

# Key Information Document

## Purpose

This document provides you with key information about this product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

**Name of Product:** Interest Rate Cap

**Product ID:** 000015

**Manufacturer:** Deutsche Pfandbriefbank AG

[www.pfandbriefbank.com](http://www.pfandbriefbank.com)

**Phone:** +49 (89) 2880-0

For further informations

**Zuständige Aufsichtsbehörde:** Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

**Date of Production:** 06.09.2021

**You are about to purchase a product that is not simple and may be difficult to understand.**

## What is this product?

### Type

An Over the Counter (OTC) Contract Interest Rate Cap.

### Objectives

An Interest Rate Cap is a bilateral agreement between two parties which is legally separate from an underlying transaction. The buyer of an Interest Rate Cap receives a compensation payment at the end of each interest calculation period for which the reference rate is fixed above the agreed cap rate on each fixing date. The reference rate is the 3-Month-EURIBOR.

The amount of the compensation payment for each interest period is calculated based on the notional amount and the difference between the respective reference rate and the cap rate. In return, the buyer agrees to pay the bank a premium ("Cap Premium") upfront as agreed between the parties. The Cap Premium is not refundable even in case that no compensation payments have been made. The investment made is the Cap Premium.

Based on compensation payments which the buyer receives from the bank if the reference rate exceeds the agreed cap rate, this product may be used to limit the risk of upward moving reference rates - based on the notional amount - for the duration of the product.

Notional Amount:	EUR 94,742.00
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Tenor:	15 Years
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Amortization Schedule:	At maturity
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Payment Frequency:	Quarterly
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Reference Rate:	3-Month-Euribor
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Cap Strike:	0.50% p.a.
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Cap Premium:	EUR 10.000,00
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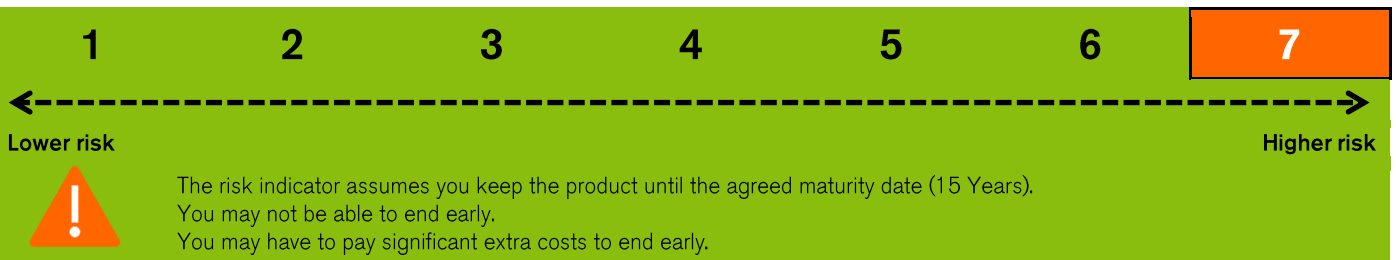
The aforementioned product details are to be understood as indicators (all prices are non-binding).

### Intended retail investor

The purchase of an Interest Rate Cap is aimed at retail investors, professional clients and eligible counterparties, who are interested in hedging interest rate risk and have an investment horizon of more than 1 year. The purchase of an Interest Rate Cap is appropriate for investors with basic knowledge about and/or experience with financial products. The objective of this product is to protect an offsetting underlying transaction against adverse movements in interest rates. The potential losses in the purchase of the Interest Rate Cap cannot exceed the initially invested amount (i.e. the Cap Premium).

## What are the risks and what could I get in return?

### Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 7 out of 7, which is the highest risk class.

The risk of potential losses from future performance is rated at a very high level.

It is highly probable that unfavourable market conditions impair our ability to pay you out.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

### Performance Scenarios

Anlage EUR 10.000,00 <sup>*)</sup> Szenarien		1 Year	8 Years	15 Years (Recommended holding period)
Stress scenario	What you might get back or pay after costs	EUR 152.75	EUR 0.00	EUR 0.00
	Average return/ loss over nominal amount each year	-98.40%	-100.00%	-100.00%
Unfavourable Scenario	What you might get back or pay after costs	EUR 0.00	EUR 0.00	EUR 0.00
	Average return/ loss over nominal amount each year	-100.00%	-100.00%	-100.00%
Moderate Scenario	What you might get back or pay after costs	EUR 0.00	EUR 0.00	EUR 0.00
	Average return/ loss over nominal amount each year	-100.00%	-100.00%	-100.00%
Favourable Scenario	What you might get back or pay after costs	EUR 0.00	EUR 0.00	EUR 0.00
	Average return/ loss over nominal amount each year	-100.00%	-100.00%	-100.00%

This table shows the money you could get back or pay over the next 15 Years, under different scenarios, assuming an investment amount of EUR 10.000,00.

The scenarios shown illustrate how your Interest Rate Cap could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

This product cannot be easily ended. This means it is difficult to estimate how much you would get back if you end before the recommended holding period. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all the costs of the product itself.

The figures do not take into account your personal tax situation, which may also affect how much you get back.

\*) The calculation is based on the amount invested. In this example it is an amount of 10.000,00 EUR.

## What happens if Deutsche Pfandbriefbank AG is unable to pay out?

You are exposed to the insolvency risk of Deutsche Pfandbriefbank AG, i.e. the risk of over-indebtedness or inability of Deutsche Pfandbriefbank AG to fulfill its obligations with respect to the product. In addition, you are also exposed to the risk that Deutsche Pfandbriefbank AG is unable to fulfill its obligations with respect to the product due to/as a result of administrative orders placing the bank under resolution proceedings. This means that if Deutsche Pfandbriefbank AG is unable to pay you what is owed, you could incur significant losses.

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume an invested amount of EUR 10.000,00. The figures are estimates and may change in the future.

### Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your product over time.

Investment of EUR 10.000,00 <sup>*)</sup>	If you end after 1 year	If you end after 5 years	If you end at the end of the recommended holding period
<b>Total costs</b>	EUR 2,368.55	EUR 2,368.55	EUR 2,368.55
Impact on return (RIY) per year	24.17%	3.42%	1.84%

\*) The calculation is based on the amount invested. In this example it is an amount of 10.000,00 EUR.

### Composition of costs

The table below shows:

- the impact each year of the different types of costs on the performance of the product at the end of the recommended holding period;
- the meaning of the different cost categories.

#### This table shows the impact on return per year

One-off costs	Entry costs	1.84%	The impact of the costs already included in the price. This is the most you will pay, and you could pay less. This includes the costs of distribution of your product.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0,00 %	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0,00 %	The impact of the costs that we take each year for managing your investments.

## How long should I hold it and can I end it early?

### Recommended holding period: 15 Years

This product is designed to be held to the agreed maturity date (in 15 Years).

Subject to the specific terms of the product, the product may be terminated early by contractual agreement between the parties against payment of an Early Termination Amount. Depending on the market value of the product, an Early Termination Payment may become payable by either you or Deutsche Pfandbriefbank AG. The Early Termination Payment also includes the early termination costs and an additional margin charged by Deutsche Pfandbriefbank AG. In case of extraordinary political or economic situations the tradability of the product may be limited, e.g. due to the lack of market liquidity or other restrictions.

### How can I complain?

Any complaint regarding the product or Deutsche Pfandbriefbank AG as a manufacturer of the product can be submitted via e-mail to the following address [Beschwerdemgt@pfandbriefbank.com](mailto:Beschwerdemgt@pfandbriefbank.com) or addressed in writing to: Deutsche Pfandbriefbank AG, Corporate Office, Freisinger Str. 5, 85716 Unterschleißheim, Subject: Complaints.

### Other Relevant Information

General information about this product can be found in the brochure „Key Information about Financial Derivatives“ which is made available to you by Deutsche Pfandbriefbank AG.

This Key Information Document contains exemplary product conditions only. The terms of the specific product are to be agreed upon on an individual basis as part of a sale/ advisory services. After conclusion of the transaction, the specific terms of the product will be set forth in a written confirmation.

The content of the Key Information Documents is subject to review in accordance with the legal requirements. The most recent Key Information Document can be found on our homepage [www.pfandbriefbank.com](http://www.pfandbriefbank.com)