

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: Payer Swap, floored at 0,00%

Product ID: 001010

Manufacturer: Deutsche Pfandbriefbank AG

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For further informations

Competent Authority: 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 Swap.

Objectives

A Payer Swap floored at 0.00% is a bilateral agreement, legally separate from an underlying transaction, whereby two parties agree to exchange interest payments. Such products are primarily used to manage interest rate risks. For the duration of the contract the customer agrees to pay a fixed rate (swap rate) in accordance with the agreed payment frequency, and in return the customer receives a floating rate (reference rate), as long as this floating rate is positive. In case the reference rate is zero or negative, no interest will be payable by the bank. Both interest rates are calculated on the basis of a notional amount as agreed between the parties prior to execution of the trade.

This notional amount only serves the purpose of calculating the interest payments. There will be no exchange of notional amounts. The reference rate can be, for example, the 3-Month-EURIBOR.

The reference rate relevant for the calculation of the interest payments of the bank for each interest period shall be determined by the bank prior to the beginning of each interest period for which interest is to be paid, in accordance with the agreed payment frequency. On each interest payment dates the amounts to be paid by both parties are offset against each other, such that only one of the parties – customer or bank- is obliged to pay the other party the difference.

The specifications of this Key Information Document (KID) apply only to the Payer Swap floored at 0.00% independent from any underlying transaction. The following product details are based on realistic assumptions and legal requirements, which serve as the basis for the calculation and information contained in this document. Thus, they need not correspond to any specific contractual data.

Notional Amount / Currency: EUR 10.000,00

Tenor: 10 Years

Effective Date: 07.09.2021

Amortization Schedule: At maturity

Payment frequency: Quarterly

Customer receives: 3-Month-Euribor, minimum 0,00% p.a.

Customer pays: 0.74%

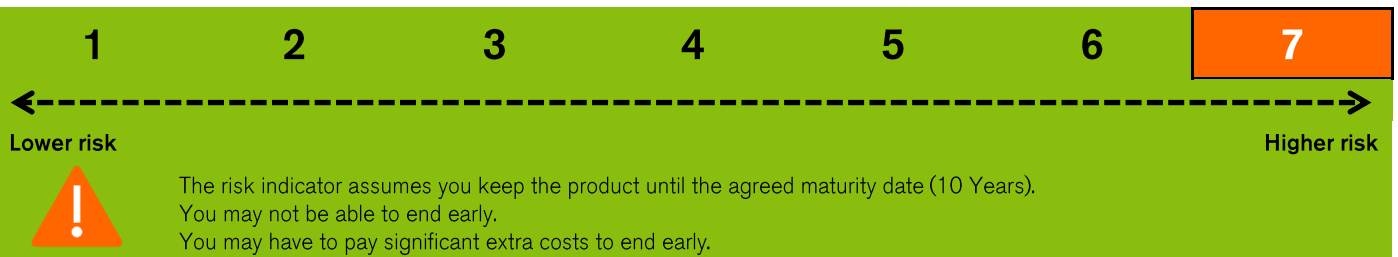
The aforementioned product details are to be understood as indicators (all prices are non-binding).

Intended retail investor

The product Payer Swap floored at 0,00% is aimed at retail investors, professional clients and eligible counterparties, who are interested in hedging interest rate risk and have a long-term investment horizon of more than 5 years. The Payer Swap floored at 0,00% is intended 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 investor on the other hand is able to economically limit to a certain extent possible losses under this product by the underlying transaction.

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. This rates the potential losses from future performance at a very high level.

In some circumstances you may be required to make further payments to pay for losses. The total loss you may incur may significantly exceed the amount invested.

This product does not include any protection from future market performance so you could incur significant losses.

If we are not able to pay you what is owed, you could incur significant losses.

Performance Scenarios

Nominal amount of EUR 10,000,00		1 Year	6 Years	10 Years (Recommended holding period)
Stress scenario	What you might get back or pay after costs	EUR -736.30	EUR -742.72	EUR -742.72
	Average return/ loss over nominal amount each year	-7.29%	-1.28%	-0.77%
Unfavourable Scenario	What you might get back or pay after costs	EUR -742.72	EUR -742.72	EUR -742.72
	Average return/ loss over nominal amount each year	-7.35%	-1.28%	-0.77%
Moderate Scenario	What you might get back or pay after costs	EUR -742.72	EUR -742.72	EUR -742.72
	Average return/ loss over nominal amount each year	-7.35%	-1.28%	-0.77%
Favourable Scenario	What you might get back or pay after costs	EUR -742.71	EUR -742.72	EUR -742.72
	Average return/ loss over nominal amount each year	-7.35%	-1.28%	-0.77%

This table shows the money you could get back or pay over the next 10 Years, under different scenarios, assuming a nominal value of EUR 10,000,00.

The scenarios shown illustrate how your Payer Swap 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 product 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.

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 a nominal value 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.

Nominal amount EUR 10.000,00	If you end after 1 year	If you end after 6 years	If you end at the end of the recommended holding period
Total costs	EUR 320.00	EUR 320.00	EUR 320.00
Impact on return (RIY) per year	3.37%	0.56%	0.33%

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	0.33%	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: 10 Years

This product is designed to be held to the agreed maturity date (in 10 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 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