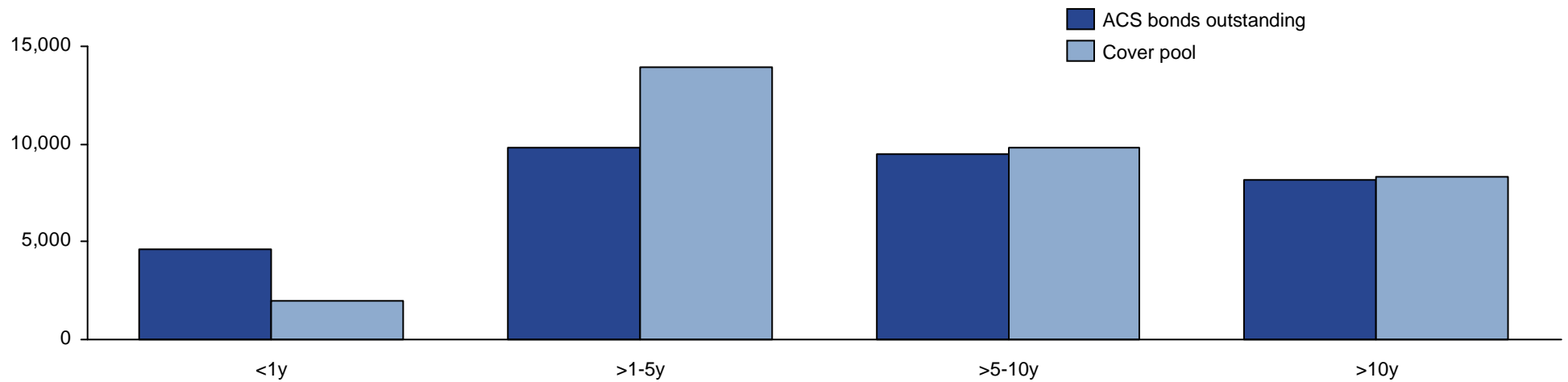
ACS cover pool

Maturity profile¹

31/12/2010: EUR millions (Nominal)



31/03/2011: EUR millions (Nominal)



Note: Figures may not add up due to rounding ¹ Assets and liabilities considered on a nominal basis, excl. optionality, interest flows and derivatives; zero bonds treated as bullets

DEPFA (sub-group)

Agenda

Financial Results

Total Portfolio

ACS Cover Pool

HPBI Cover Pool

pbb

Appendix 1 – pbb

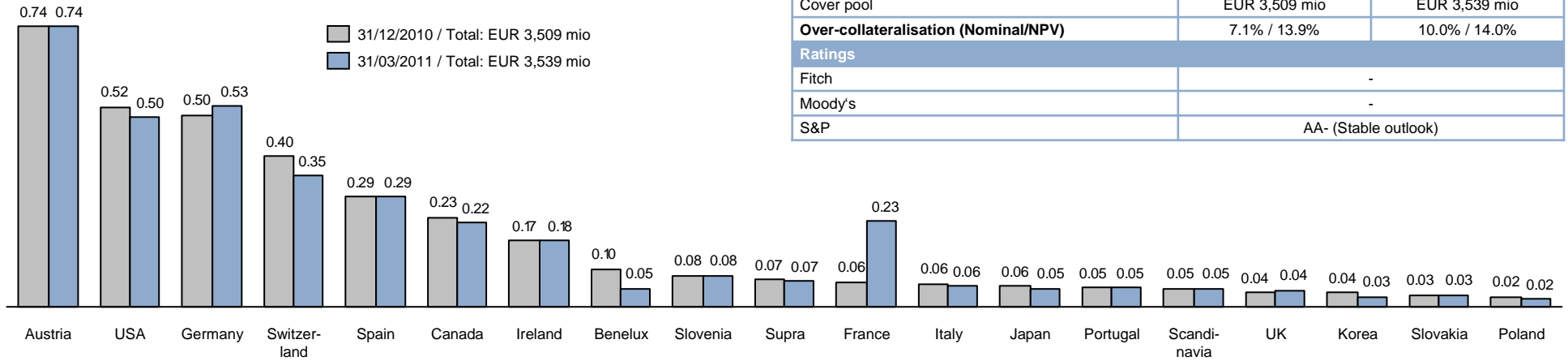
Appendix 2 – DEPFA

Hypo Pfandbrief Bank International (HPBI)

HPBI cover pool

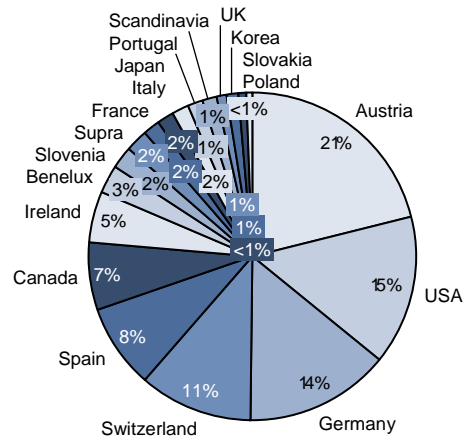
Cover pool by region

EUR billions (Nominal)

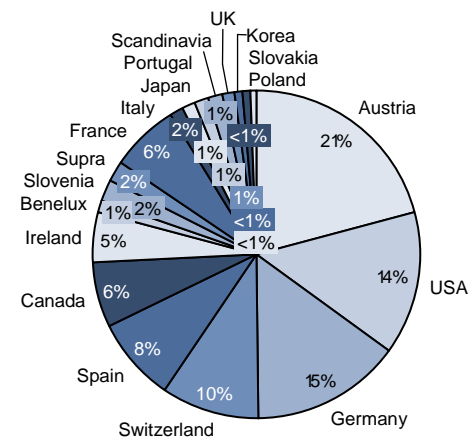


LdG cover pool	31/12/2010	31/03/2011
Lettres de Gage outstanding	EUR 3,276 mio	EUR 3,217 mio
Cover pool	EUR 3,509 mio	EUR 3,539 mio
Over-collateralisation (Nominal/NPV)	7.1% / 13.9%	10.0% / 14.0%
Ratings		
Fitch	-	
Moody's	-	
S&P	AA- (Stable outlook)	

31/12/2010



31/03/2011



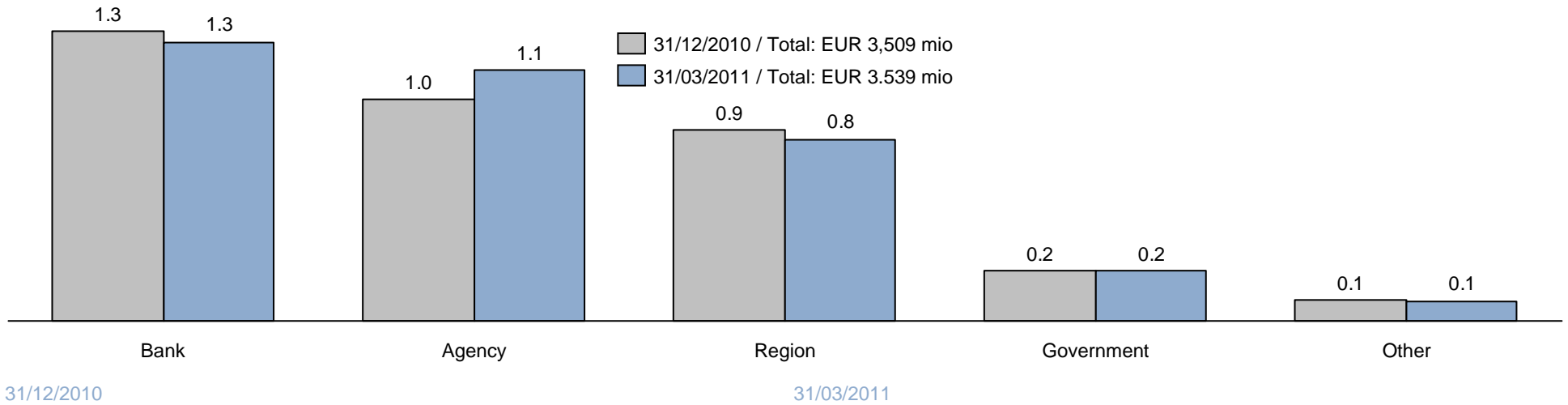
Note: Figures may not add up due to rounding

Hypo Pfandbrief Bank International (HPBI)

HPBI cover pool

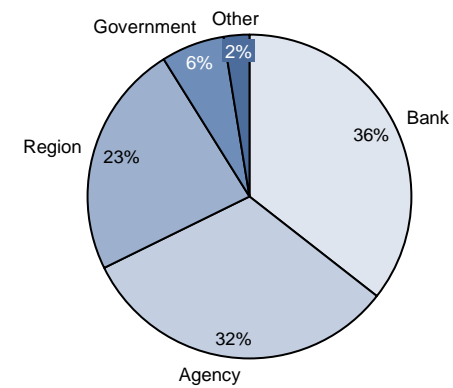
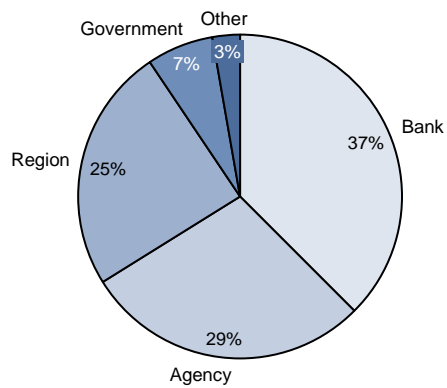
Cover pool by counterparty type

EUR billions (Nominal)



31/12/2010

31/03/2011



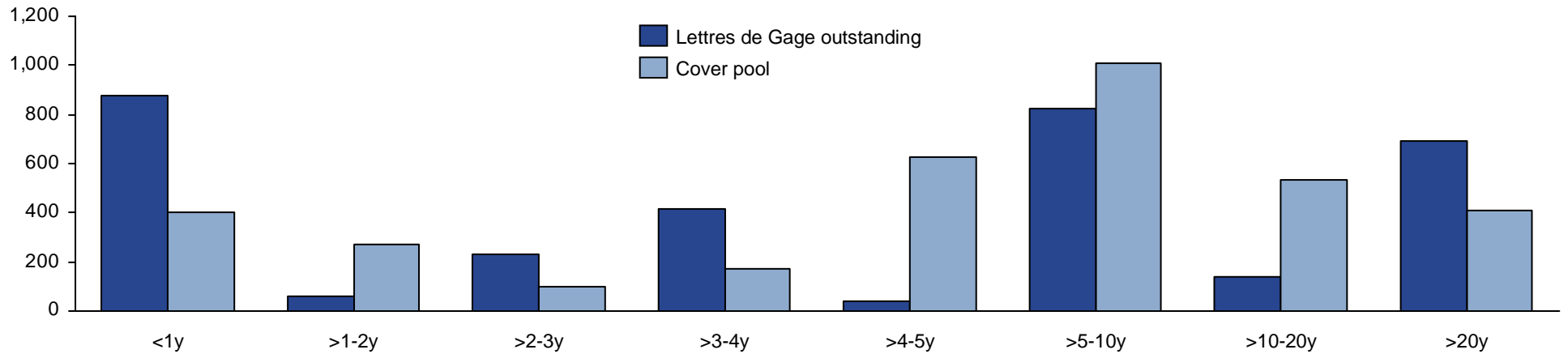
Note: Figures may not add up due to rounding

Hypo Pfandbrief Bank International (HPBI)

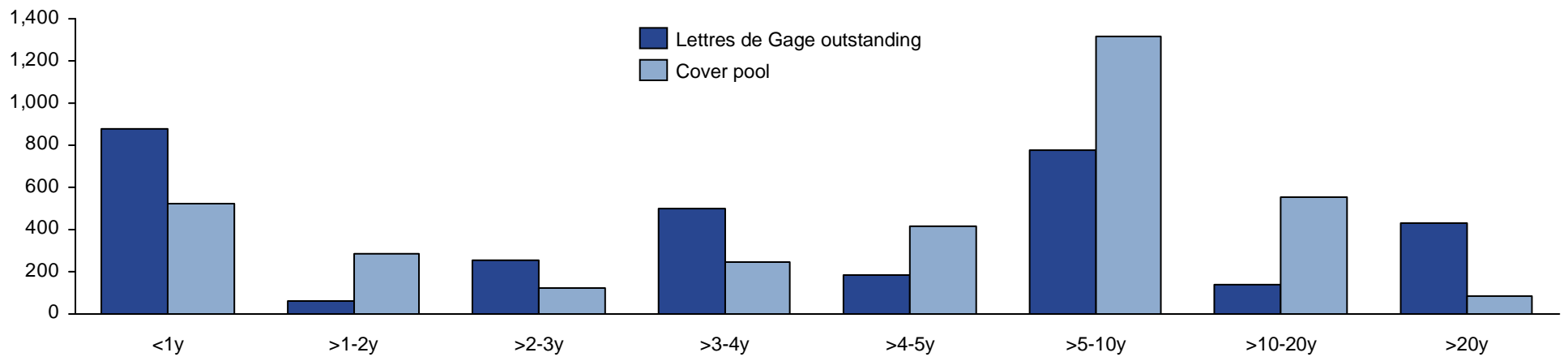
HPBI cover pool

Maturity profile¹

31/12/2010: EUR millions (Nominal)



31/03/2011: EUR millions (Nominal)



Note: Figures may not add up due to rounding ¹ Assets to interest reset date; liabilities to legal maturity