

Analyst/Investor Presentation

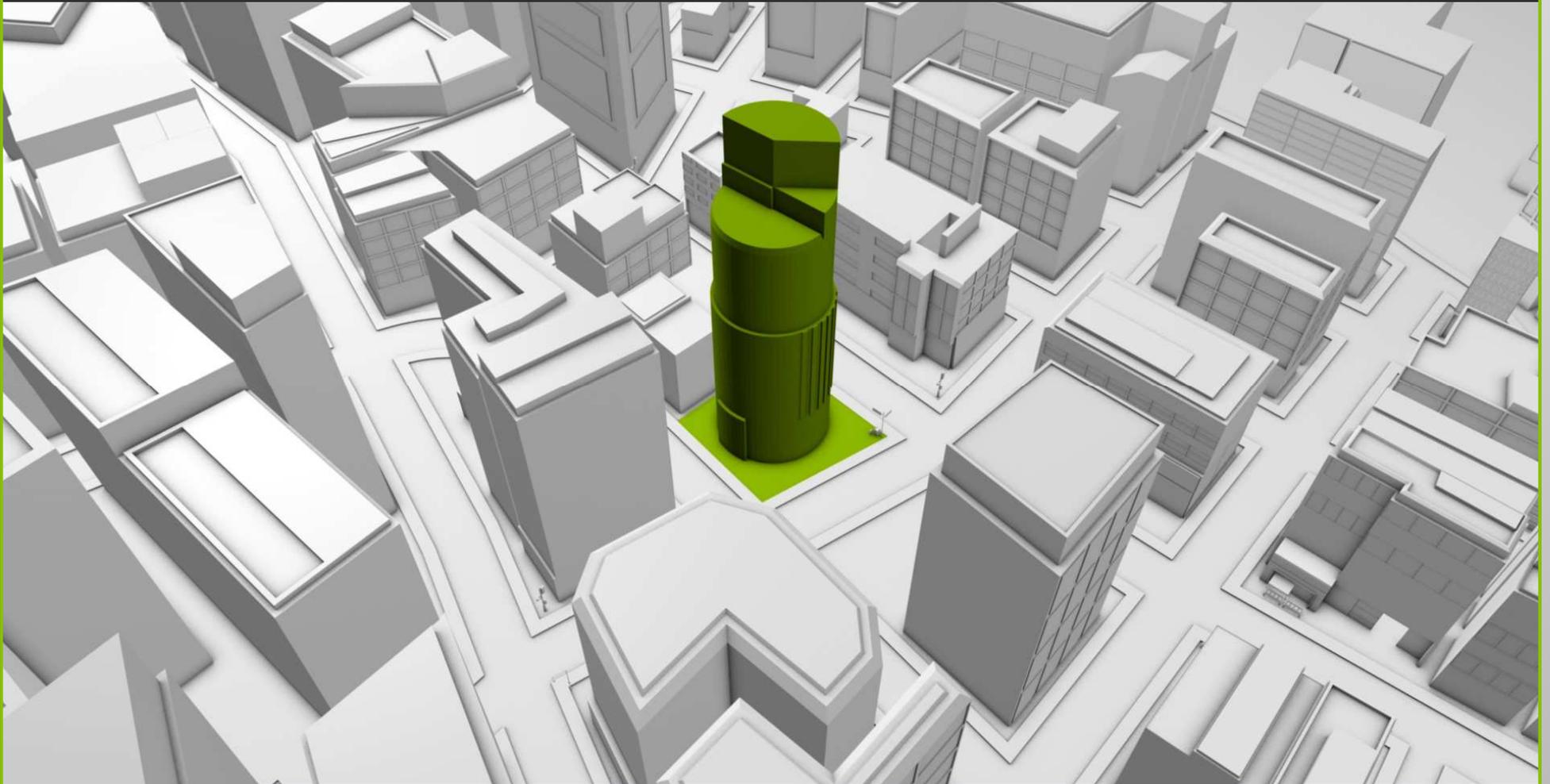
Results Q1 2011:

Successful re-start of new business origination at profitable margins

PUBLIC SECTOR FINANCE
REAL ESTATE FINANCE

pbb

DEUTSCHE
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Highlights

pbb re-emerged as de-risked, re-positioned and profitable specialist bank



- ✓ **pbb continues to be profitable with a pre-tax profit of EUR 52 mio in Q1 2011**
- ✓ **Balance sheet down to EUR 155 bn (31/12/2010: EUR 187 bn), predominantly as counter-effects resulting from the asset transfer to FMS-WM have been further reduced**
- ✓ **pbb sufficiently capitalised with a Tier I ratio of 18.7% (31/12/2010: 16.7%)**
- ✓ **Successful re-start of new business origination at profitable margins since Q4 2010 – EUR 2.2 bn new business (incl. extensions >1 year) written in Q1 2011 (REF: EUR 1.6 bn; PSF: EUR 0.6 bn)**
- ✓ **Unencumbered liquid assets in excess of EUR 10 bn in place to support gradual re-entrance into the Pfandbrief market and unsecured capital markets**
- ✓ **Final EU ruling on state aid pending, but still expected by mid of the year**

1. Financial Results

2. New business and Portfolio

3. Summary

Income statement

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



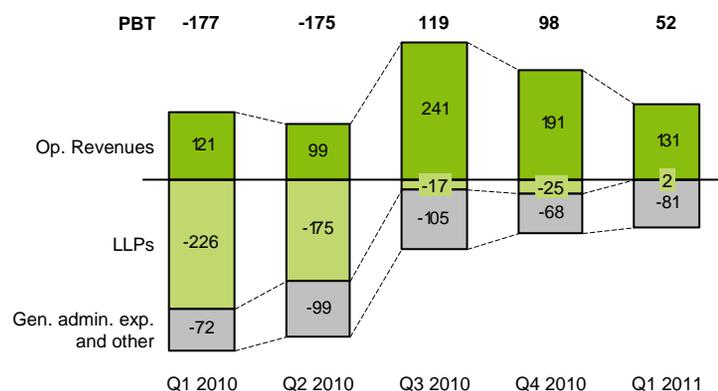
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Income statement (IFRS)

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

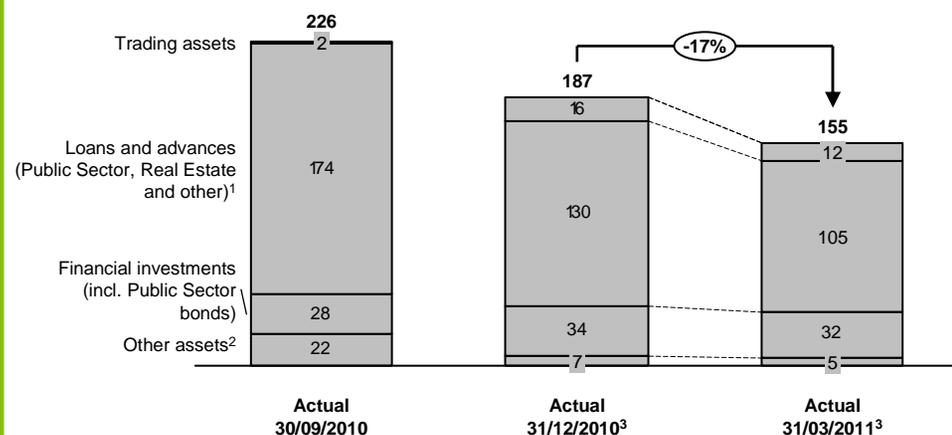


Balance sheet

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

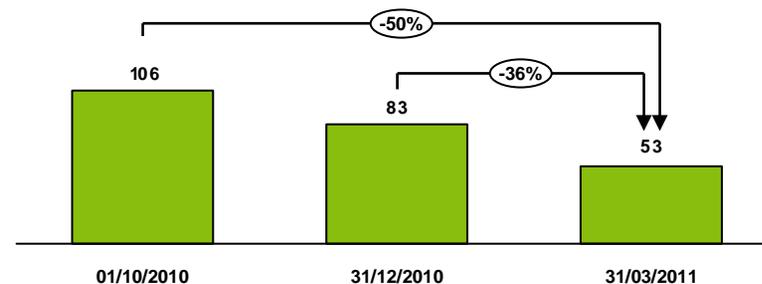


- In Q1 2011, total assets down by EUR 32 bn (-17%) to EUR 155 bn, predominantly as counter-effects resulting from the asset transfer to FMS-WM have been further reduced
 - Since Oct 1, 2010, total counter-effects were reduced by 50%
 - In Q1 2011, these effects have been reduced by EUR 30 bn (-36%) 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
- Excluding these counter-effects, 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. allowances for losses on loans and advances
² Cash reserve, other assets (esp. positive market values of hedging derivatives), income tax assets

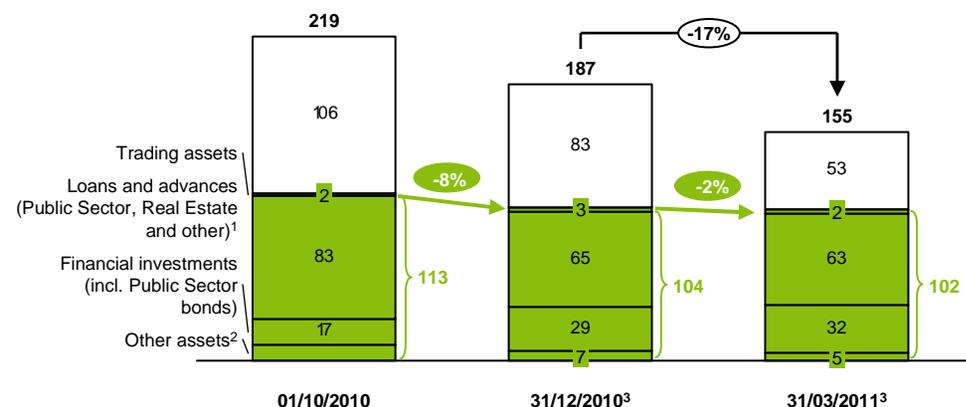
Counter-effects resulting from the asset transfer to FMS-WM

EUR billions



Total assets (IFRS)

EUR billions



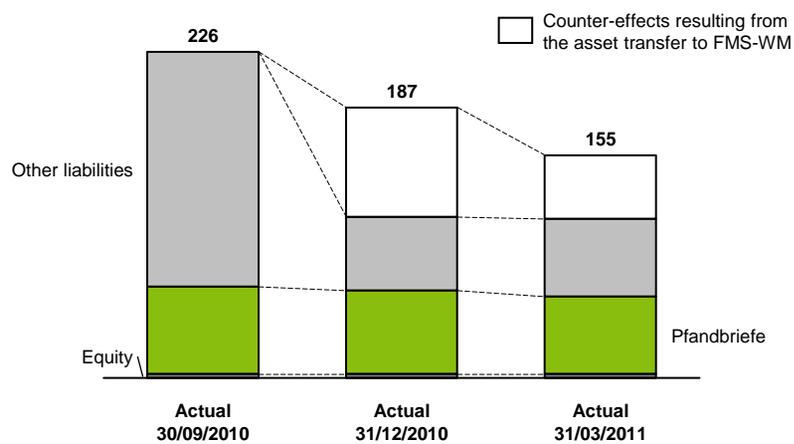
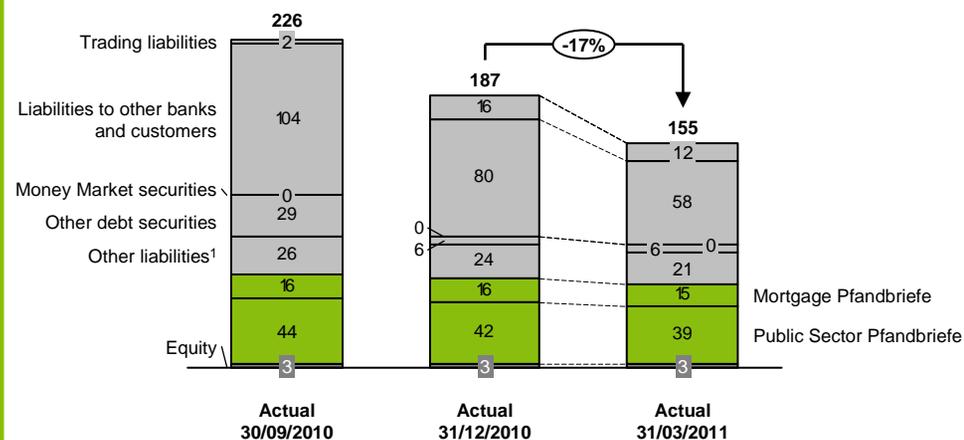
³ Incl. reclassification of securities from 'Loans and advances' to 'Financial investments' for the purpose of consistent reporting of all securities with IFRS category LaR in the same balance sheet position

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

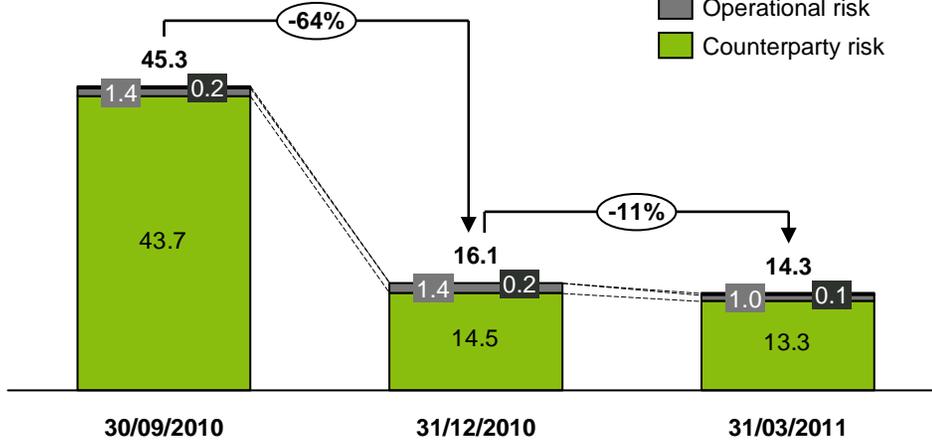
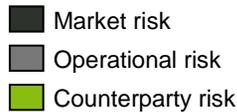
- Liquidity support by SoFFin no longer required after the asset transfer to FMS-WM
- Favourable maturity profile with unencumbered liquid assets in excess of EUR 10 bn in place to support gradual re-entrance into the Pfandbrief market and unsecured capital markets
 - invested in highly rated, liquid 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

Capitalisation

pbb sufficiently capitalised with Tier I ratio of 18.7%

Pro-forma Risk-Weighted Assets (RWA)

EUR billions

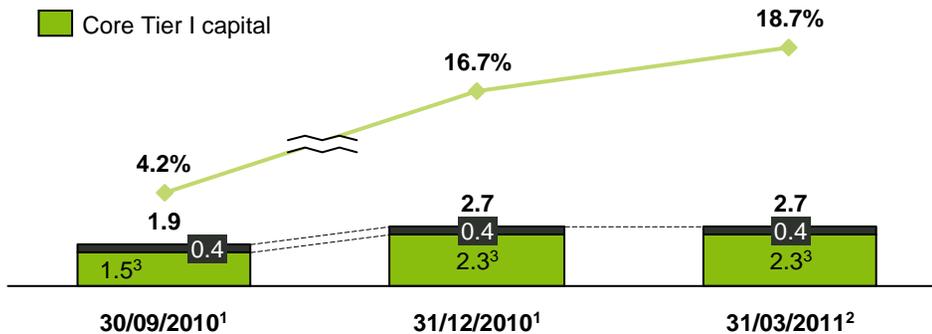
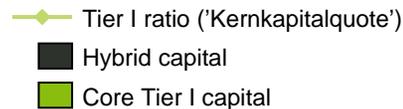


Deutsche Pfandbriefbank AG is according to the 'Waiver Rule' regulated in Sec. 2a KWG (German Banking Act) not obliged to determine the equity capital ratio and the core capital ratio on a sub-group level. Therefore the regulatory capital ratios stated are calculated on an unaudited pro-forma basis.

- 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

Agenda

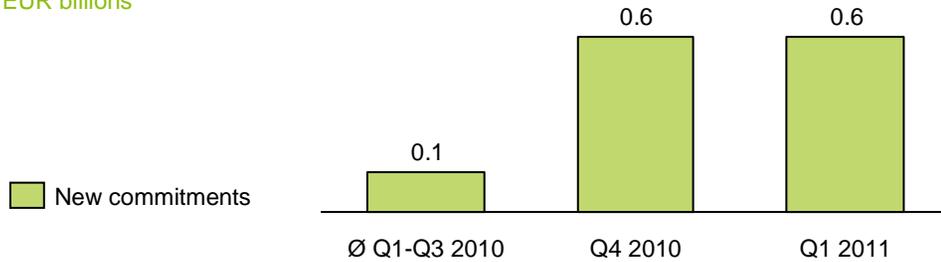
1. Financial Results

2. New business and Portfolio

3. Summary

New business

EUR billions

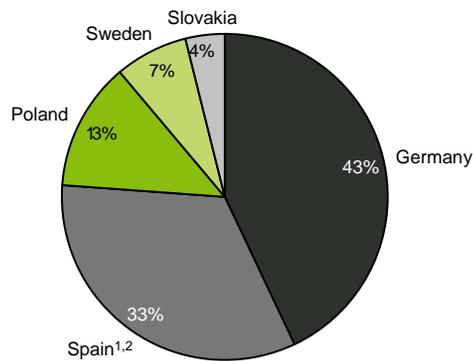


	FY 2010	Q1 2011
No. of deals	51	13
Average maturity	~7.4 yrs	~6.7 yrs
Average gross margin	>100 bp	>100 bp



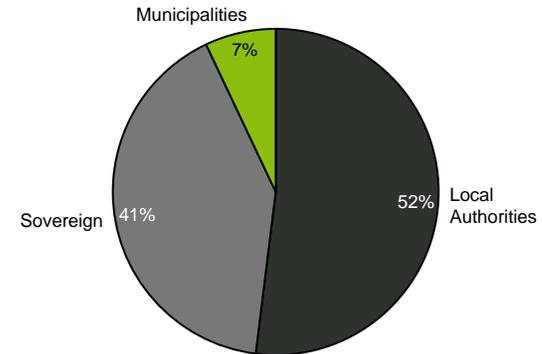
Q1 2011: EUR 0.6 bn

by region



Q1 2011: EUR 0.6 bn

by counterparty type



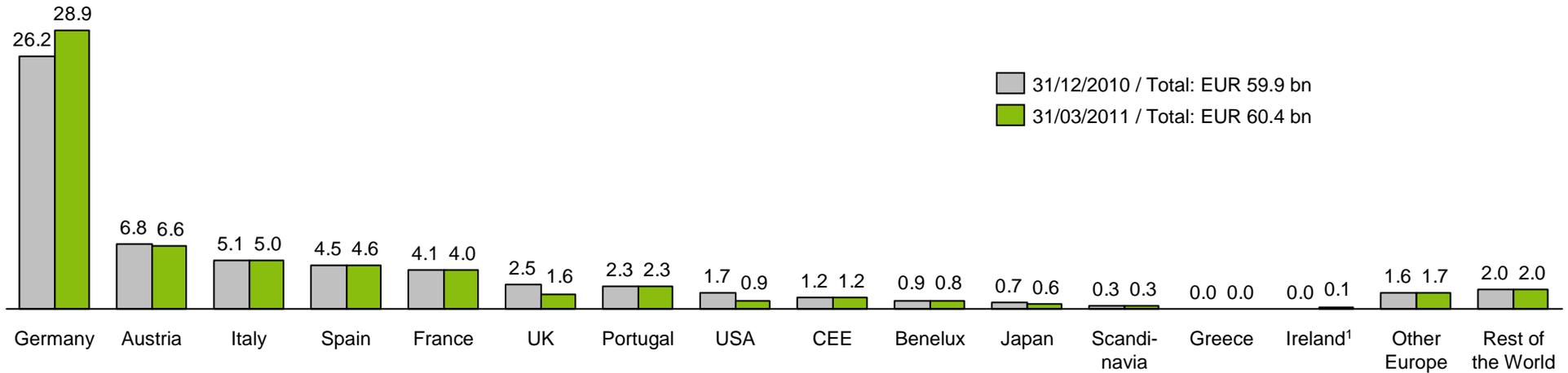
Note: Figures may not add up due to rounding 1 ICO deal: EUR 60 mio out of initially EUR 100 mio already sold 2 FADE deal: EUR 80 mio out of initially EUR 100 mio already sold

Non-Real Estate portfolio

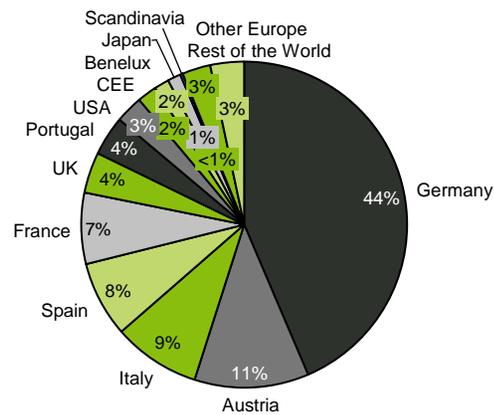
Exposure mainly consists of cover pool eligible assets in Germany and Europe

Exposure by region

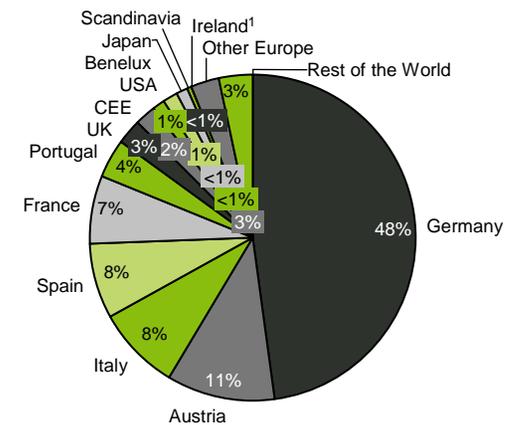
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



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

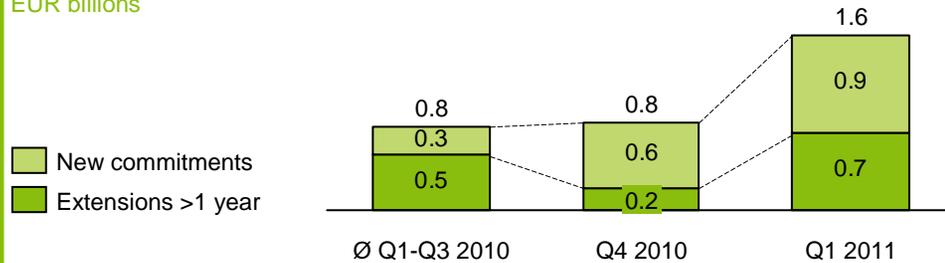
New business origination successfully re-started at profitable margins since Q4 2010



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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

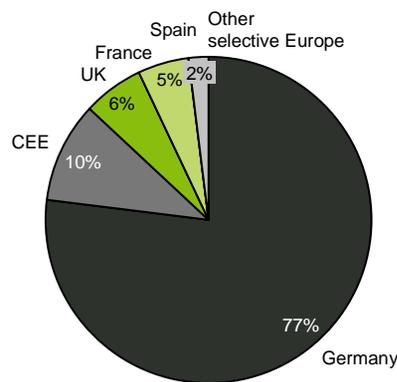
Pradera
2 Shopping Centres
€ 24.3 million
Acquisition Financing
Lodz & Torun, Poland
March 2011

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

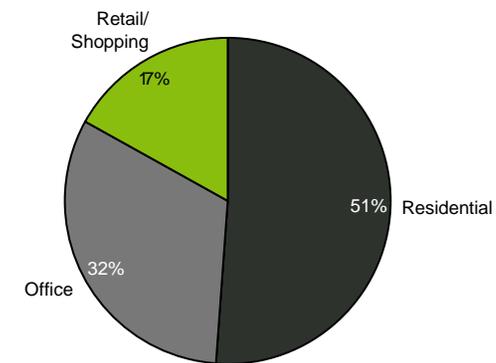
Q1 2011: EUR 1.6 bn

by region



Q1 2011: EUR 1.6 bn

by property type



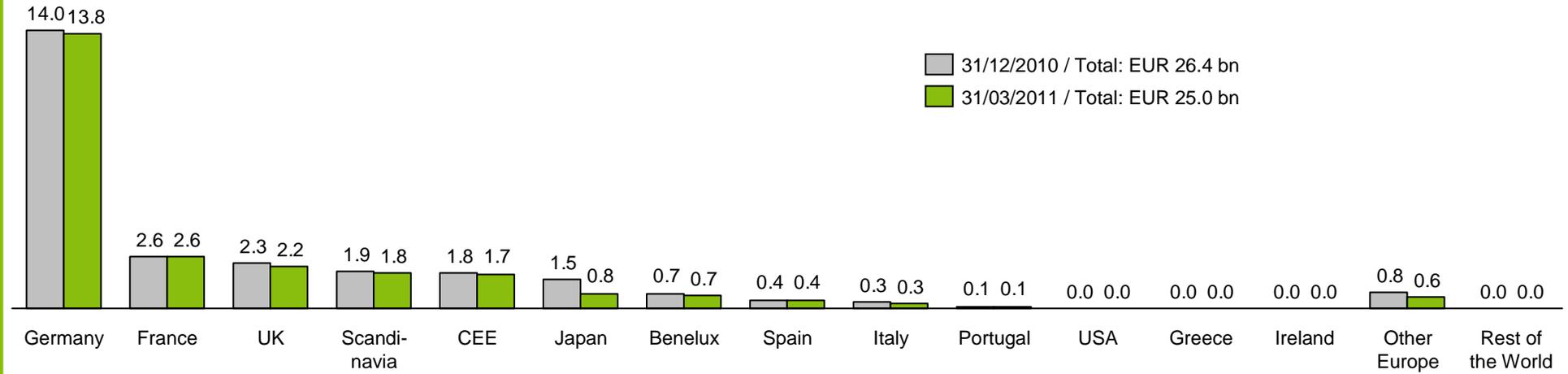
Note: Figures may not add up due to rounding

Real Estate portfolio

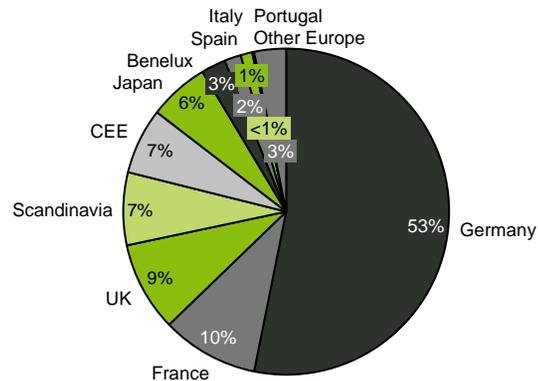
Exposure mainly consists of cover pool eligible assets in Germany and Europe

Exposure by region

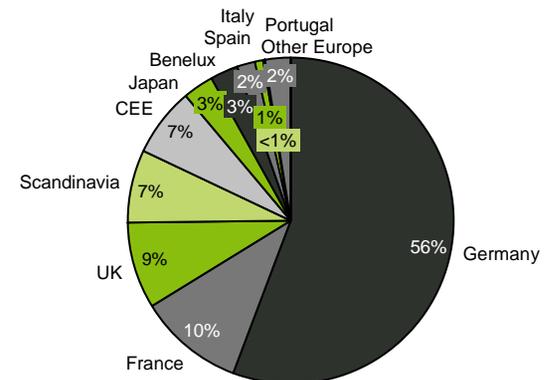
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010



31/03/2011

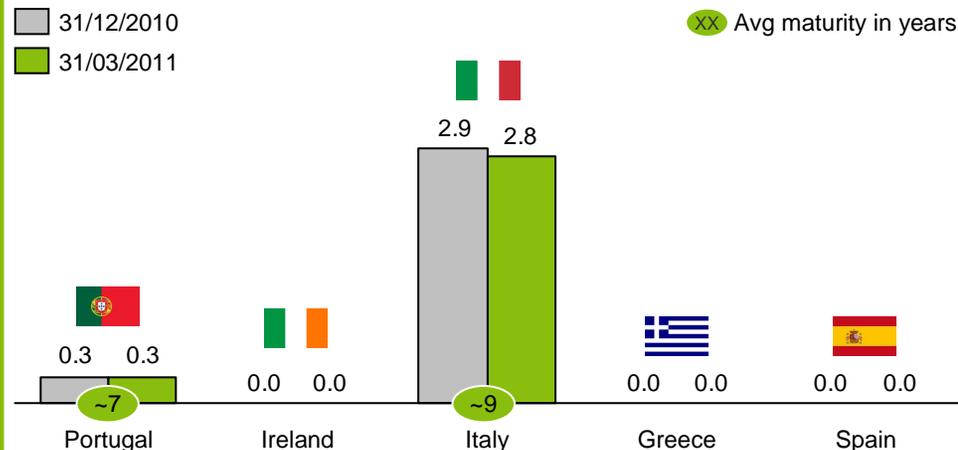


Note: Figures may not add up due to rounding

Exposure in selected countries

PSF: Sovereign exposure in selected countries

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



Public Sector Finance (PSF)

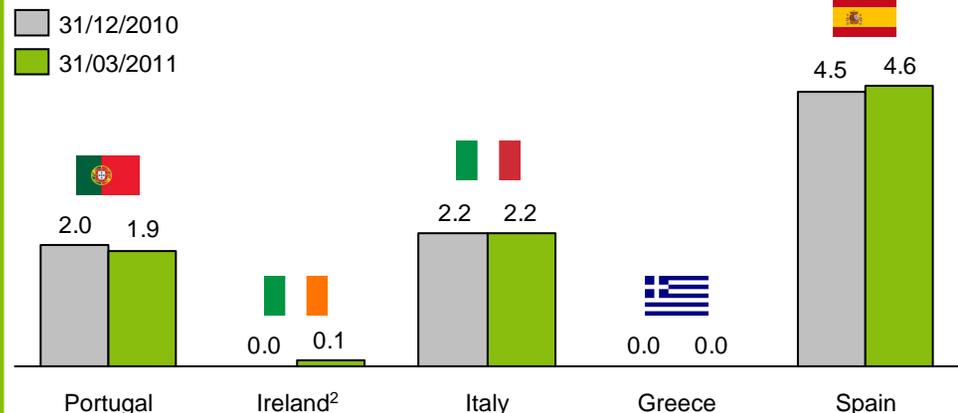
- Only limited Sovereign exposure in selected countries – 5% of total Non-Real Estate exposure
 - Only small exposure to Portugal
 - Italy further reduced
 - No Ireland, no Greece and no Spain
- Non-Sovereign exposure in selected countries mainly related to the following counterparties
 - Portugal: PSE (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

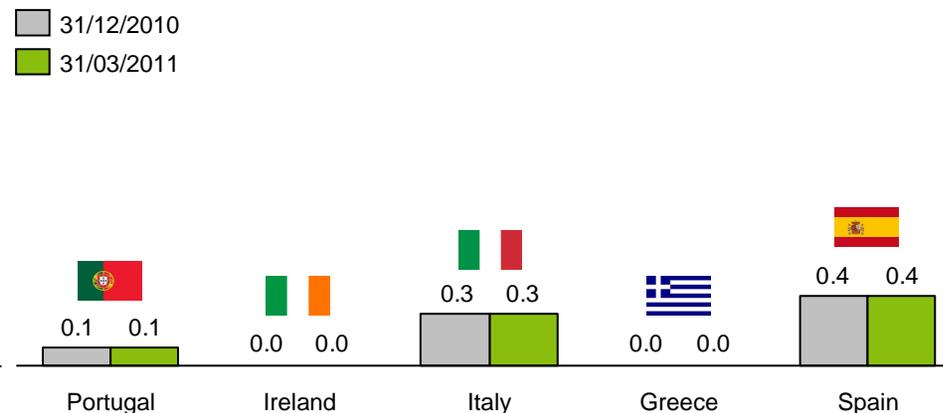
PSF: Non-sovereign¹ exposure in selected countries

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

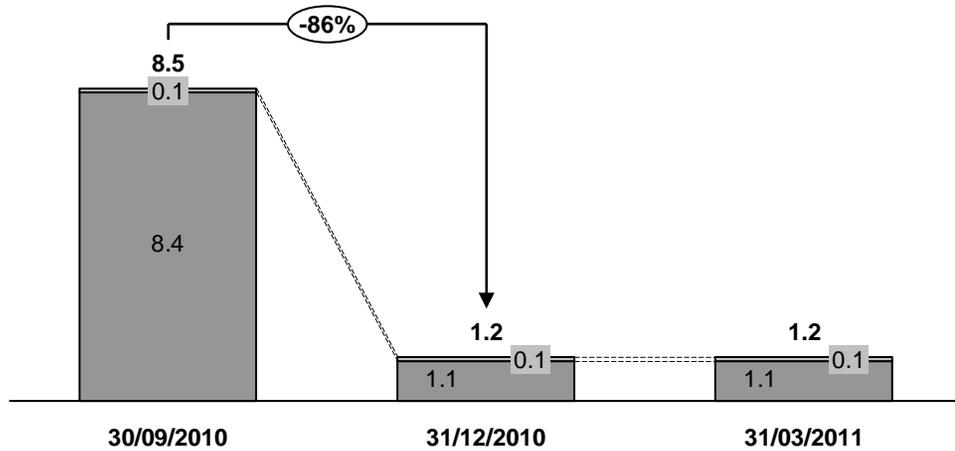
Total problem loans

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

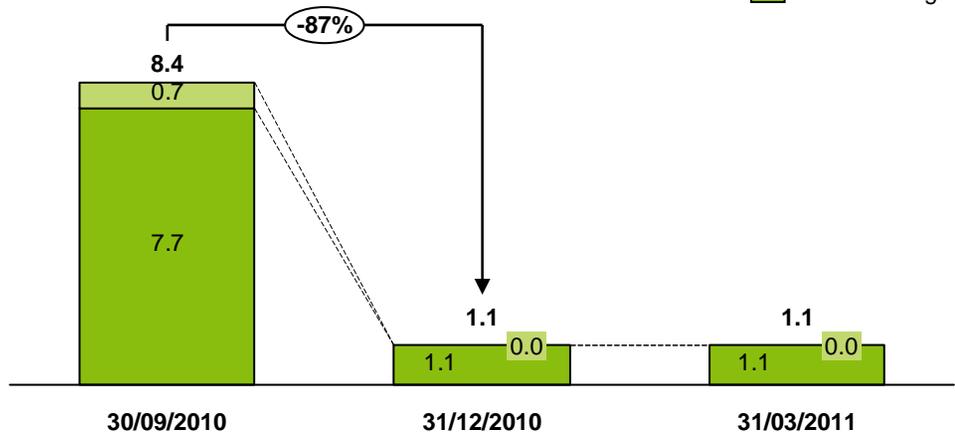
- Non-REF: EUR 0.1 bn – coverage ratio ~47% (31/12/2010: ~76%)
- REF: EUR 1.1 bn – coverage ratio ~33% (31/12/2010: ~34%); mainly properties in
 - Germany (42%)
 - UK (30%)
 - and Japan (18%)



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

Agenda



1. Financial Results
2. New business and Portfolio
- 3. Summary**

pbb

Appendix 1 – pbb

Appendix 2 – DEPFA

Appendix 3 – HRE Group

- **pbb profitable since Q3 2010**
- **pbb with comfortable risk profile and sufficient capitalisation**
- **Successful re-start of new business origination at profitable margins**
- **Comfortable liquidity position to support gradual re-entrance into the Pfandbrief market and unsecured capital markets**
- **Final EU ruling on state aid pending, but still expected by mid of the year**

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

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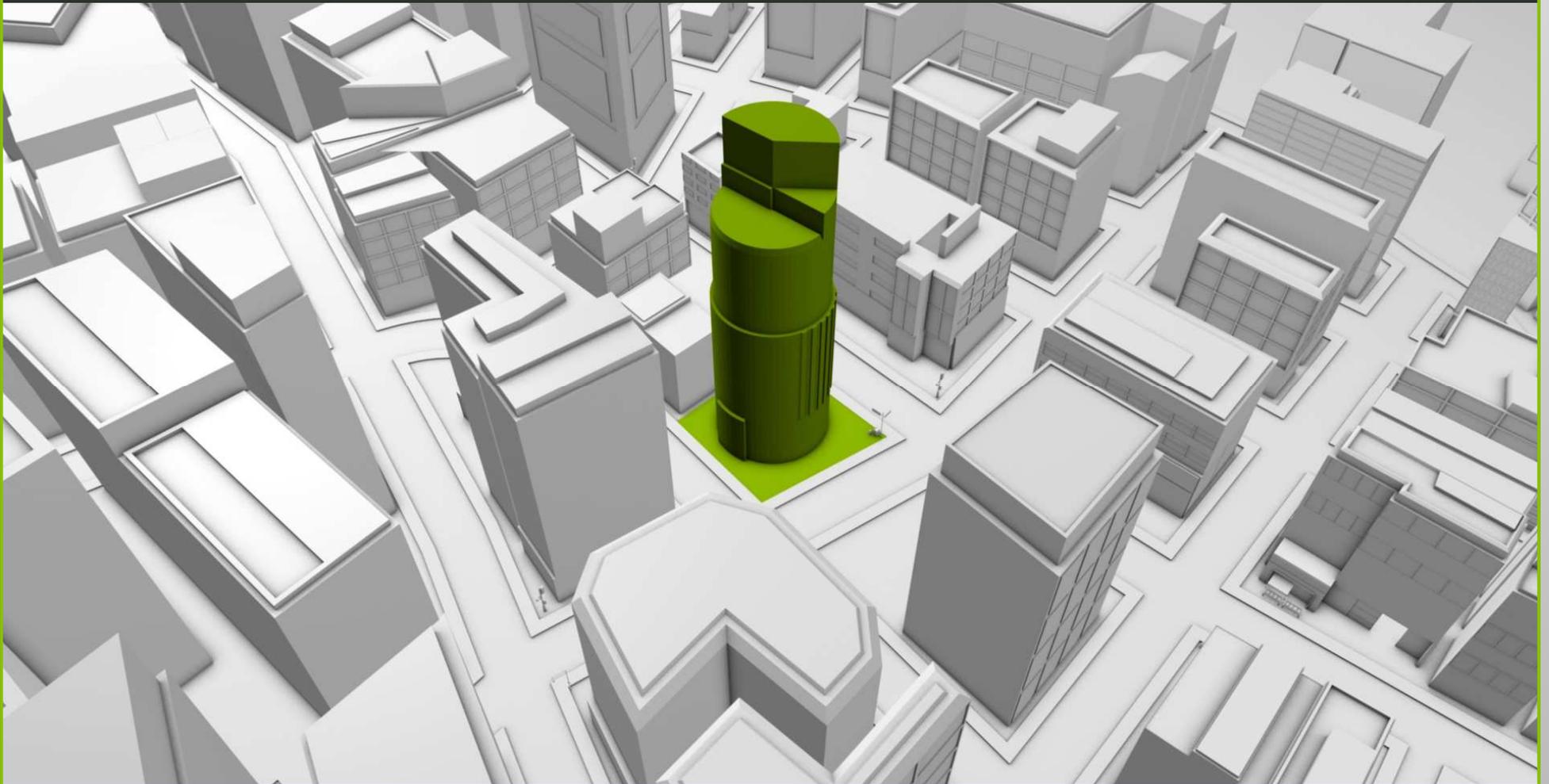
Appendix 1 – pbb

Results Q1 2011

PUBLIC SECTOR FINANCE
REAL ESTATE FINANCE

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Financial Results

Non-Real Estate Portfolio

Real Estate Portfolio

Public Sector Cover Pool

Mortgage Cover Pool

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

Financial Results

Non-Real Estate Portfolio

Real Estate Portfolio

Public Sector Cover Pool

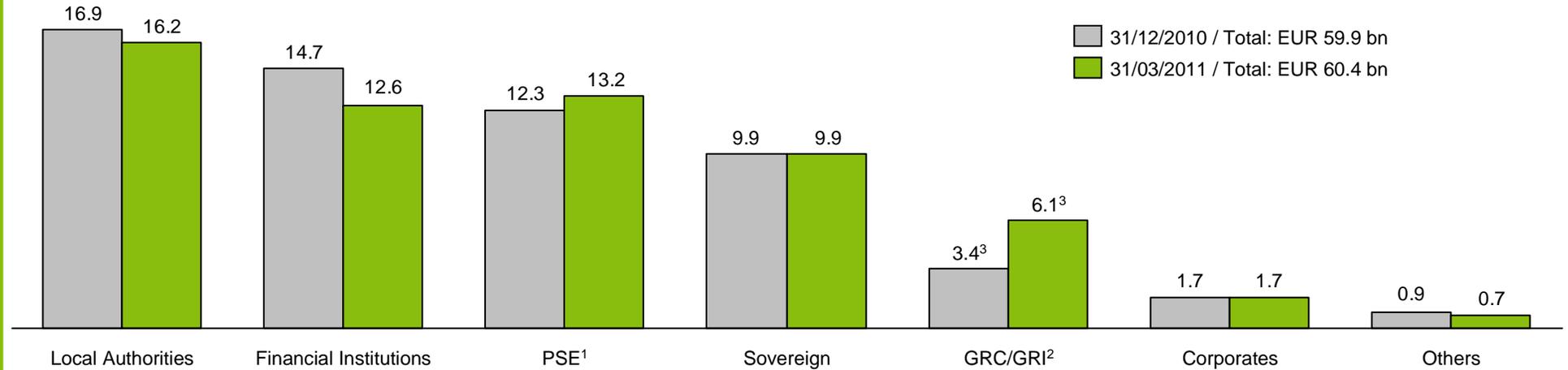
Mortgage Cover Pool

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

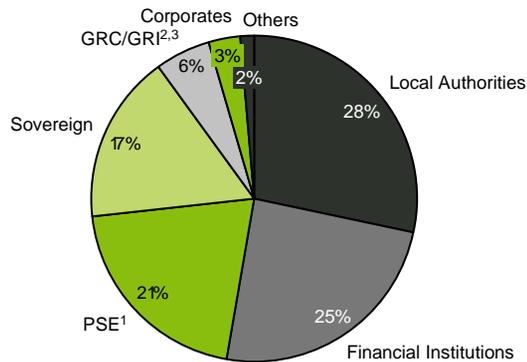


Non-Real Estate exposure by counterparty type

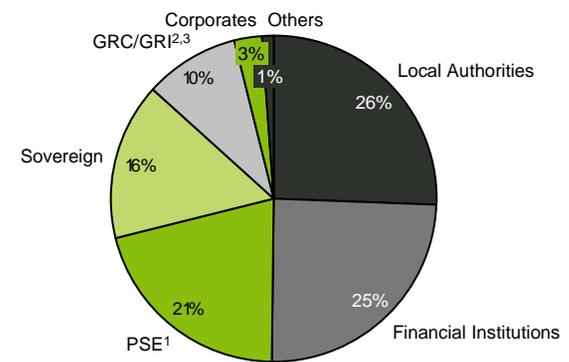
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010



31/03/2011



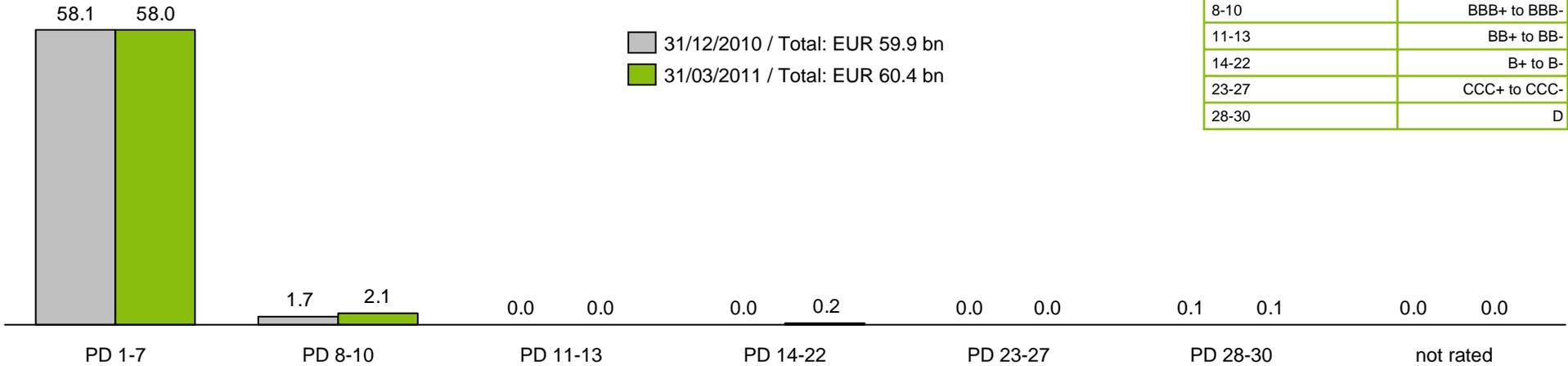
Note: Figures may not add up due to rounding 1 Public Sector Entities 2 Government Related Companies/Institutions 3 Incl. accounts with German Central Bank (31/12/2010: EUR 3.3 bn; 31/03/2011: EUR 6.0 bn)

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



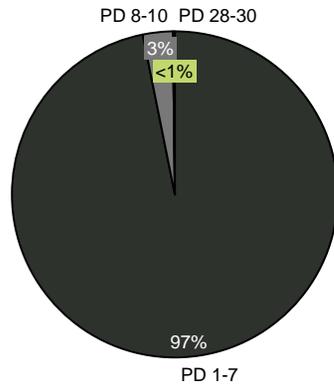
Non-Real Estate exposure by PD class

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

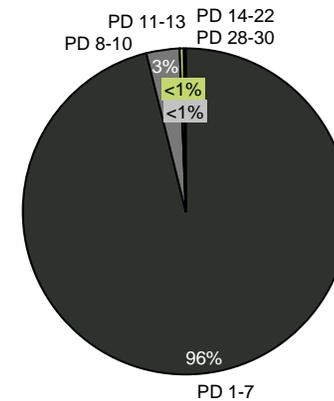


PD class	S&P rating scale
1-7	AAA to A-
8-10	BBB+ to BBB-
11-13	BB+ to BB-
14-22	B+ to B-
23-27	CCC+ to CCC-
28-30	D

31/12/2010



31/03/2011



Note: Figures may not add up due to rounding

Financial Results

Non-Real Estate Portfolio

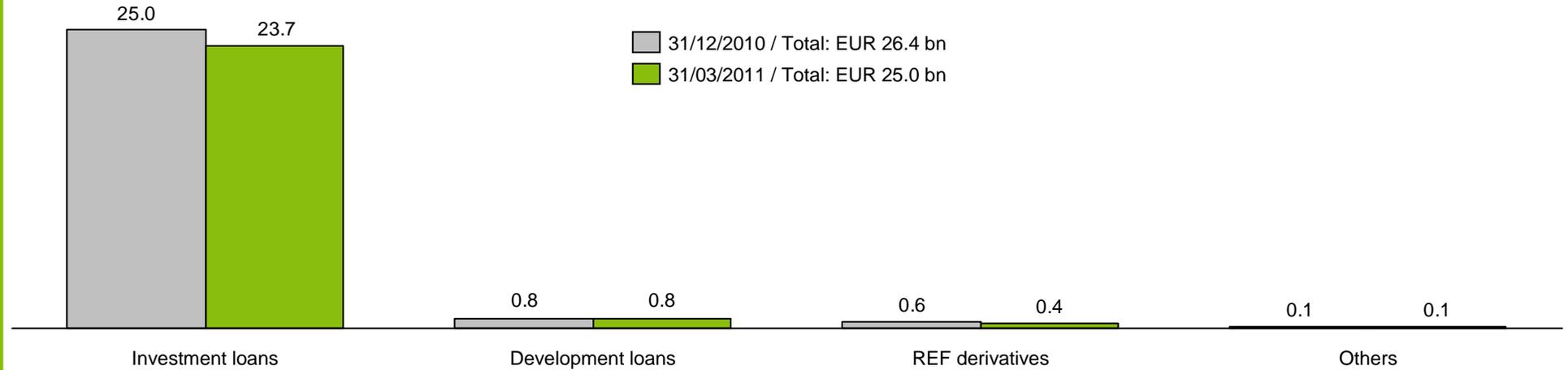
Real Estate Portfolio

Public Sector Cover Pool

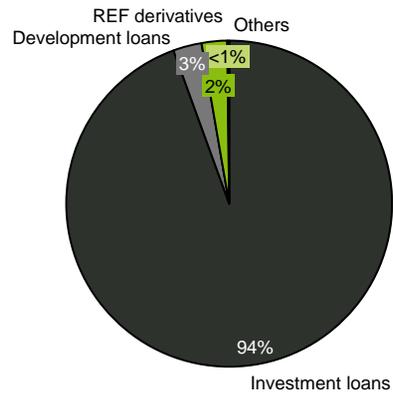
Mortgage Cover Pool

Real Estate exposure by loan type

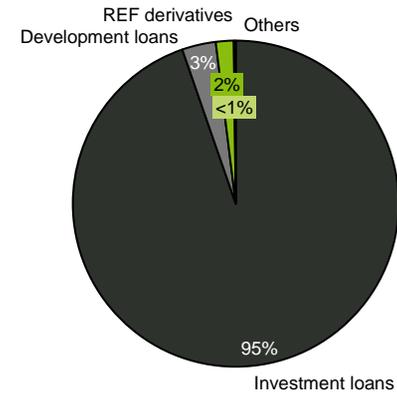
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010



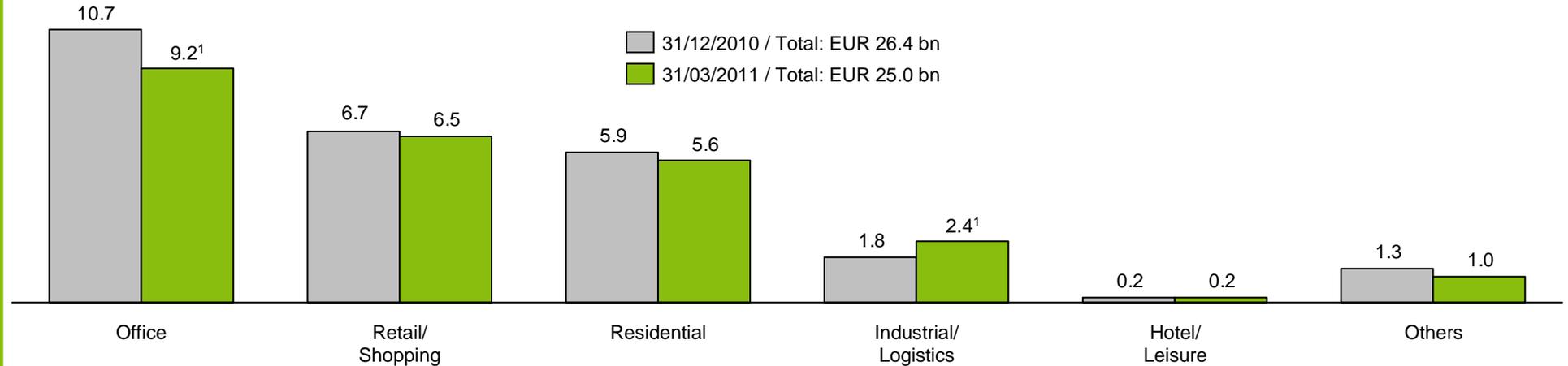
31/03/2011



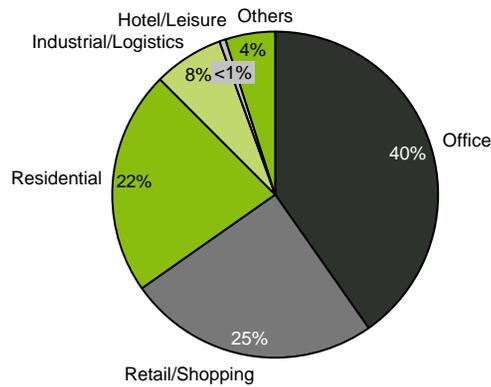
Note: Figures may not add up due to rounding

Real Estate exposure by property type

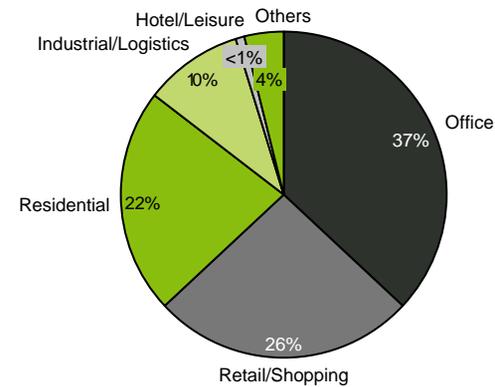
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



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)

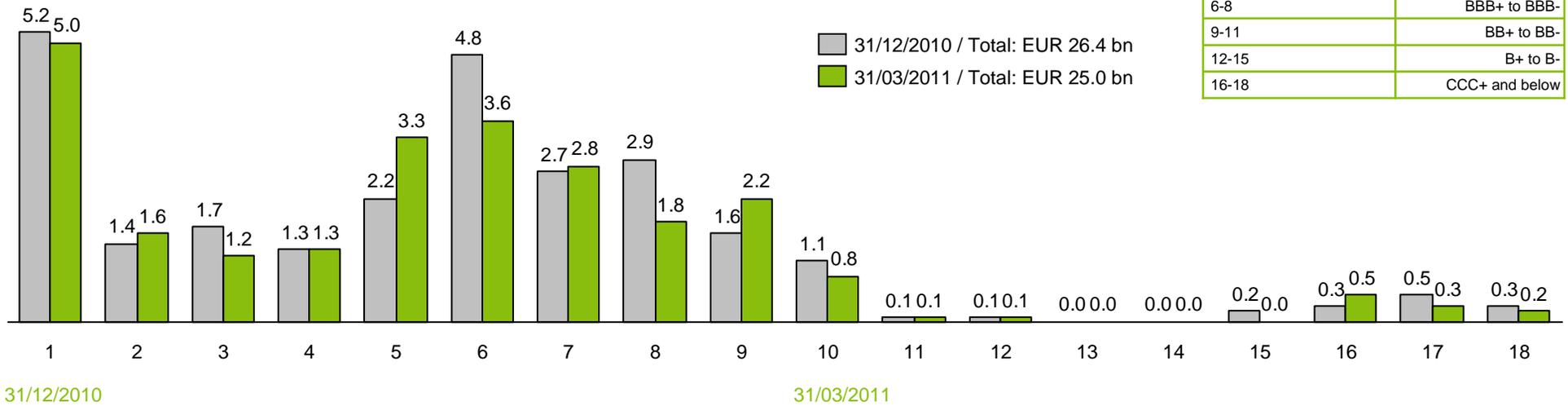
pbb Deutsche Pfandbriefbank (sub-group) Real Estate portfolio



Real Estate exposure by EL classes

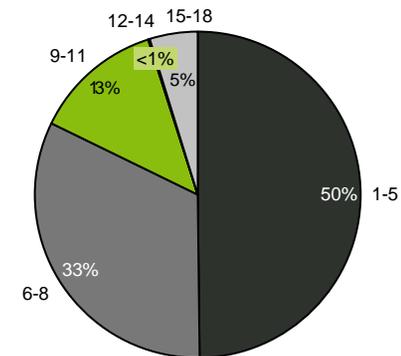
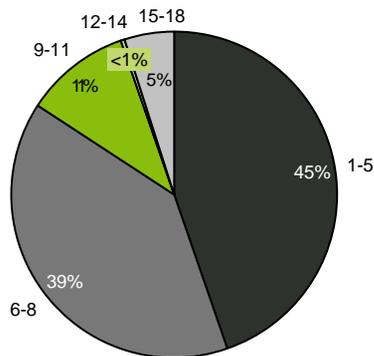
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)

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

Financial Results

Non-Real Estate Portfolio

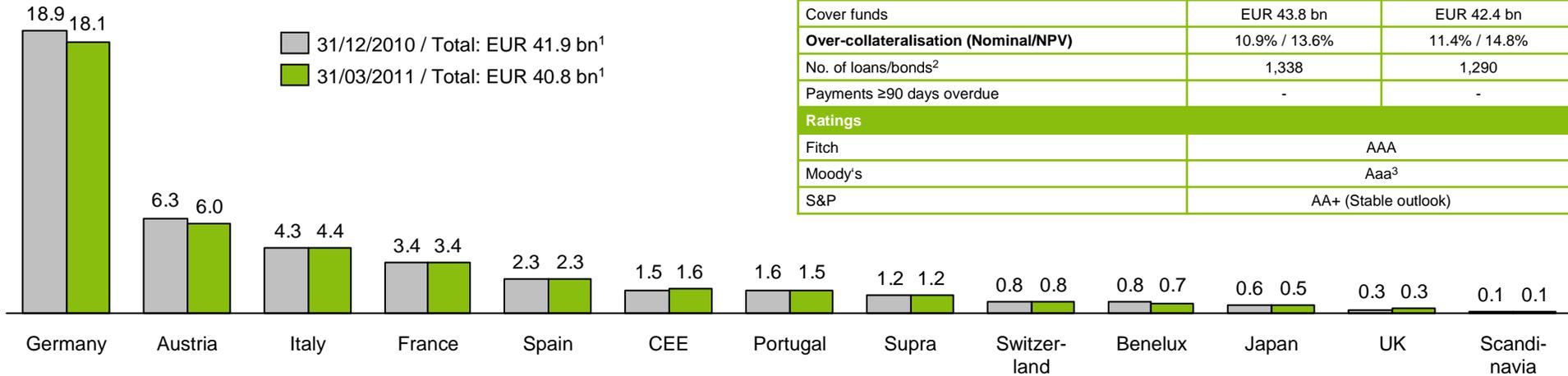
Real Estate Portfolio

Public Sector Cover Pool

Mortgage Cover Pool

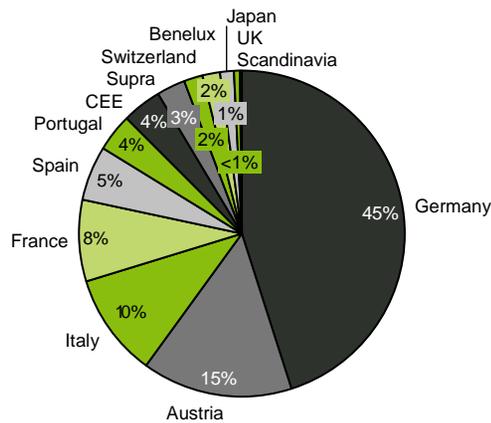
Cover funds by region

EUR billions (Nominal)

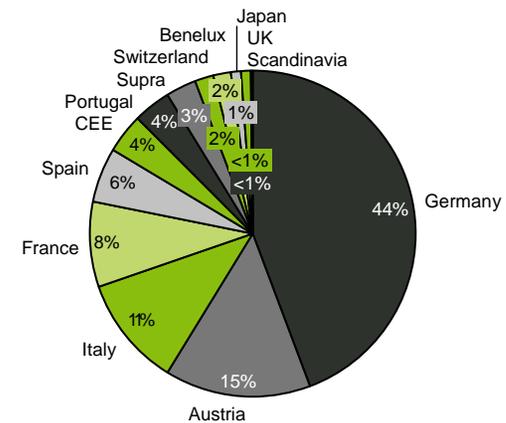


Public Sector cover pool (Nominal)	31/12/2010	31/03/2011
Pfandbriefe outstanding	EUR 39.5 bn	EUR 38.0 bn
Cover funds	EUR 43.8 bn	EUR 42.4 bn
Over-collateralisation (Nominal/NPV)	10.9% / 13.6%	11.4% / 14.8%
No. of loans/bonds ²	1,338	1,290
Payments ≥90 days overdue	-	-
Ratings		
Fitch	AAA	
Moody's	Aaa ³	
S&P	AA+ (Stable outlook)	

31/12/2010

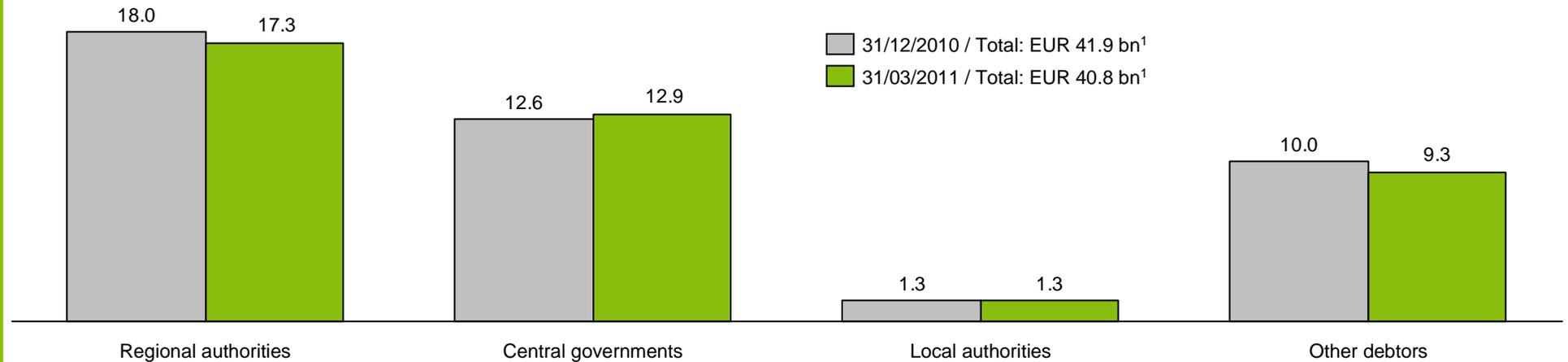


31/03/2011

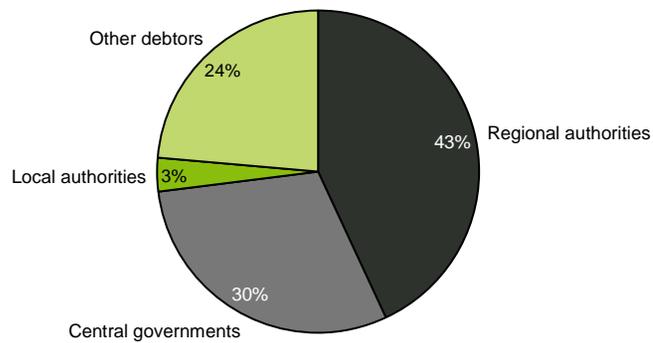


Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Excl. derivatives 3 Collateral Risk Score: 3.5%, Cover Pool Loss Score: 8.6%

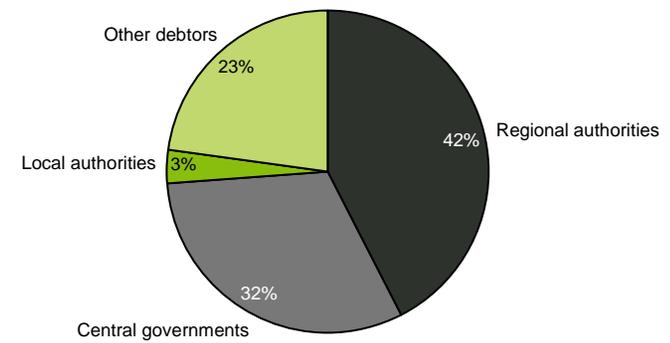
Cover funds by counterparty type
EUR billions (Nominal)



31/12/2010



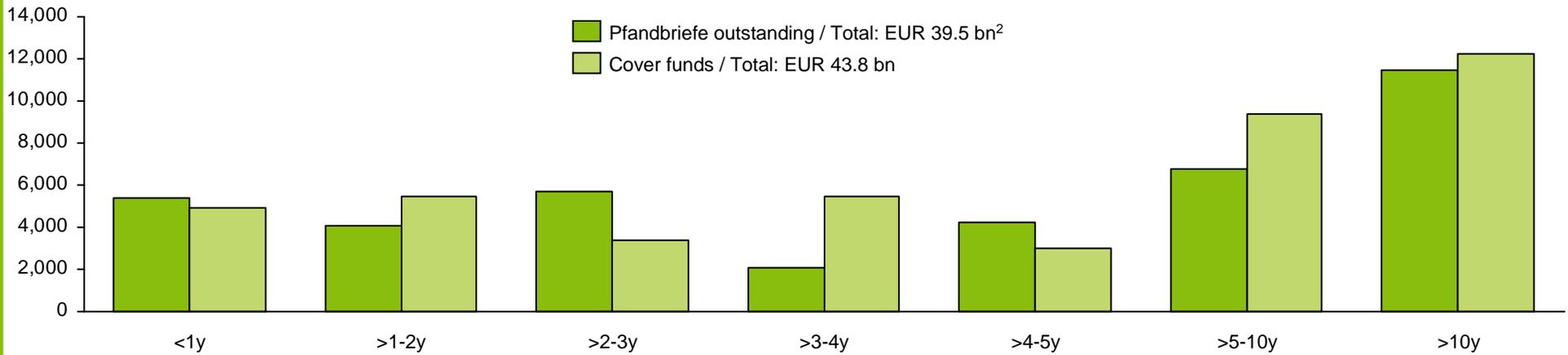
31/03/2011



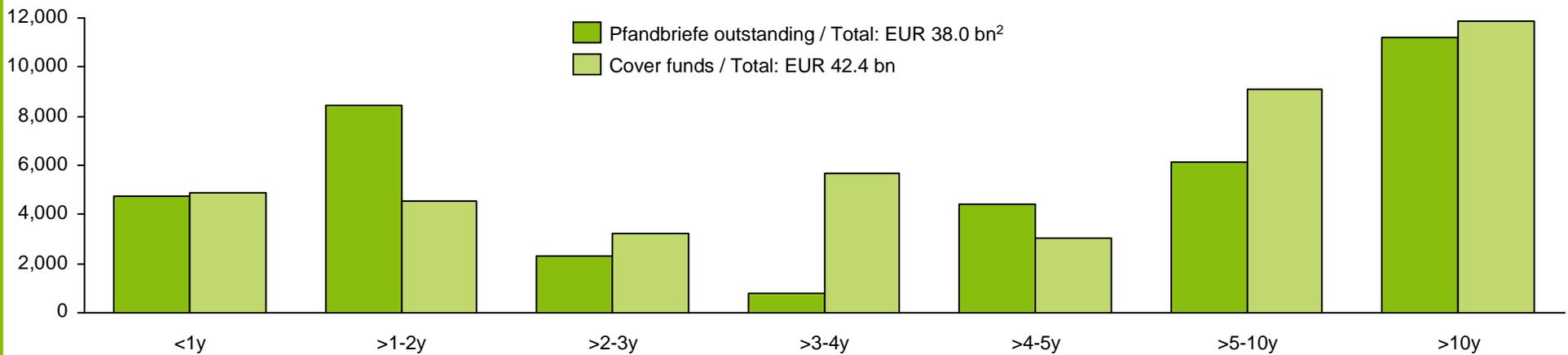
Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral)

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 2 Incl. swaps

Financial Results

Non-Real Estate Portfolio

Real Estate Portfolio

Public Sector Cover Pool

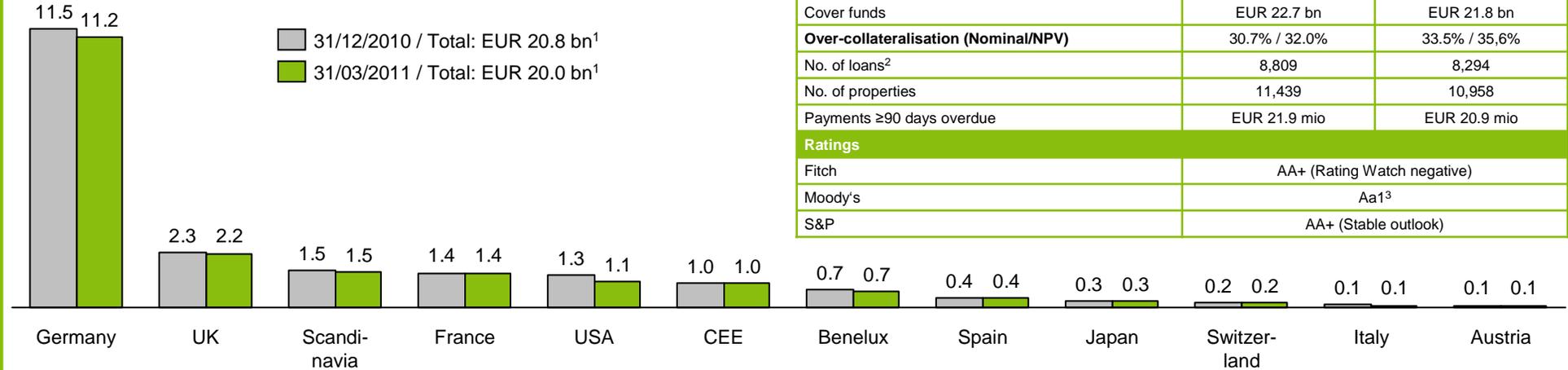
Mortgage Cover Pool

pbb Deutsche Pfandbriefbank Mortgage cover pool



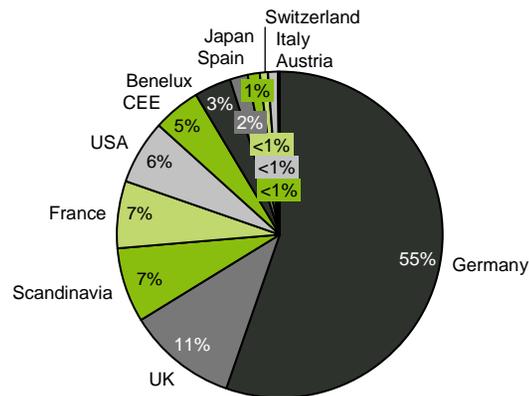
Cover funds by region

EUR billions (Nominal)

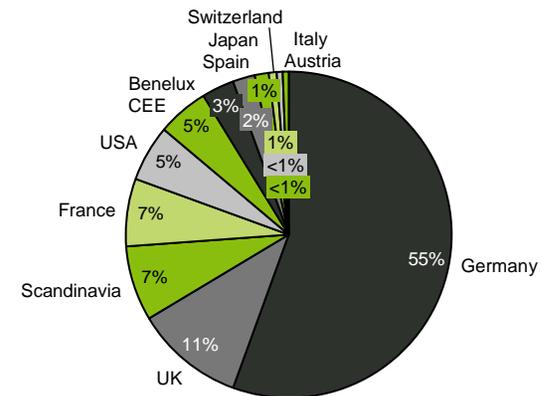


Mortgage cover pool (Nominal)	31/12/2010	31/03/2011
Pfandbriefe outstanding	EUR 17.4 bn	EUR 16.3 bn
Cover funds	EUR 22.7 bn	EUR 21.8 bn
Over-collateralisation (Nominal/NPV)	30.7% / 32.0%	33.5% / 35.6%
No. of loans ²	8,809	8,294
No. of properties	11,439	10,958
Payments ≥90 days overdue	EUR 21.9 mio	EUR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

31/12/2010



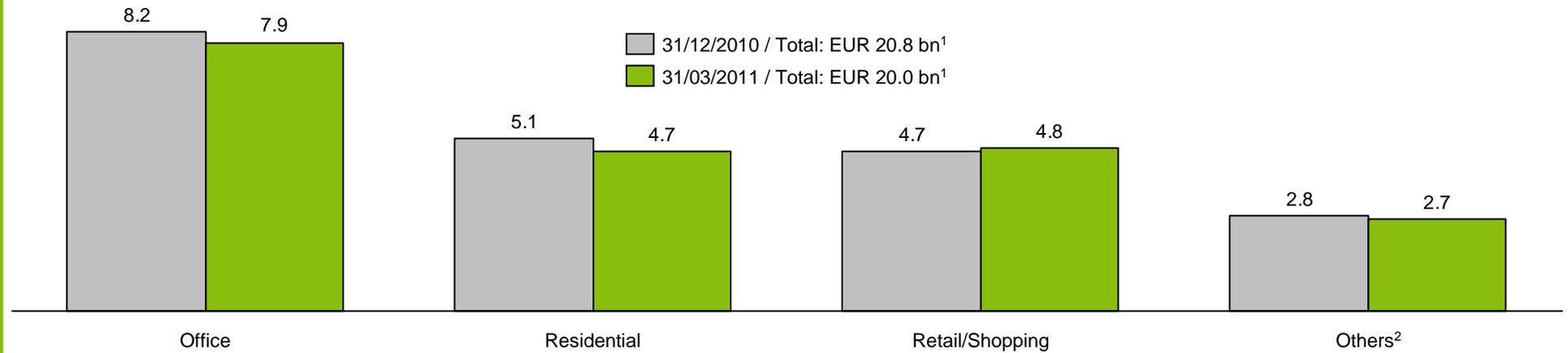
31/03/2011



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%

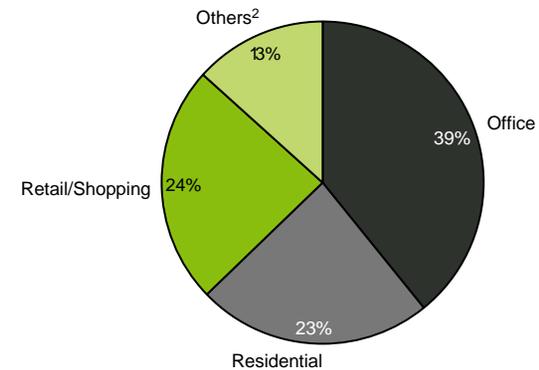
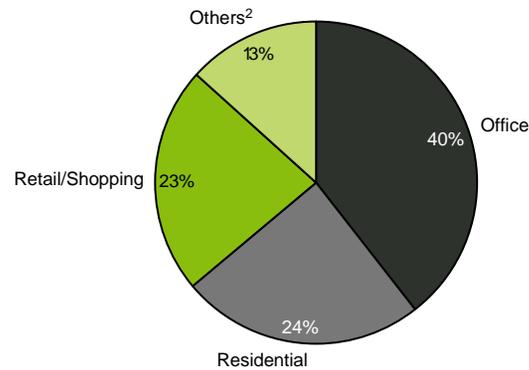
Cover funds by property type

EUR billions (Nominal)



31/12/2010

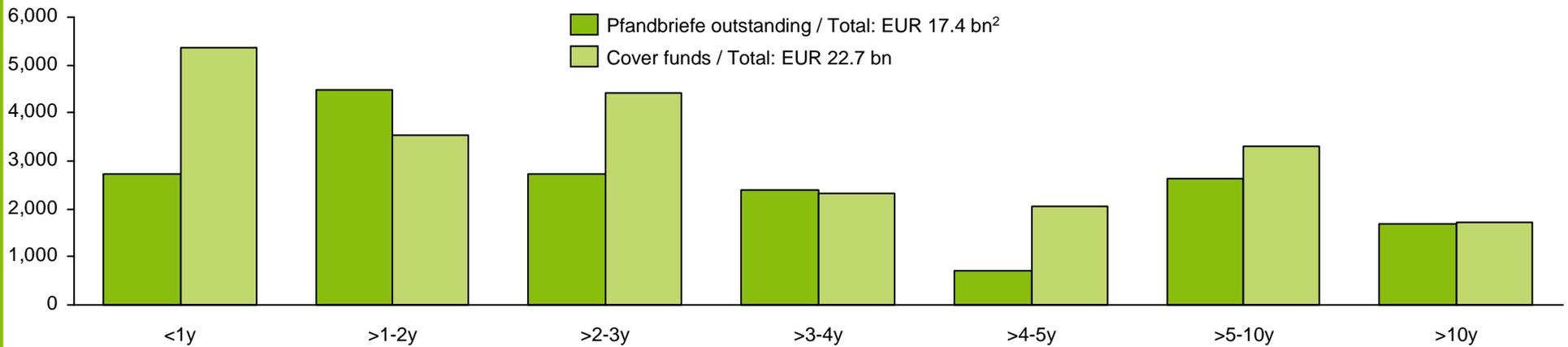
31/03/2011



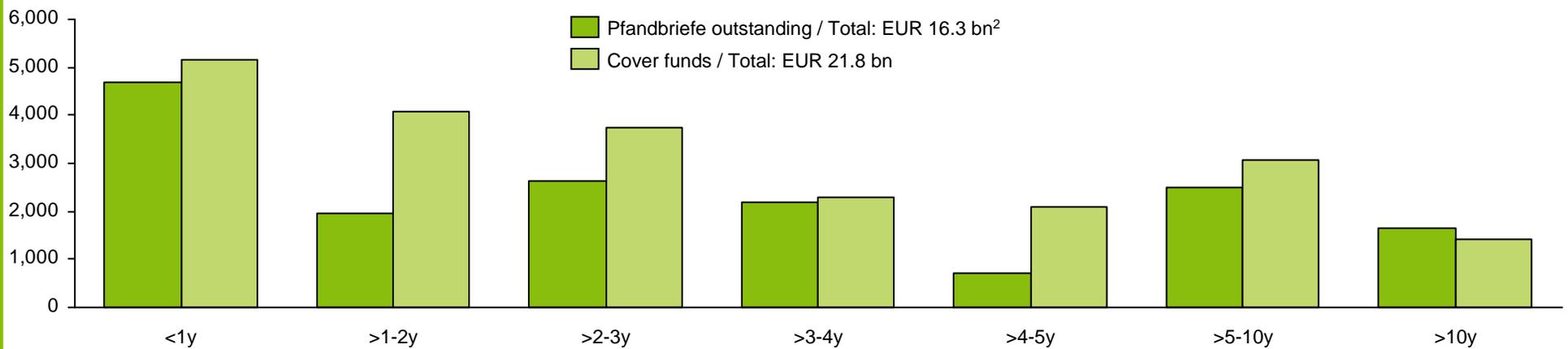
Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Incl. Industrial/Logistics

Maturity profile¹

31/12/2010: EUR millions (Nominal)



31/12/2010: EUR millions (Nominal)



Note: Figures may not add up due to rounding 1 Assets to interest reset date; liabilities to legal maturity 2 Incl. swaps

Appendix 2 – DEPFA

Results Q1 2011

DEPFA (sub-group)

Agenda

Financial Results

Total Portfolio

ACS Cover Pool

HPBI Cover Pool

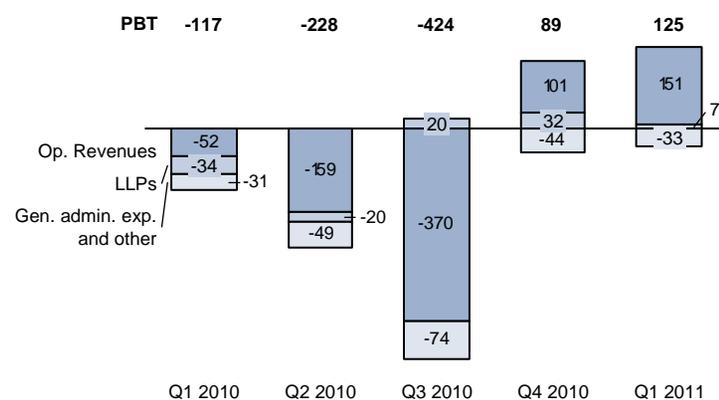
DEPFA (sub-group)

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

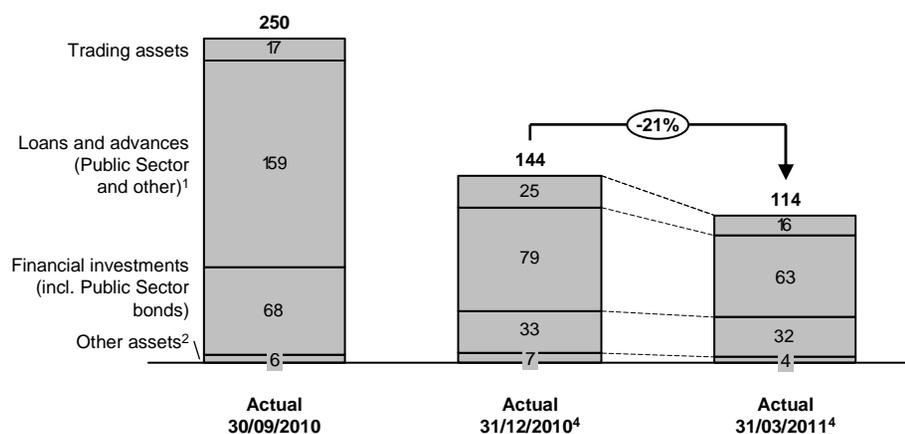
¹ SoFFin guaranteed refinancing provided by pbb ² Guaranteed Investment Contracts

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

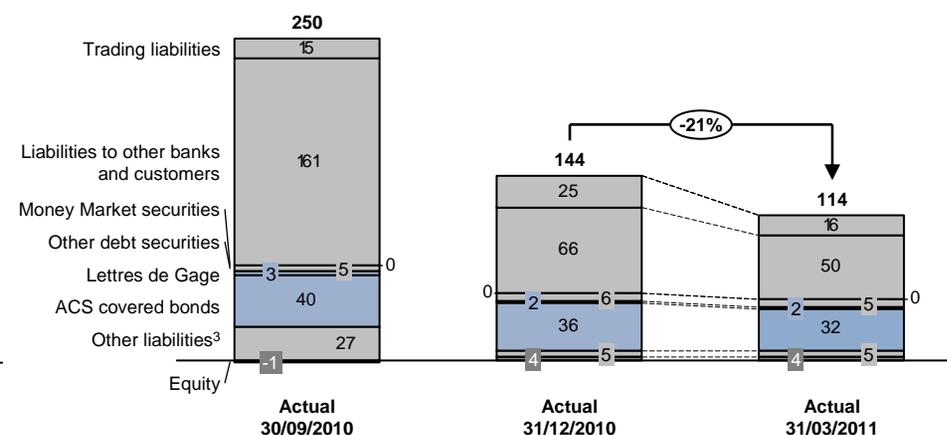
Note: Figures may not add up due to rounding

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 reposable
- 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

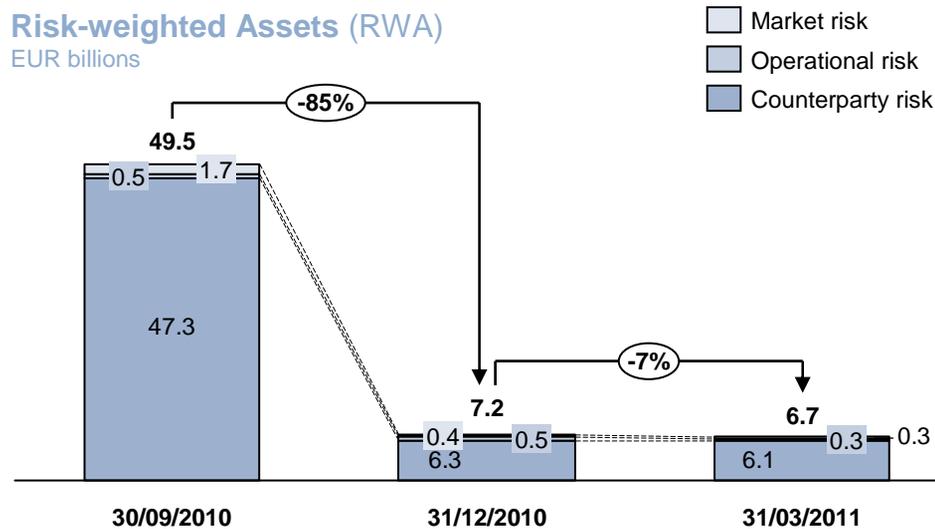
¹ Incl. reclassification of securities from 'Loans and advances to other banks/customers' to 'Financial investments' for the purpose of consistent reporting of all securities with IFRS category LaR in the same balance sheet position

DEPFA (sub-group)

Capitalisation (IFSRA)

Risk-weighted Assets (RWA)

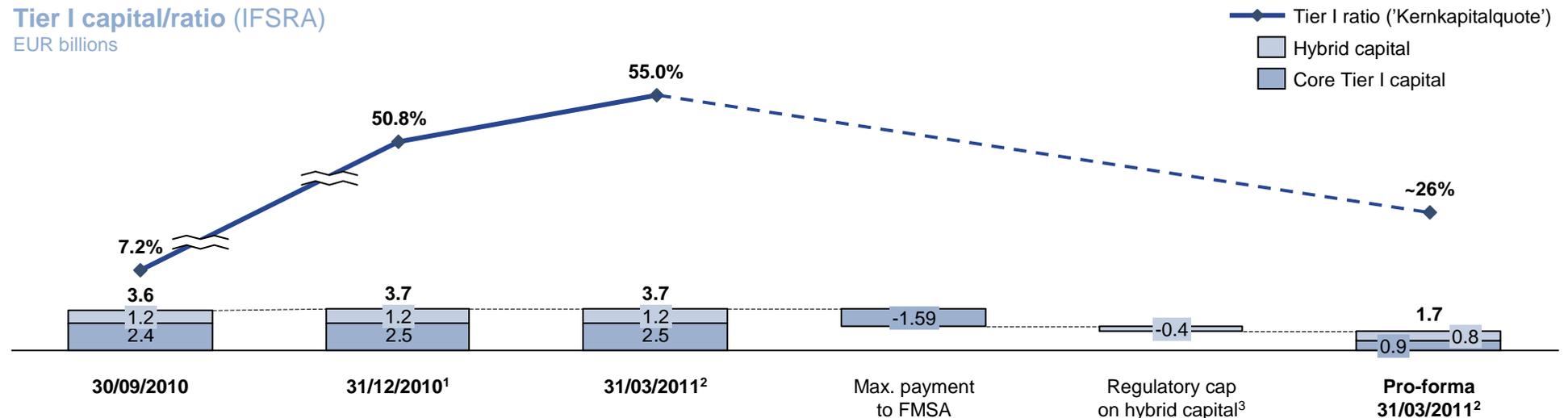
EUR billions



- 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)

Agenda

Financial Results

Total Portfolio

ACS Cover Pool

HPBI Cover Pool

pbb

Appendix 1 – pbb

Appendix 2 – DEPFA

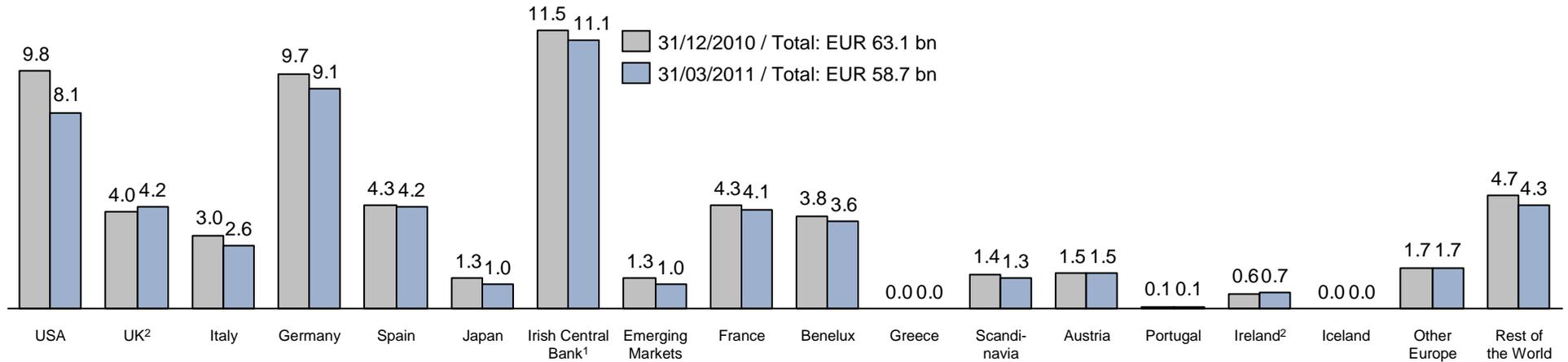
Appendix 3 – HRE Group

DEPFA (sub-group)

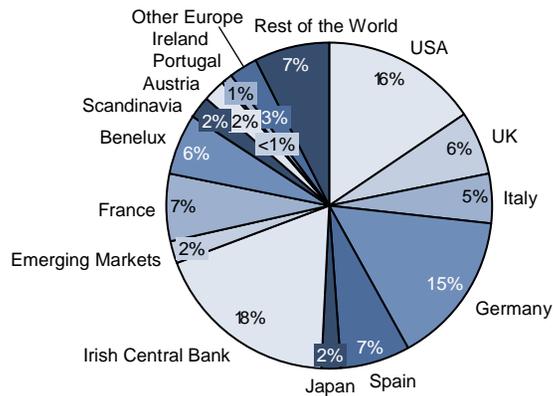
Total portfolio

Total exposure by region

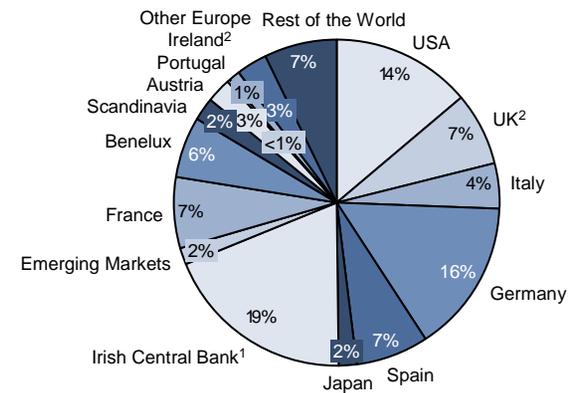
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



31/12/2010



31/03/2011



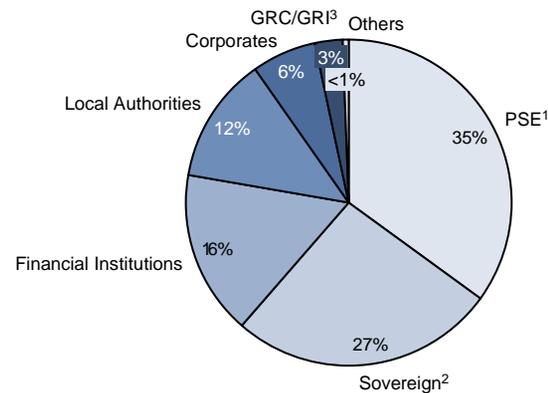
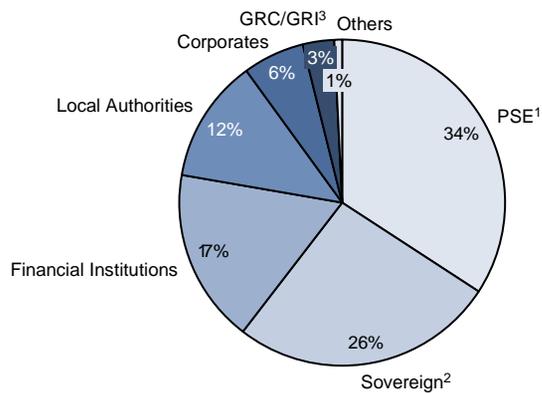
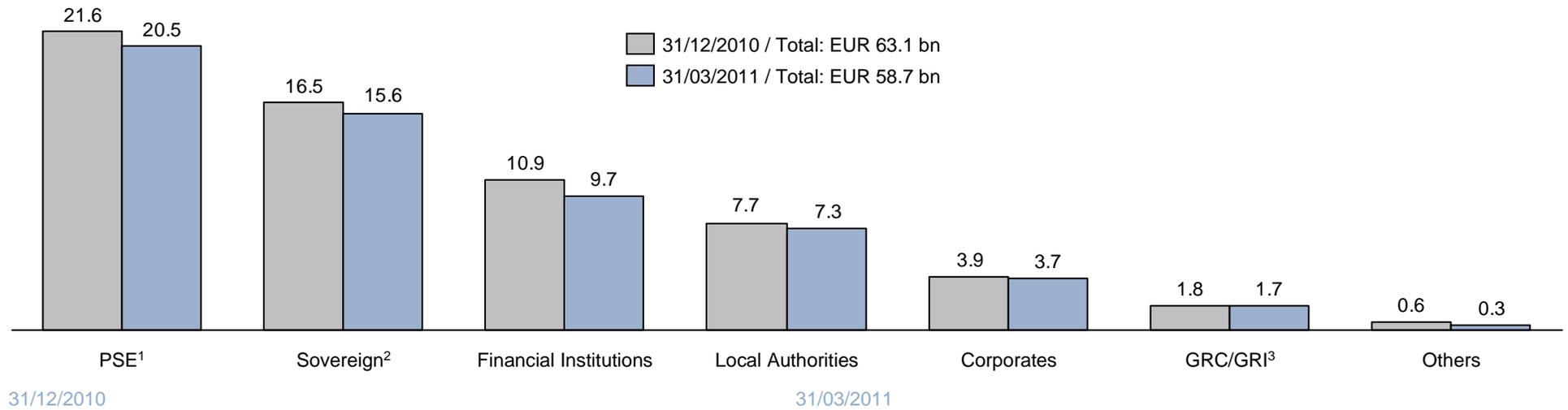
Note: Figures may not add up due to rounding 1 Claims against the Irish Central Bank out of secured refinancing (repo) transactions 2 Increase q-o-q due to derivative positions with international investment banks (Dublin branches)

DEPFA (sub-group)

Total portfolio

Total exposure by counterparty type

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



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)

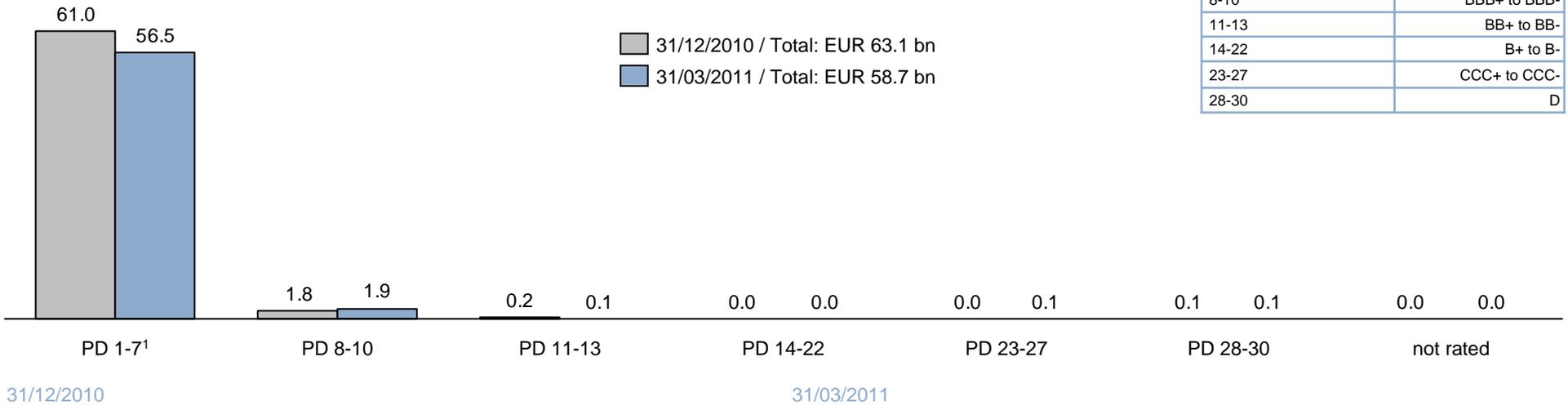
3 Government Related Companies/Institutions

DEPFA (sub-group)

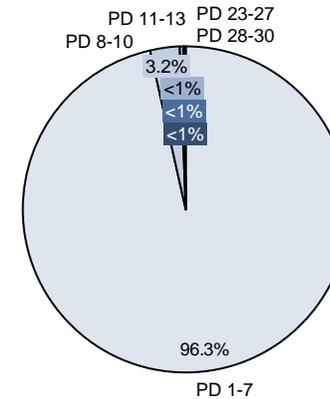
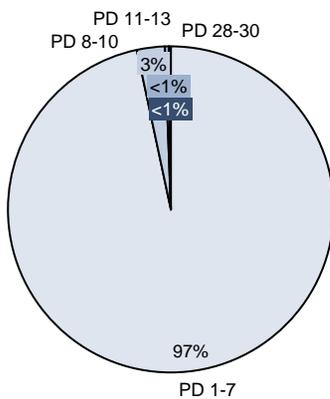
Total portfolio

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



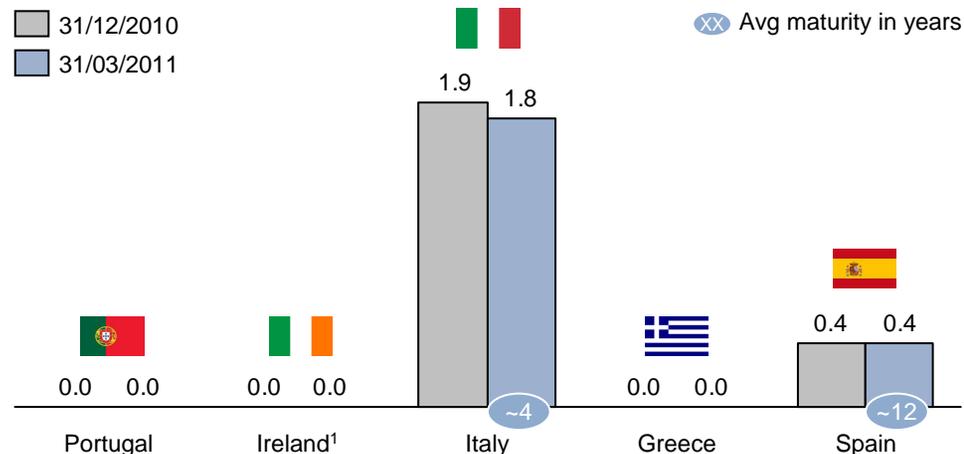
Note: Figures may not add up due to rounding ¹ Incl. claims against the Irish Central Bank out of secured refinancing (repo) transactions (31/12/2010: EUR 11.5 bn, 31/03/2011: EUR 11.1 bn)

DEPFA (sub-group)

Exposure in selected countries

Sovereign exposure in selected countries

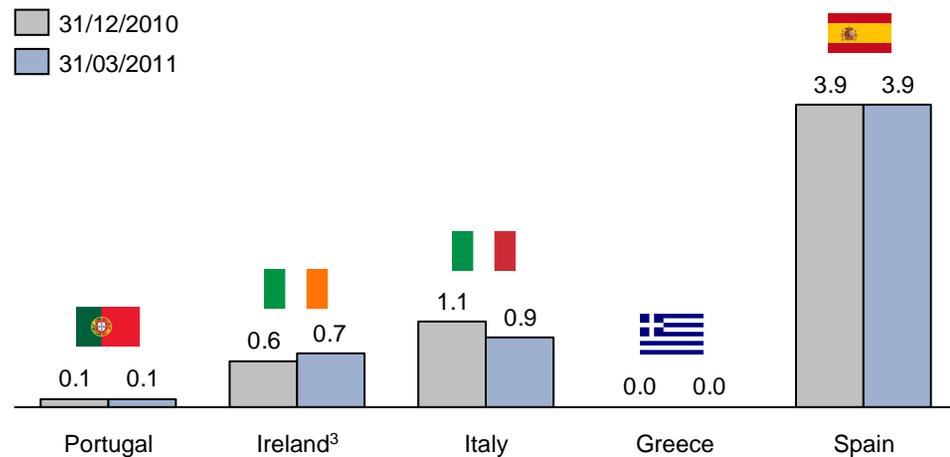
EUR billions (EaD, excl. FMS-WM guaranteed exposure/compensation claims)



- 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/GRI), Corporates, Others
 3 Increase q-o-q due to derivative position with international investment bank (Dublin branch)

DEPFA (sub-group)

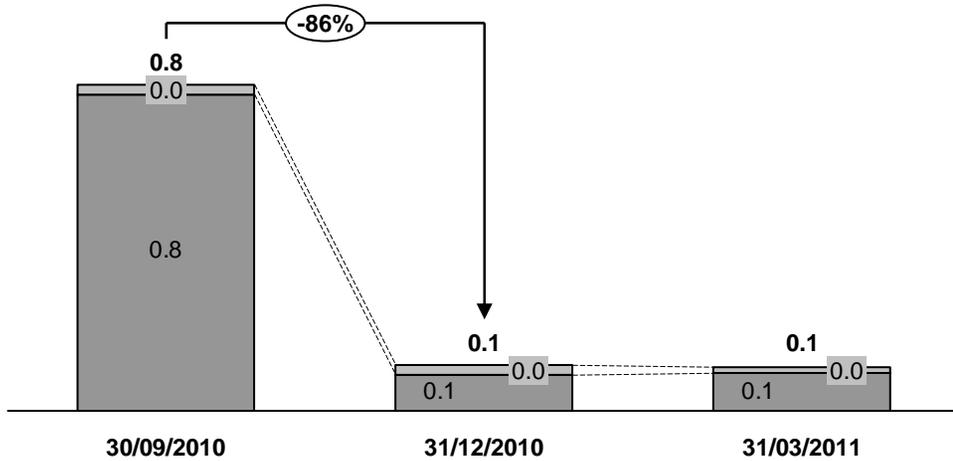
Total problem loans

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

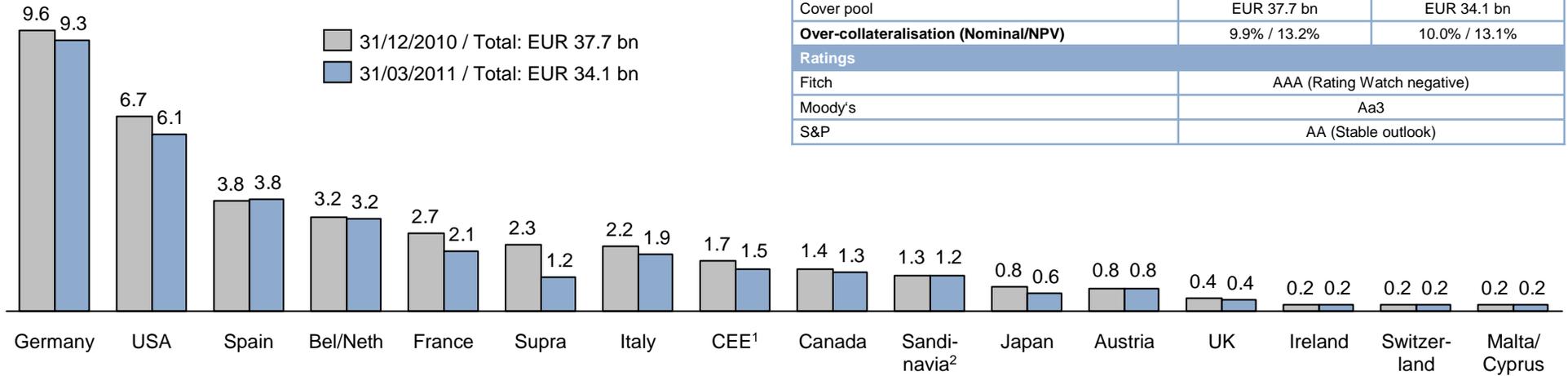
HPBI Cover Pool

DEPFA ACS Bank

ACS cover pool

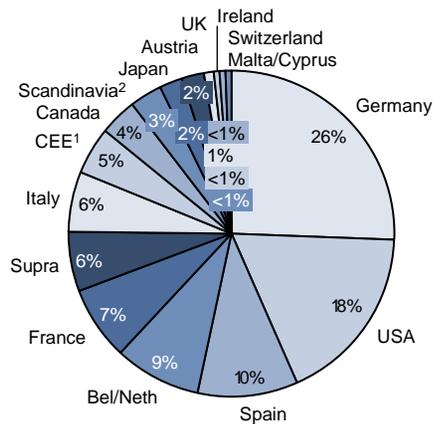
Cover pool by region

EUR billions (Nominal)

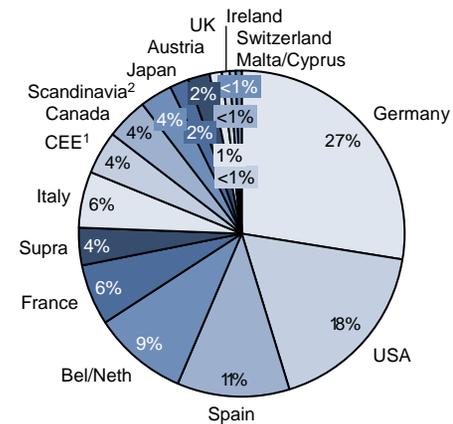


ACS cover pool (Nominal)	31/12/2010	31/03/2011
Public Sector ACS outstanding	EUR 34.3 bn	EUR 31.1 bn
Cover pool	EUR 37.7 bn	EUR 34.1 bn
Over-collateralisation (Nominal/NPV)	9.9% / 13.2%	10.0% / 13.1%
Ratings		
Fitch	AAA (Rating Watch negative)	
Moody's	Aa3	
S&P	AA (Stable outlook)	

31/12/2010



31/03/2011



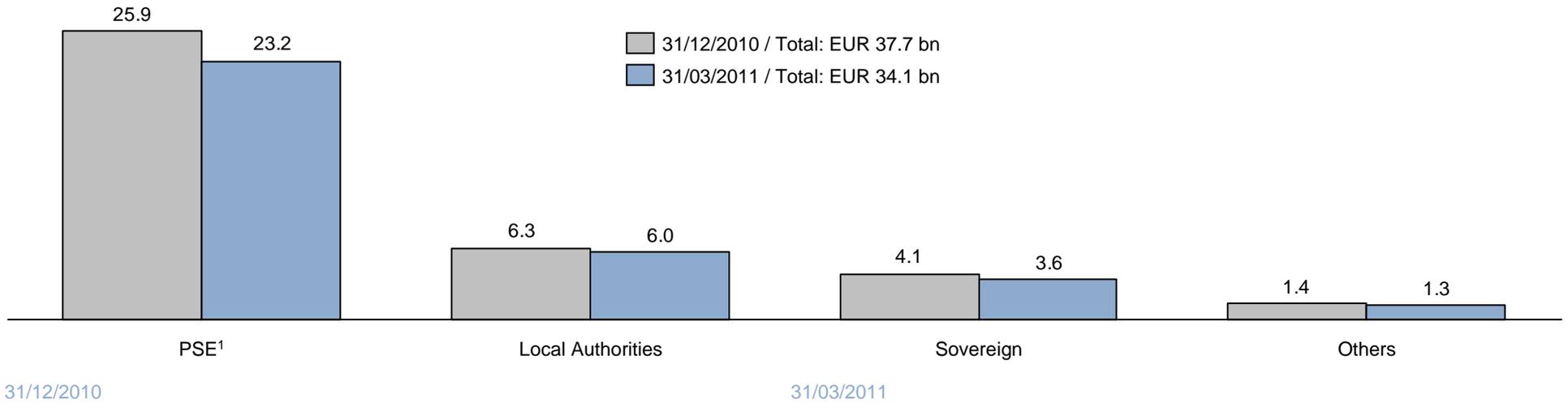
Note: Figures may not add up due to rounding 1 Poland, Slovenia, Czech Republic, Slovakia and Estonia (in order of exposure) 2 Sweden, Finland, Norway and Denmark (in order of exposure)

DEPFA ACS Bank

ACS cover pool

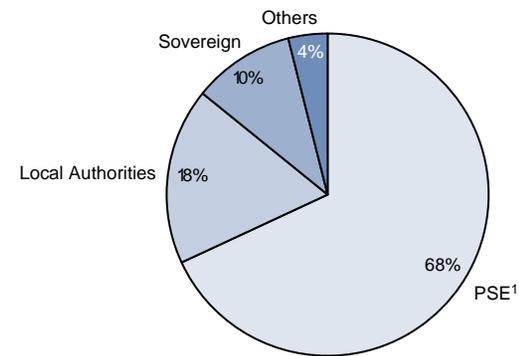
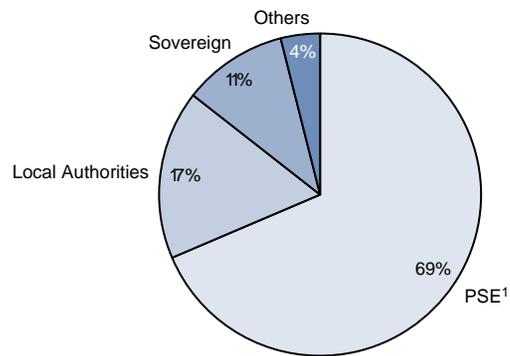
Cover pool by counterparty type

EUR billions (Nominal)



31/12/2010

31/03/2011



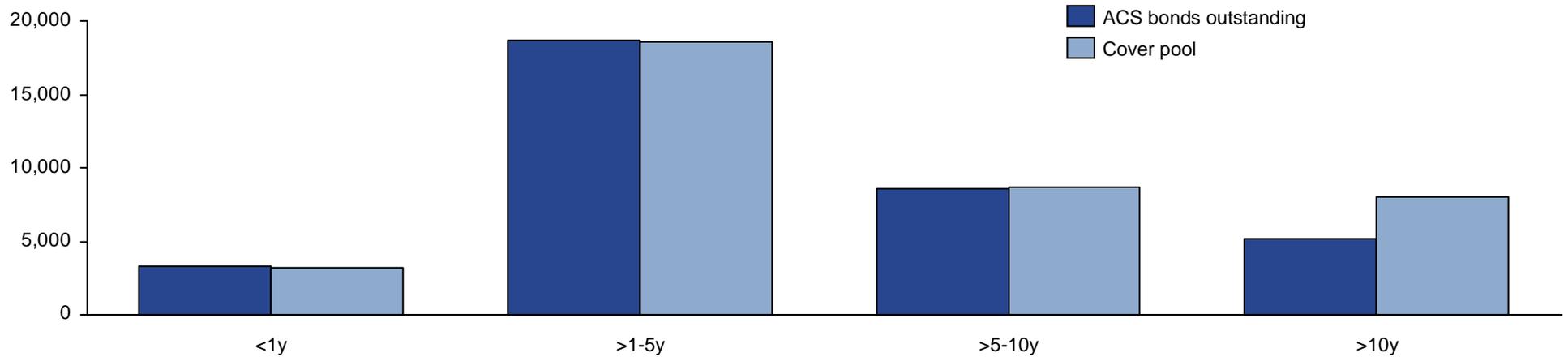
Note: Figures may not add up due to rounding ¹ Public Sector Entities

DEPFA ACS Bank

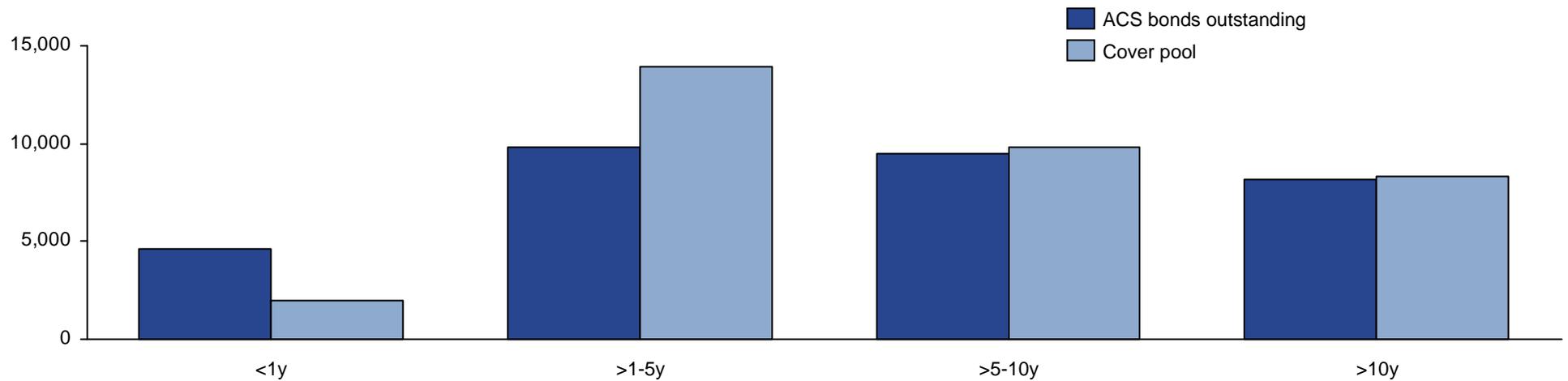
ACS cover pool

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

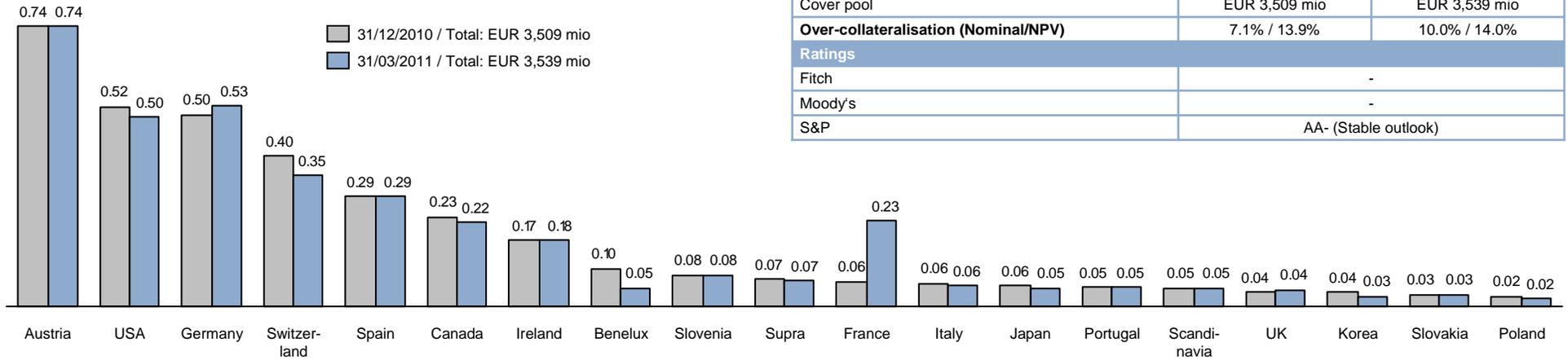
HPBI Cover Pool

Hypo Pfandbrief Bank International (HPBI)

HPBI cover pool

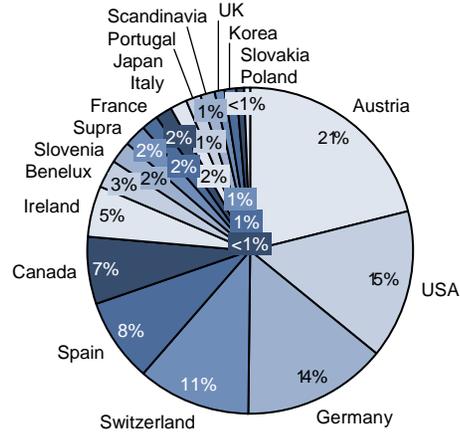
Cover pool by region

EUR billions (Nominal)

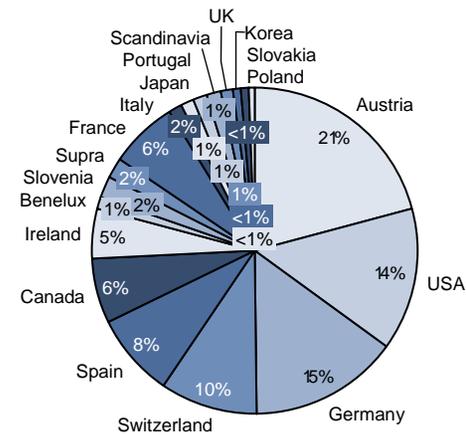


LdG cover pool	31/12/2010	31/03/2011
Lettres de Gage outstanding	EUR 3,276 mio	EUR 3,217 mio
Cover pool	EUR 3,509 mio	EUR 3,539 mio
Over-collateralisation (Nominal/NPV)	7.1% / 13.9%	10.0% / 14.0%
Ratings		
Fitch	-	
Moody's	-	
S&P	AA- (Stable outlook)	

31/12/2010



31/03/2011



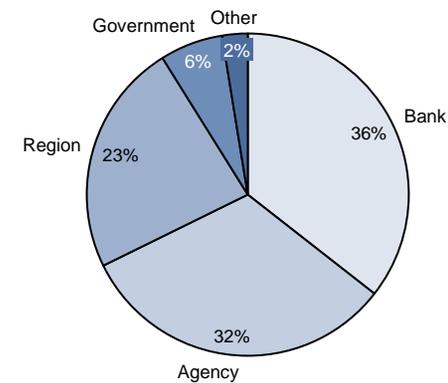
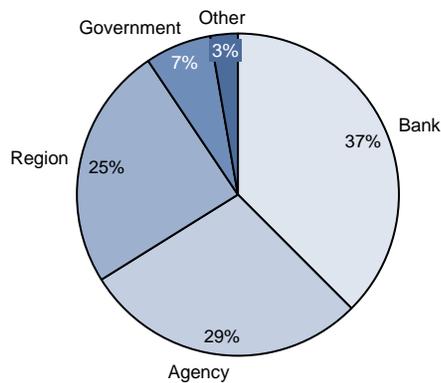
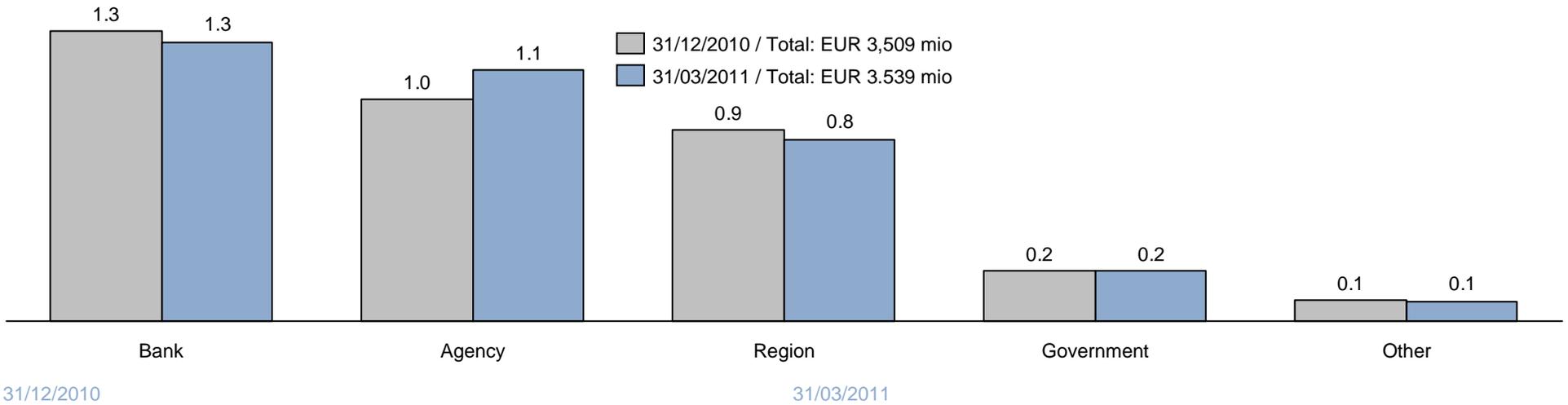
Note: Figures may not add up due to rounding

Hypo Pfandbrief Bank International (HPBI)

HPBI cover pool

Cover pool by counterparty type

EUR billions (Nominal)



Note: Figures may not add up due to rounding

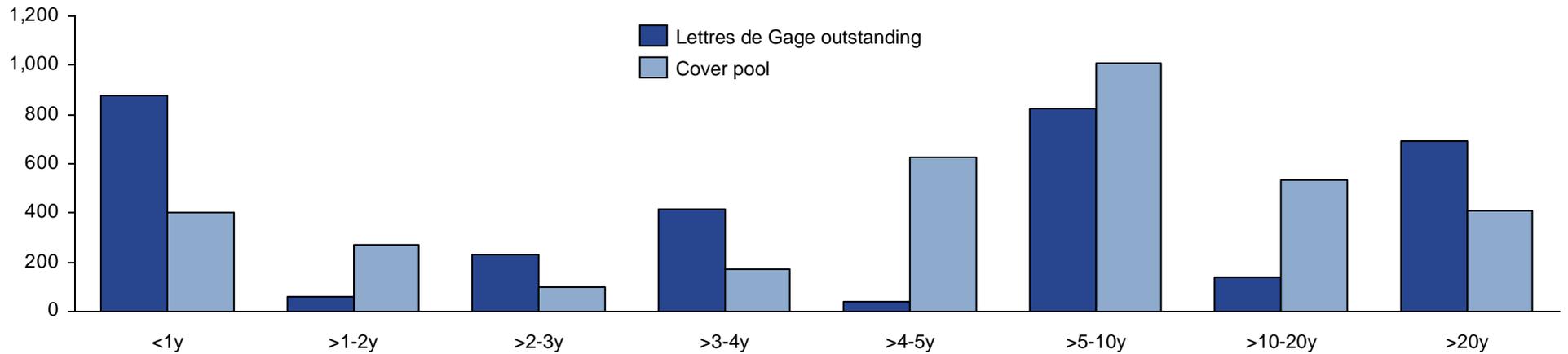
Results Q1 2011, May 20, 2011

Hypo Pfandbrief Bank International (HPBI)

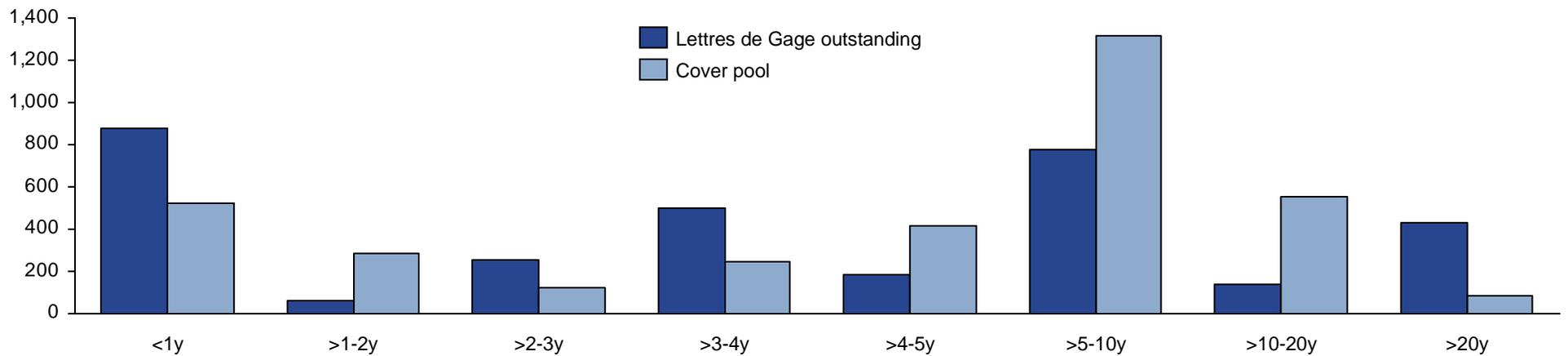
HPBI cover pool

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

Appendix 3 – HRE Group Results Q1 2011



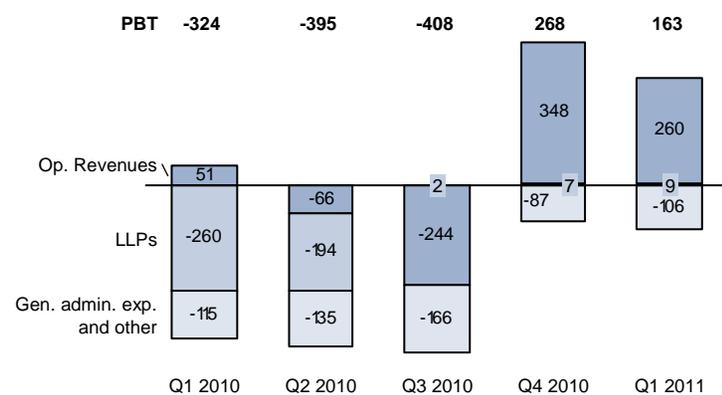
HRE Group

Income statement

Income statement (IFRS)

EUR millions

	FY 2010	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011
Operating revenues	89	51	-66	-244	348	260
Net interest and similar income	840	291	248	197	104	218
Net commission income	-319	-100	-98	-125	4	8
thereof: SoFFin guarantees	-384	-119	-120	-139	-6	0
Net trading income	-364	-105	-173	-153	67	-7
Net income from financial investments	14	-11	9	18	-2	-20
Net income from hedge relationships	-56	-20	-44	1	7	-4
Balance of other operating income/expenses	-26	-4	-8	-182	168	65
Provisions for losses on loans and advances	-445	-260	-194	2	7	9
General administrative expenses	-516	-115	-137	-167	-97	-106
Balance of other income/expenses	13	0	2	1	10	0
Pre-tax profit/loss	-859	-324	-395	-408	268	163

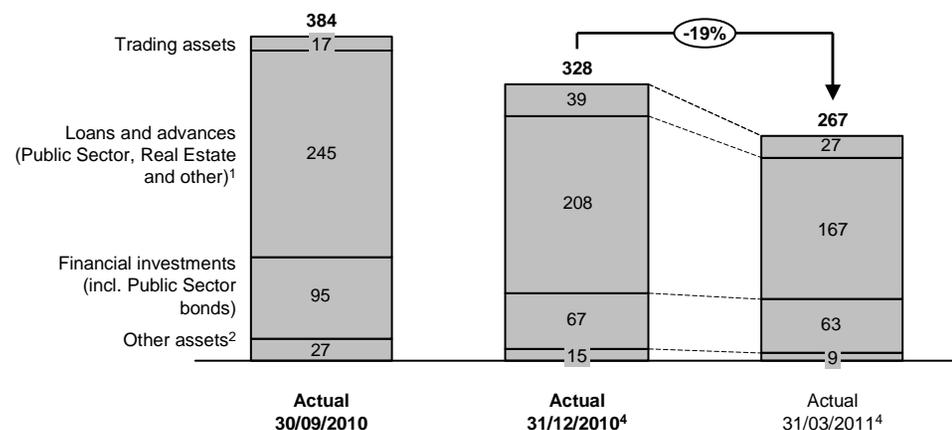


HRE Group

Balance sheet

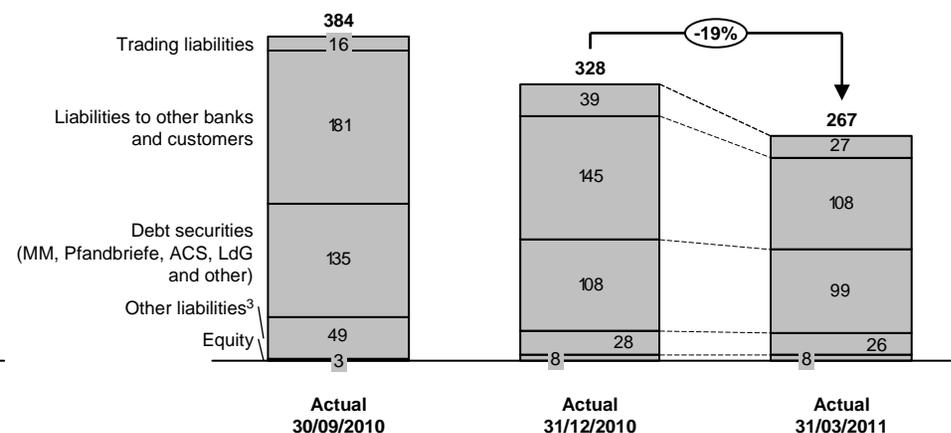
Total assets (IFRS)

EUR billions



Total liabilities and equity (IFRS)

EUR billions



- In Q1 2011, total assets down by EUR 61 bn (-19%) to EUR 267 bn, predominantly as counter-effects resulting from the asset transfer to FMS-WM have been further reduced
- The main counter-effects are as follows:
 - Pass-through funding for FMS-WM: Reverse repo transactions with FMS-WM have been reduced by EUR 33 bn (-34%) to EUR 64 bn as of 31/03/2011 (31/12/2010: EUR 97 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 counter-parties (novation of derivatives), resulting in a termination of the original position as well as the back-to-back derivative (31/03/2011: EUR 20 bn; 31/12/2010: EUR 26 bn)
 - Moreover, this significantly reduced the collateral positions provided and received for these derivatives
- 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

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

HRE Group

Balance sheet

Assets EUR millions	31.03.2011 ¹	31.12.2010 ¹	Change	
			EUR mio	%
Cash reserve	791	2,507	-1,716	-68.4
Trading assets	27,028	39,114	-12,086	-30.9
Loans and advances to other banks	29,833	32,614	-2,781	-8.5
Loans and advances to customers	138,172	175,724	-37,552	-21.4
Allowances for losses on loans and advances	-571	-661	90	13.6
Financial investments	63,311	66,819	-3,508	-5.3
Property, plan and equipment	5	6	-1	-16.7
Intangible assets	47	49	-2	-4.1
Other assets	6,491	10,244	-3,753	-36.6
Income tax assets	1,691	1,703	-12	-0.7
Total assets	266,798	328,119	-61,321	-18.7

Equity and liabilities EUR millions	31.03.2011	31.12.2010	Change	
			EUR mio	%
Liabilities to other banks	70,945	101,382	-30,437	-30.0
Liabilities to customers	36,882	43,216	-6,334	-14.7
Liabilities evidenced by certificates	99,067	107,898	-8,831	-8.2
Trading liabilities	26,546	39,109	-12,563	-32.1
Provisions	275	313	-38	-12.1
Other liabilities	20,229	23,226	-2,997	-12.9
Income tax liabilities	1,699	1,714	-15	-0.9
Subordinated capital	3,344	3,508	-164	-4.7
Liabilities	258,987	320,366	-61,379	-19.2
Subscribed capital	2,668	2,668	-	-
Additional paid-in capital	8,091	8,091	-	-
Retained earnings	-5,166	-4,260	-906	-21.3
Foreign currency reserve	-47	-44	-3	-6.8
Revaluation reserve	-7	72	-79	<-100.0
<i>Afs reserve</i>	-414	-421	7	1.7
<i>Cash flow hedge reserve</i>	407	493	-86	-17.4
Consolidated profit/loss 2010	0	-910	910	100.0
Consolidated profit/loss Q1 2011	136	0	136	>100.0
Equity attributable to equity holders	5,675	5,617	58	1.0
Hybrid capital instruments ²	1,137	1,137	-	-
Silent participation ³	999	999	-	-
Non-controlling interest in equity	2,136	2,136	-	-
Equity	7,811	7,753	58	0.7
Total equity and liabilities	266,798	328,119	-61,321	-18.7

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

2 Hybrid capital instruments of the subsidiary DEPFA Bank plc which had to be reclassified according to IAS 32 under equity instead of under subordinated capital

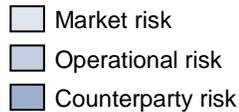
3 Silent participation of SoFFin in the subsidiary Deutsche Pfandbriefbank AG

HRE Group

Capitalisation

Risk-weighted assets (RWA)

EUR billions

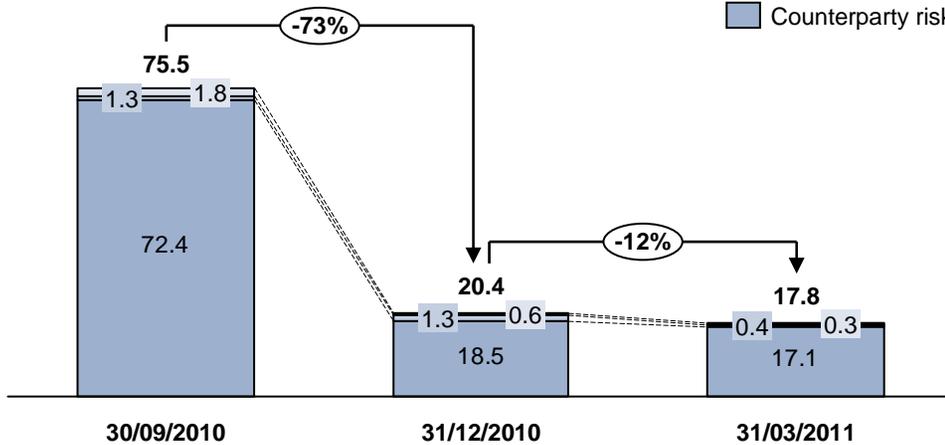


- RWA reduced further by EUR 2.5 bn (-12%) to EUR 17.8 bn, primarily reflecting maturities (pre-/ repayments) in the existing loan portfolio exceeding new business volumes and rating upgrades

- Tier I capital stable

- Tier I ratio now at 39.6% (31/03/2011)

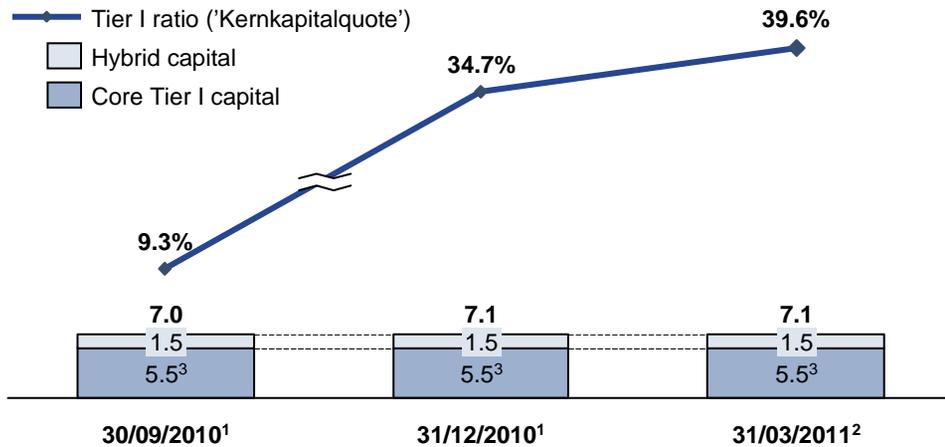
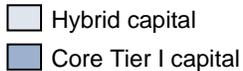
- Within the framework of the transfer of assets, FMSA has reserved the right to stipulate a required payment in order to avoid distortion of competition
 - With this, the FMSA can, for reasons of fair competition, reduce the capitalisation of individual legal entities to the required extent, if the 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 Irish and Luxembourg regulatory authorities as well as certain other conditions)
 - Including such maximum payment, the pro-forma Tier I ratio of HRE Group would have been approx. 30% as of 31/03/2011



Tier I capital/ratio (SolV, German GAAP/HGB)

EUR billions

◆ Tier I ratio ('Kernkapitalquote')



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