

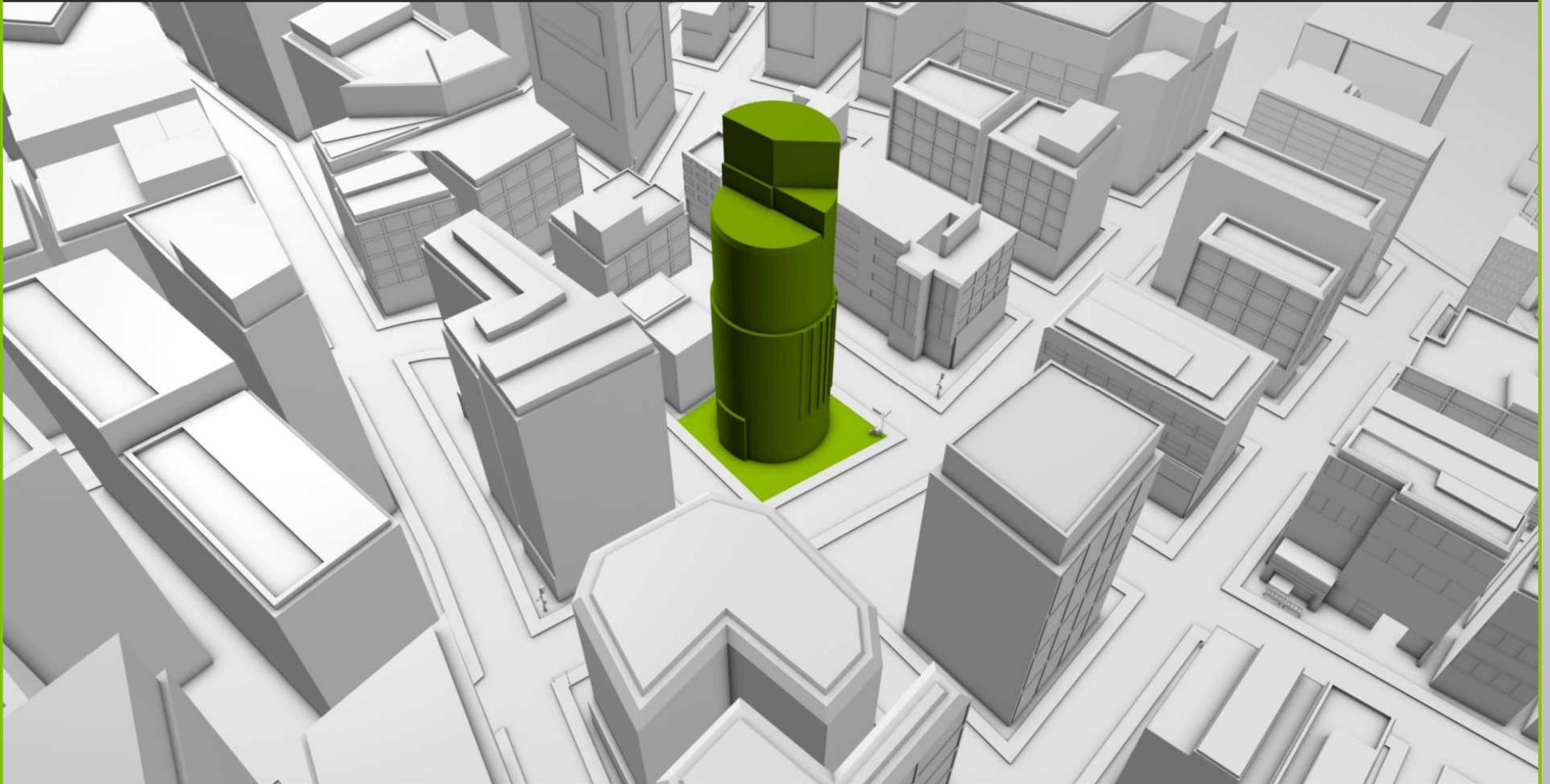
Analyst/Investor Presentation

Results Q3 2011: pbb with pre-tax profit of EUR 43 mio

PUBLIC SECTOR FINANCE
REAL ESTATE FINANCE

pbb

DEUTSCHE
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- ✓ **pbb continues to be profitable with pre-tax profit of EUR 43 mio in Q3 2011 – pbb now profitable for more than one year**
- ✓ **New business (incl. extensions >1 year) of EUR 1.6 bn in Q3 brings total volume to EUR 5.7 bn for 9M 2011 (FY 2010: EUR 4.1 bn)**
- ✓ **Balance sheet down to EUR 121 bn (30/06/2011: EUR 126 bn), given a further reduction of counter-effects resulting from the asset transfer to FMS-WM**

However, operating balance sheet increased to EUR 101 bn (30/06/2011: EUR 94 bn) – this is primarily due to fair value changes of derivatives and hedged assets resulting from changes of long-term interest rate levels

- ✓ **Tier I ratio remains stable at 18.0%**
- ✓ **Comfortable liquidity position allows for gradual re-entrance into the Pfandbrief market and unsecured capital markets – 5-year Mortgage Pfandbrief issued end of September**

Income statement

pbb continues to be profitable with pre-tax profit of EUR 43 mio in Q3 2011



Income statement (IFRS)

EUR millions

	Q1 2010	Q2 2010	Q3 2010	9M 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	9M 2011
Operating revenues	121	99	241	461	191	131	162	129	422
Net interest and similar income	166	164	161	491	109	97	95	101	293
Net commission income	-7	-1	-12	-20	10	14	5	6	25
thereof: SoFFin guarantees	-24	-22	-26	-72	-2	0	0	0	0
Net trading income	-12	-36	110	62	15	-8	8	4	4
Net income from financial investments	-13	-4	-1	-18	1	-1	0	0	-1
Net income from hedge relationships	-17	-22	-2	-41	-4	-15	-12	-7	-34
Balance of other operating income/expenses	4	-2	-15	-13	60	44	66	25	135
Provisions for losses on loans and advances	-226	-175	-17	-418	-25	2	-1	1	2
General administrative expenses	-73	-98	-105	-276	-76	-81	-93	-87	-261
Balance of other income/expenses	1	-1	0	0	8	0	0	0	0
Pre-tax profit/loss	-177	-175	119	-233	98	52	68	43	163

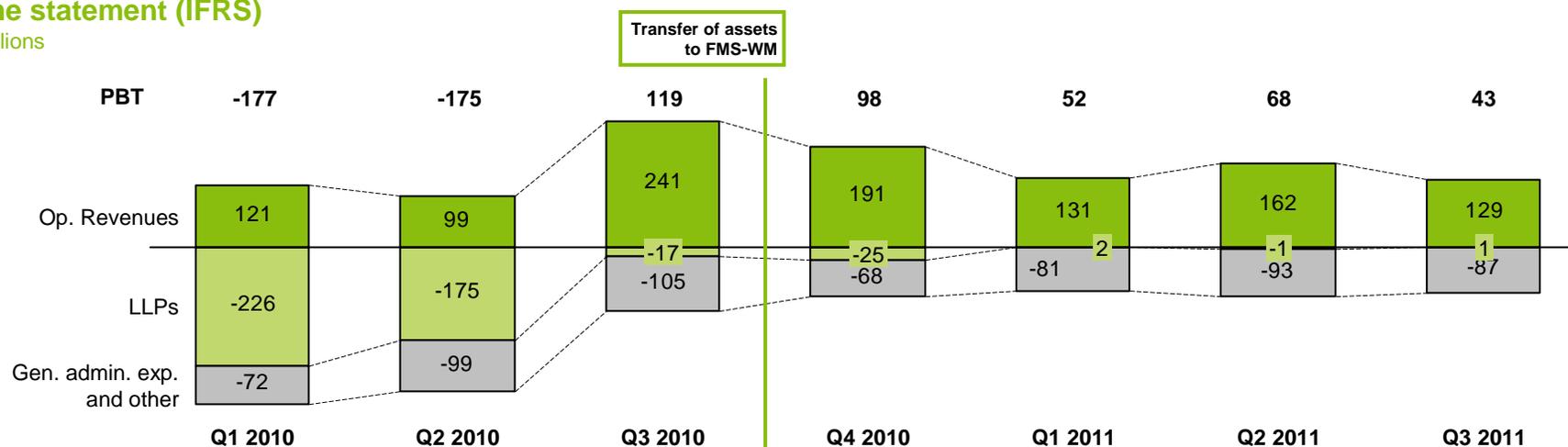
- In Q3 2011, net interest income benefited from EUR 5 mio prepayment fees (Q2 2011: EUR 0 mio, Q1 2011: EUR 3 mio) and EUR 3 mio gains on buy-backs of debt instruments (Q2 2011: EUR 5 mio, Q1 2011: EUR 12 mio)
- Net commission income stable – Q1 2011 included EUR 7 mio back-end fees on loan termination
- Net trading income affected by fair value changes of derivatives – Q3 2011 includes EUR 6 mio gain from sale of a synthetic US CDO (no synthetic CDOs/ MBS remaining any more on pbb's balance sheet)
- Other operating income lower, including the following effects:
 - EUR 27 mio income from servicing for FMS-WM (Q2 2011: EUR 36 mio, Q1 2011: EUR 29 mio) as well as EUR -11 mio retrospective shift of service allocation from pbb to DEPFA following the actual cost
 - EUR 7 mio income from pbb Services for IT services to DEPFA (Q2 2011: EUR 10 mio, Q1 2011: EUR 11 mio)
 - EUR -2 mio FX effects (Q2 2011: EUR 9 mio)
- Loan-loss provisions slightly positive – net additions to loan-loss provisions for individual real estate loans (EUR -10 mio) more than offset by net releases of portfolio-based allowances and provisions for losses on guarantees and indemnities (EUR 11 mio)
- General administrative expenses slightly lower, including expenses relating to the servicing for FMS-WM

Income statement

Stable and sufficient income base

Income statement (IFRS)

EUR millions



- ➔ Stable and sufficient income base since the asset transfer to FMS-WM – however, last quarters positively affected by one-off effects
- ➔ Loan-loss provisions currently low as balance sheet was significantly de-risked, but low provisioning levels of last quarters not sustainable
- ➔ Operating cost base influenced by servicing for FMS-WM as well as costs for professional services and IT projects

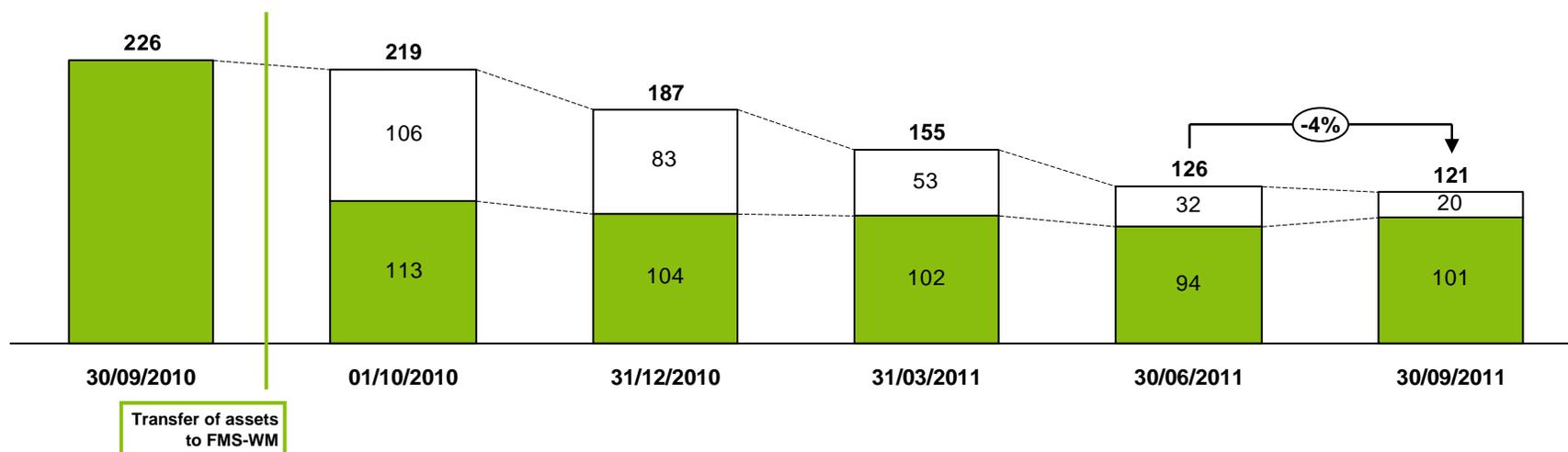
Balance sheet

Balance sheet down to EUR 121 bn, given a further reduction of counter-effects resulting from the asset transfer to FMS-WM

Total assets (IFRS)

EUR billions

□ Counter-effects resulting from the asset transfer to FMS-WM
■ Operating balance sheet



- In Q3 2011, total assets further down by EUR 5 bn to EUR 121 bn, primarily as total counter-effects resulting from the asset transfer to FMS-WM have been further reduced
- The main counter-effects in relation to FMS-WM are as follows:
 - Pass-through funding for FMS-WM: FMS-WM does not have a banking status. Therefore, pbb provides access to the ECB for FMS-WM by entering into reverse repo transactions with FMS-WM (pass-through funding). In Q3, these reverse repo transactions with FMS-WM have been reduced by EUR 11 bn to EUR 8 bn (30/06/2011: EUR 19 bn, 31/03/2011: EUR 35 bn, 31/12/2010: EUR 60 bn).
 - Back-to-back derivatives were used to transfer market price risks of derivatives to FMS-WM by way of entering into derivative transactions with FMS-WM at counter-identical conditions. These derivative transactions resulted in an increase of the balance sheet. In Q3, these back-to-back derivatives have been reduced due to novations – however, changes of interest rate levels resulted in an increase of EUR 2 bn to EUR 9 bn (30/06/2011: EUR 7 bn, 31/03/2011: EUR 10 bn, 31/12/2010: EUR 14 bn).
 - These counter-effects will diminish over time as pass-through funding for FMS-WM is expected to decline further and derivatives will get novated
- Excluding the FMS-WM related counter-effects, the operating balance sheet increased to EUR 101 bn – this is primarily due to fair value changes of derivatives and hedged assets resulting from changes of long-term interest rate levels

Note: Figures may not add up due to rounding

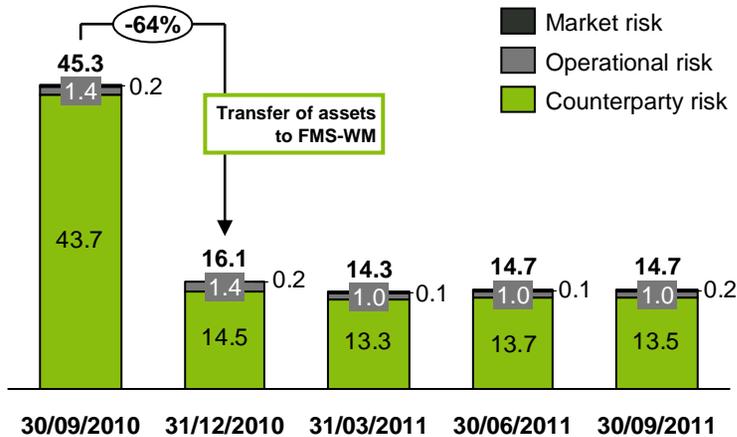
Capitalisation

pbb sufficiently capitalised with a Tier I ratio of 18.0%



Pro-forma Risk-Weighted Assets (RWA)

EUR billions

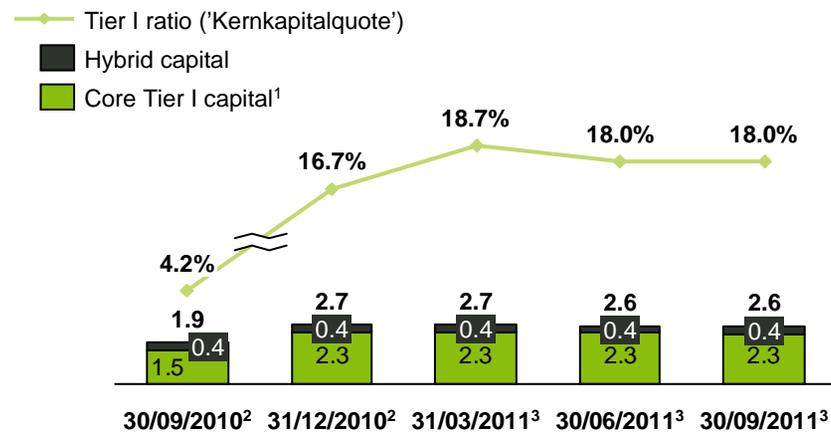


The regulatory capital ratios stated are calculated on an unaudited pro-forma basis. Deutsche Pfandbriefbank AG is according to the 'Waiver Rule' regulated in Sec. 2a KWG (German Banking Act) not obliged to determine the equity capital ratio and the core capital ratio on a sub-group level.

- pbb significantly de-risked after the asset transfer to FMS-WM and sufficiently capitalised with a Tier I ratio of 18.0%
- EU requires a full retention of profits at pbb until re-privatisation to pay back EUR 1 bn silent participation of SoFFin
- Tier I ratio expected to stay comfortably above 10%, even including a full repayment of the silent participation of SoFFin

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

EUR billions



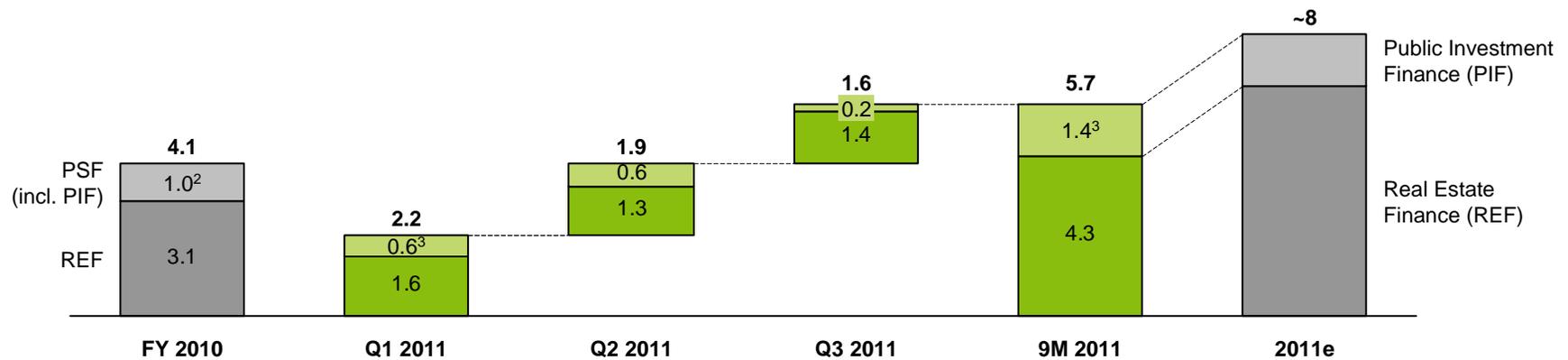
Note: Figures may not add up due to rounding 1 Incl. silent participation 2 Incl. year-to-date losses/adjustments 3 Excl. year-to-date profits/adjustments

New business

New business origination well under way with a volume of EUR 5.7 bn in 9M 2011
 – at present, only very selective new PIF business

Total new business¹

EUR billions



- New business of EUR 1.6 bn in Q3 brings total new business volume up to EUR 5.7 bn for 9M 2011, which exceeds the full-year level 2010
- New business focus currently on REF – only very selective new PIF business, given the strained market environment in the public sector and the full-year target already been achieved

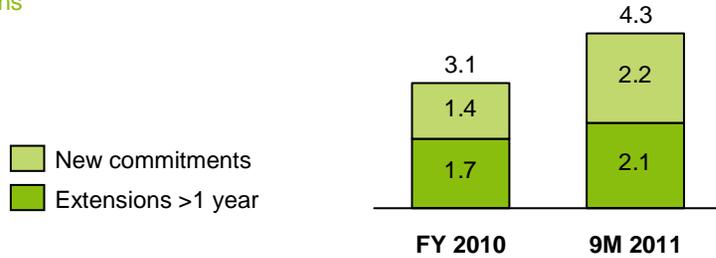
Note: Figures may not add up due to rounding 1 Incl. extensions >1 year 2 Incl. EUR 0.2 bn Public Budget Finance 3 Incl. EUR 0.2 bn Public Budget Finance

New business New business origination at attractive margins



Real Estate Finance (REF)

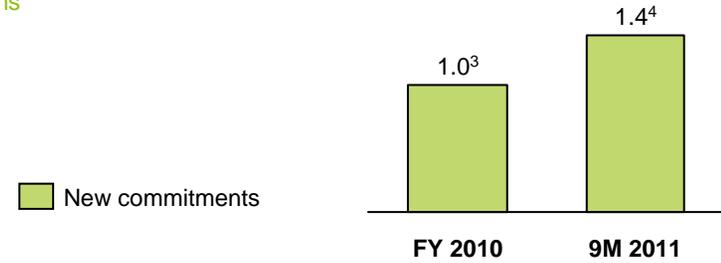
EUR billions



	FY 2010	9M 2011
No. of deals	65	59
Average maturity	~3.9 yrs	~4.0 yrs
Average LTV (New commitments) ¹	64%	66%
Average gross margin	>200 bp	>190 bp

Public Investment Finance (PIF)

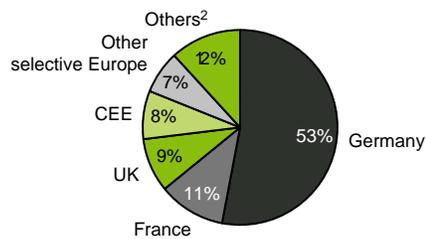
EUR billions



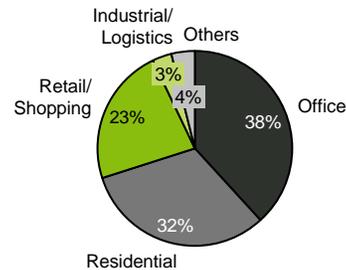
	FY 2010	9M 2011
No. of deals	51	34
Average maturity	~7.4 yrs	~8.9 yrs
Average gross margin	>100 bp	>100 bp

9M 2011: EUR 4.3 bn

by region

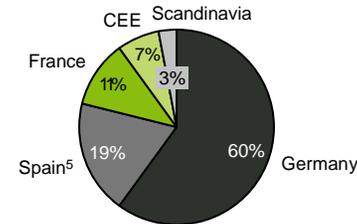


by property type

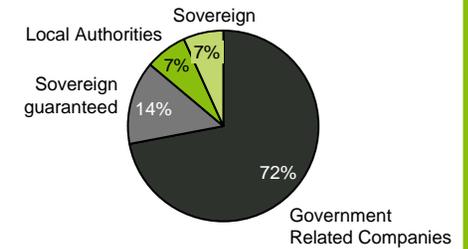


9M 2011: EUR 1.4 bn⁴

by region



by counterparty type

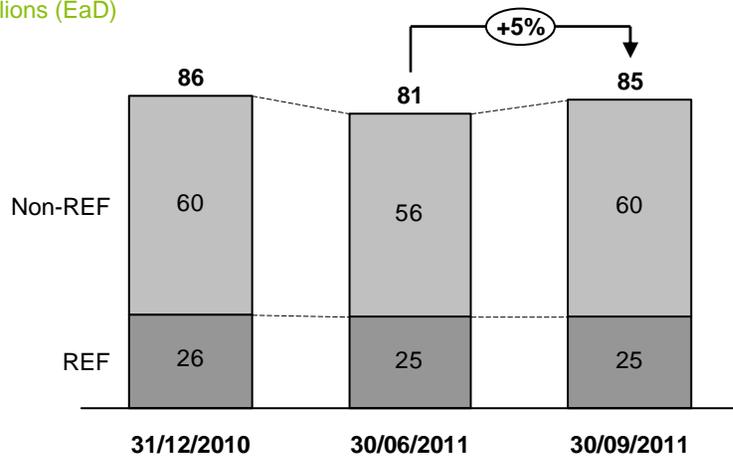


Note: Figures may not add up due to rounding 1 Extensions: 68% (FY 2010); 79% (9M 2011) 2 Only extensions 3 Incl. EUR 0.2 bn Public Budget Finance 4 Incl. EUR 0.2 bn Public Budget Finance 5 50% already syndicated/sold

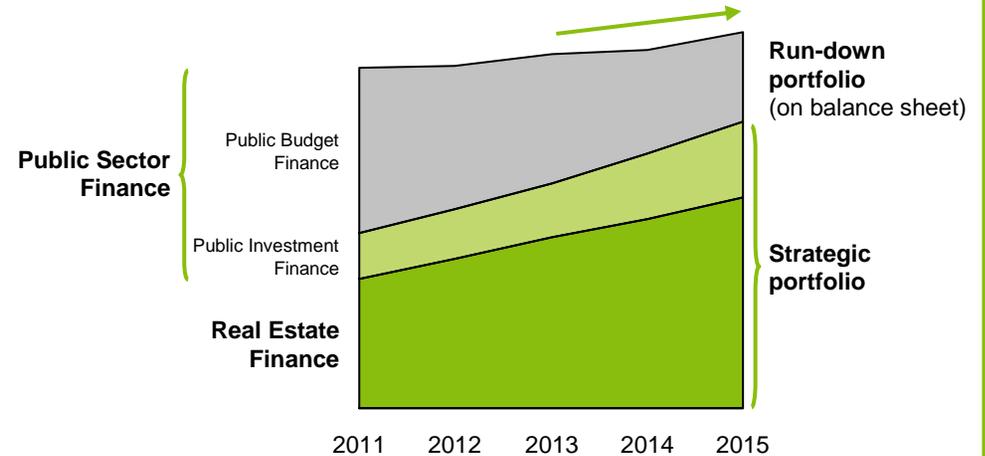
Total portfolio

In the future, portfolio growth in strategic business areas expected to compensate for the decline in Public Budget Finance

Total portfolio^{1,2} EUR billions (EaD)



Planned portfolio development³



- In Q3 2011, total portfolio increased by EUR 4 bn to EUR 85 bn, primarily reflecting a counterparty risk increase by EUR 3.9 bn to EUR 6.6 bn out of repo transactions with the German Central Bank
- The existing portfolio mainly consists of cover pool eligible assets in Germany and Europe

- In the future, portfolio growth in strategic business areas expected to compensate for the decline in Public Budget Finance

Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure/compensation claims 2 Excl. intra-group exposure 3 Scenario calculation based on EU restructuring plan

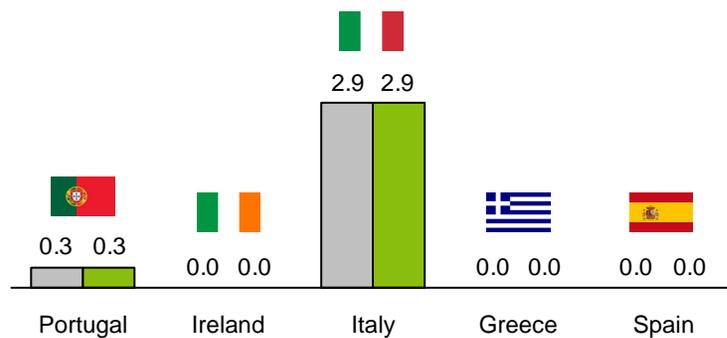
Exposure in selected countries

No sovereign exposure in Greece, Spain and Ireland – only limited sovereign exposure to Portugal and Italy

Non-REF: Sovereign exposure

EUR billions (EaD)¹

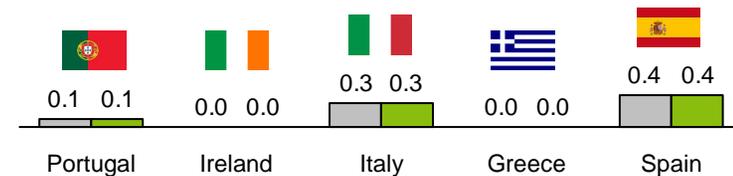
31/12/2010
30/09/2011



REF: Real Estate exposure

EUR billions (EaD)¹

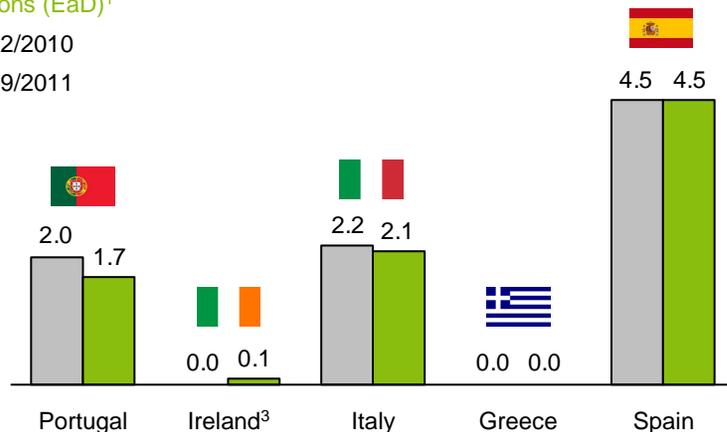
31/12/2010
30/09/2011



Non-REF: Non-sovereign² exposure

EUR billions (EaD)¹

31/12/2010
30/09/2011



Note: Figures may not add up due to rounding

1 Excl. FMS-WM guaranteed exposure/compensation claims

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

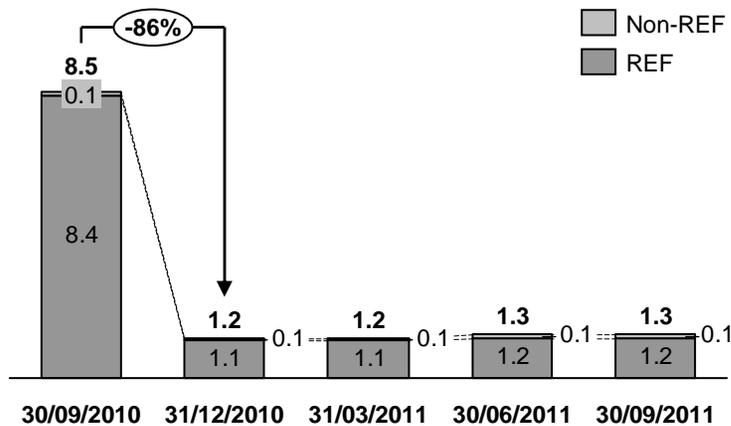
3 Excl. intra-group exposure; increase due to derivative positions with international investment banks (Dublin branches)

Problem loans

Total problem loans significantly reduced and adequately covered

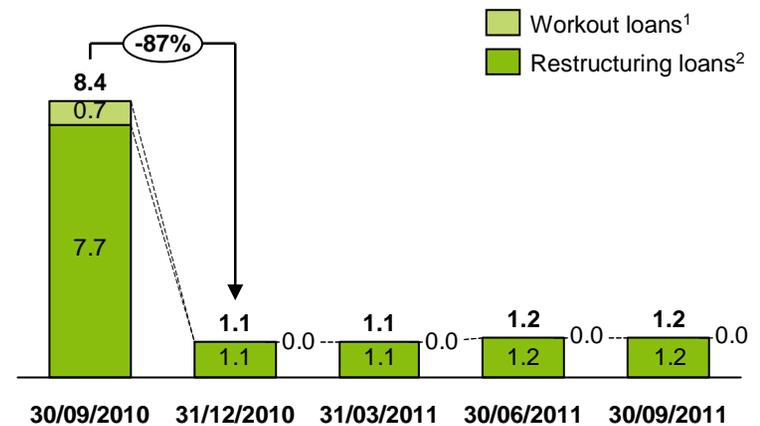
Total problem loans

EUR billions (EaD)



REF problem loans

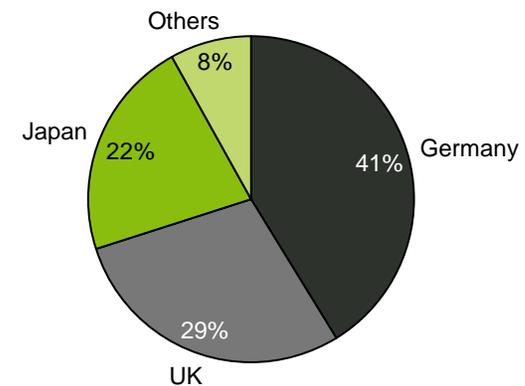
EUR billions (EaD)



■ Total problem loans stable – EUR 1.3 bn problem loans consist of 98 individual cases (30/06/2011: 95), which are adequately covered by loan-loss provisions

- Non-REF: EUR 0.1 bn – coverage ratio ~48%
- REF: EUR 1.2 bn – coverage ratio ~33%

30/09/2011: EUR 1.2 bn (EaD)



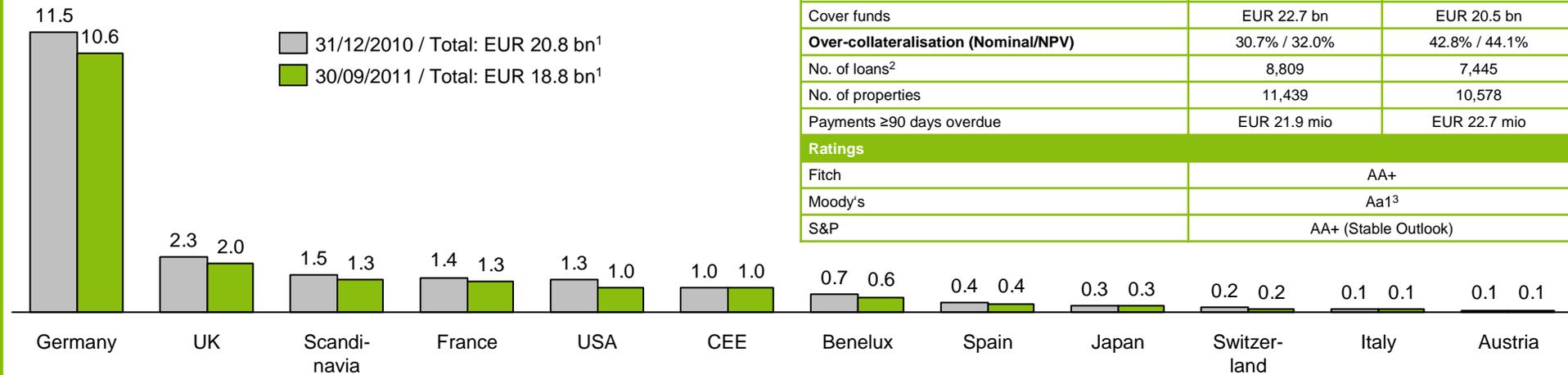
Note: Figures may not add up due to rounding 1 No signs that the deal will recover soon, compulsory measures necessary 2 Payments more than 90 days overdue or criteria acc. to respective policy apply

Cover pools

Mortgage cover pool

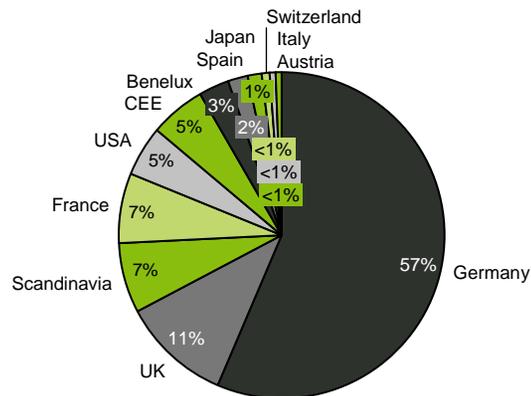
Cover funds by region

EUR billions (Nominal)



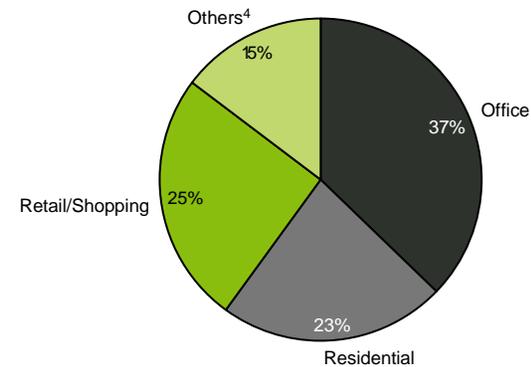
Mortgage cover pool (Nominal)	31/12/2010	30/09/2011
Pfandbriefe outstanding	EUR 17.4 bn	EUR 14.4 bn
Cover funds	EUR 22.7 bn	EUR 20.5 bn
Over-collateralisation (Nominal/NPV)	30.7% / 32.0%	42.8% / 44.1%
No. of loans ²	8,809	7,445
No. of properties	11,439	10,578
Payments ≥90 days overdue	EUR 21.9 mio	EUR 22.7 mio
Ratings		
Fitch	AA+	
Moody's	Aa1 ³	
S&P	AA+ (Stable Outlook)	

30/09/2011



Cover funds by property type

30/09/2011: EUR 18.8 bn¹ (Nominal)



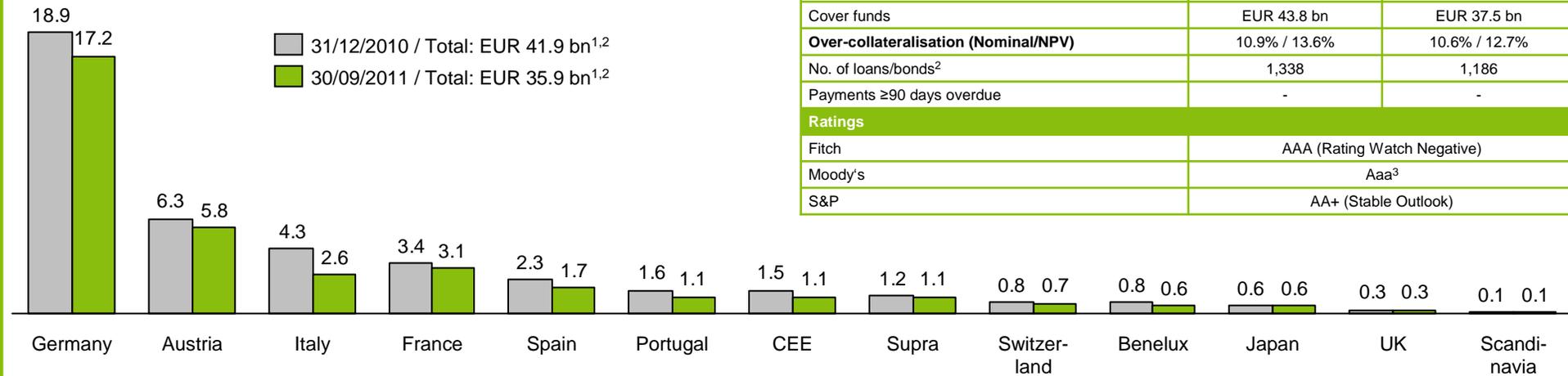
Note: Figures may not add up due to rounding ¹ Excl. additional cover assets (substitute collateral) ² Excl. derivatives ³ Collateral Risk Score: 13.4%, Cover Pool Loss Score: 21.5% ⁴ Incl. Industrial/Logistics

Cover pools

Public Sector cover pool

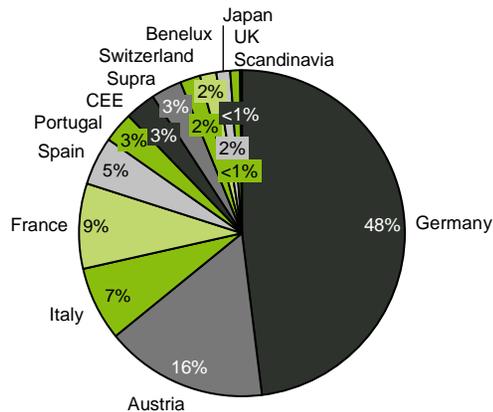
Cover funds by region

EUR billions (Nominal)



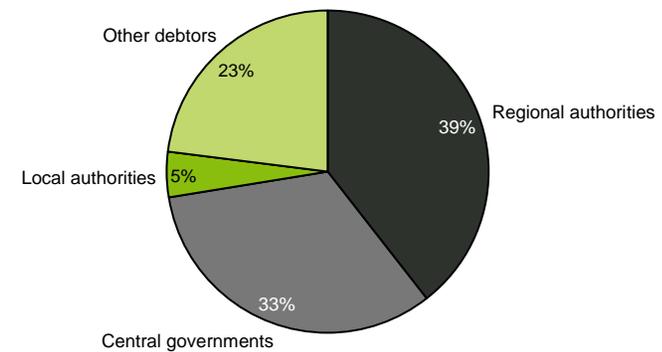
Public Sector cover pool (Nominal)	31/12/2010	30/09/2011
Pfandbriefe outstanding	EUR 39.5 bn	EUR 33.9 bn
Cover funds	EUR 43.8 bn	EUR 37.5 bn
Over-collateralisation (Nominal/NPV)	10.9% / 13.6%	10.6% / 12.7%
No. of loans/bonds ²	1,338	1,186
Payments ≥90 days overdue	-	-
Ratings		
Fitch	AAA (Rating Watch Negative)	
Moody's	Aaa ³	
S&P	AA+ (Stable Outlook)	

30/09/2011



Cover funds by counterparty type

30/09/2011: EUR 35.9 bn^{1,2} (Nominal)



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 pools

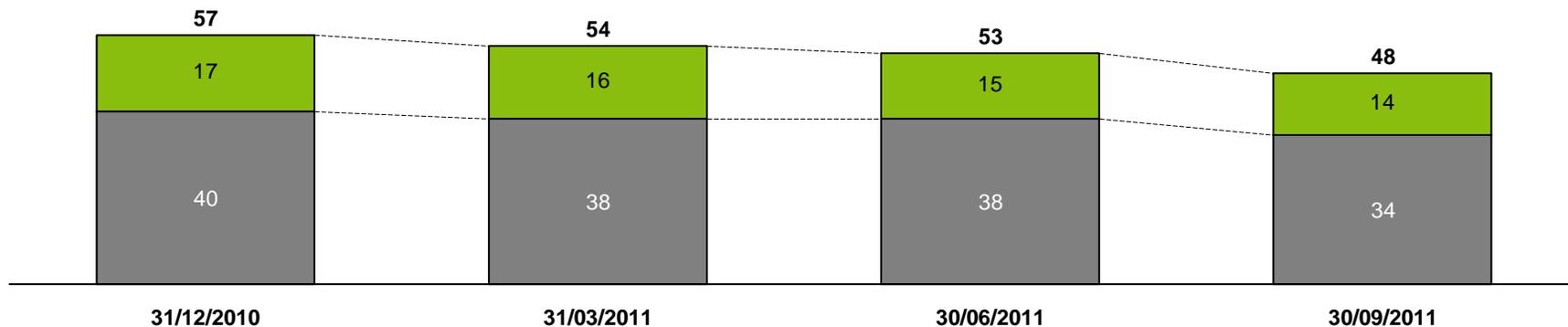
pbb aims to be top player in the Pfandbrief market constantly issuing new material



Pfandbriefe outstanding

EUR billions (Nominal)

Mortgage Pfandbriefe
Public Sector Pfandbriefe



- ➔ Outstanding Public Sector Pfandbriefe expected to decline following the run-down of Public Budget Finance (PBF), which will only be partly mitigated by strategic new Public Investment Finance (PIF) business
- ➔ In the future, increase in Mortgage Pfandbriefe expected to largely compensate for decline in Public Sector Pfandbriefe
- ➔ Funding volumes mainly determined by new business – 5-year Mortgage Pfandbrief issued end of September

- ➔ **pbb profitable for more than one year with stable and sufficient income base**
- ➔ **New business origination well under way at attractive margins – at present, only very selective new PIF business**
- ➔ **Public Budget Finance will be run down on balance sheet**
 - continues to generate interest income
 - to be replaced by strategic higher-margin REF and PIF business over time
- ➔ **Comfortable liquidity position allows for gradual re-entrance into the Pfandbrief market and unsecured capital markets**

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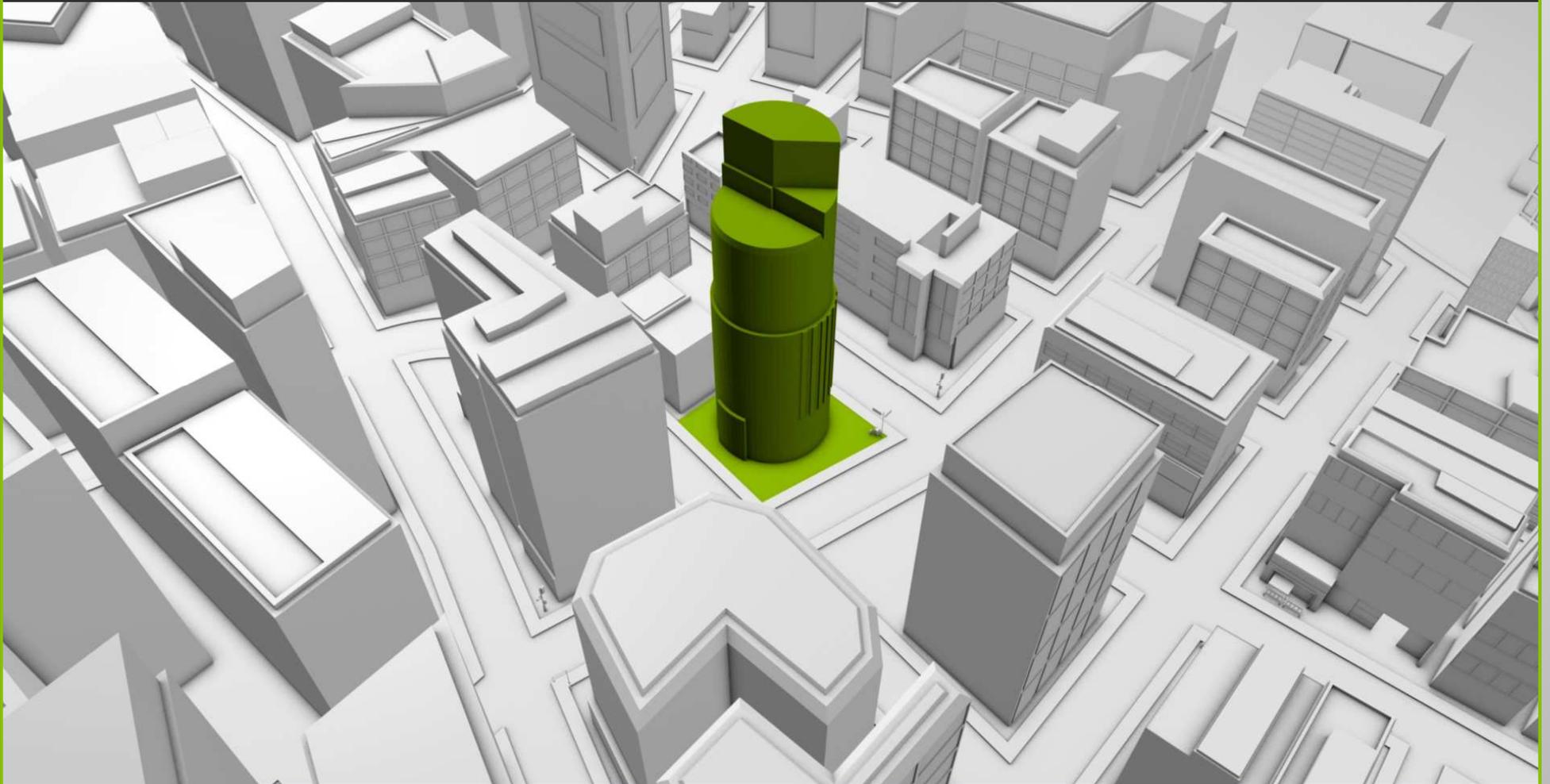
Appendix 1 – pbb

Results Q3 2011

PUBLIC SECTOR FINANCE
REAL ESTATE FINANCE

pbb

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Results Q3 2011, 15th November, 2011

pbb Deutsche Pfandbriefbank
Group structure – pbb being the strategic core bank within HRE Group

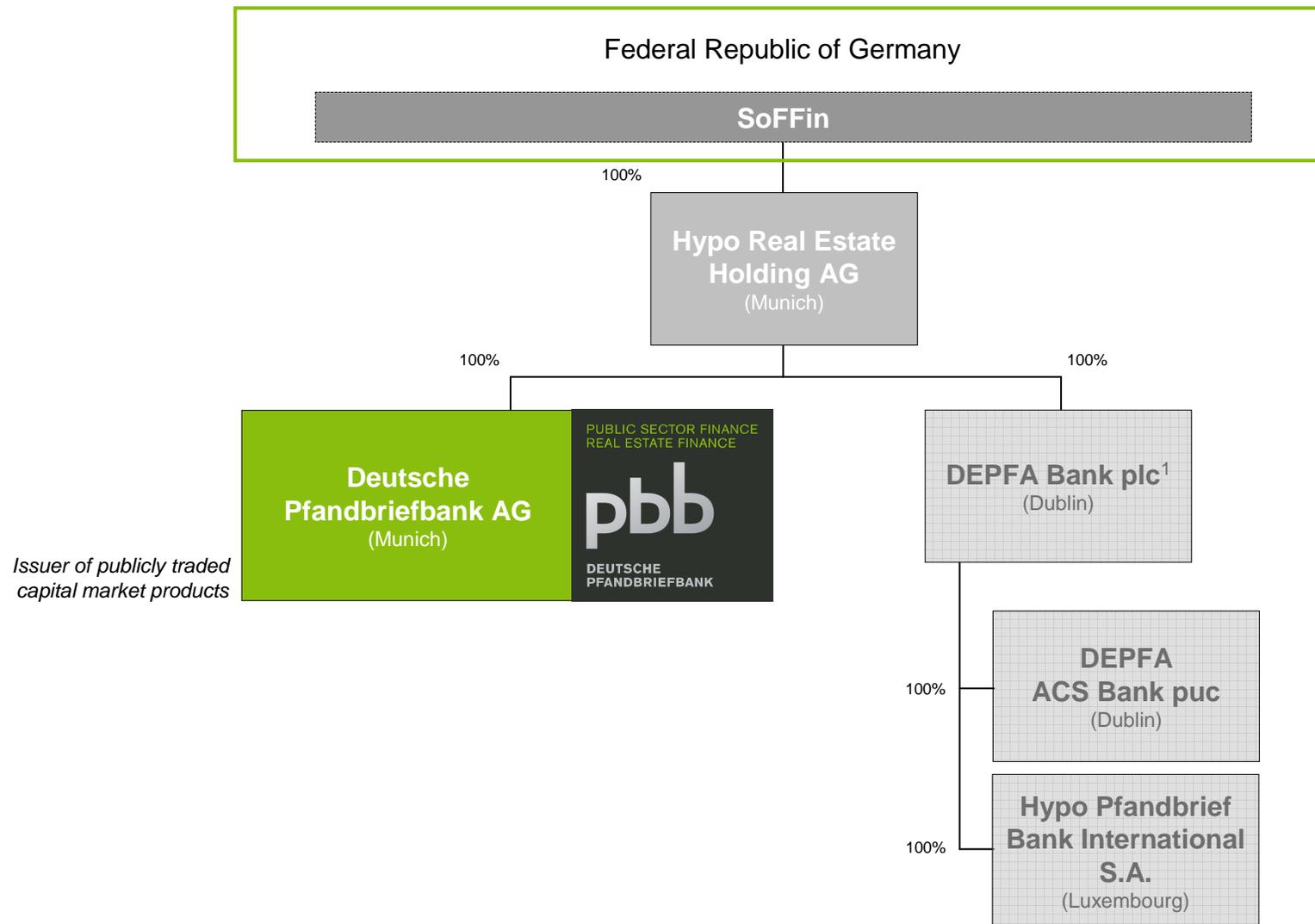


pbb

Appendix 1 – pbb

Appendix 2 – DEPFA

Appendix 3 – HRE Group



¹ Incl. Hypo Public Finance Bank and branches

Financial Results

Total Portfolio

- Real Estate Portfolio

- Non-Real Estate Portfolio

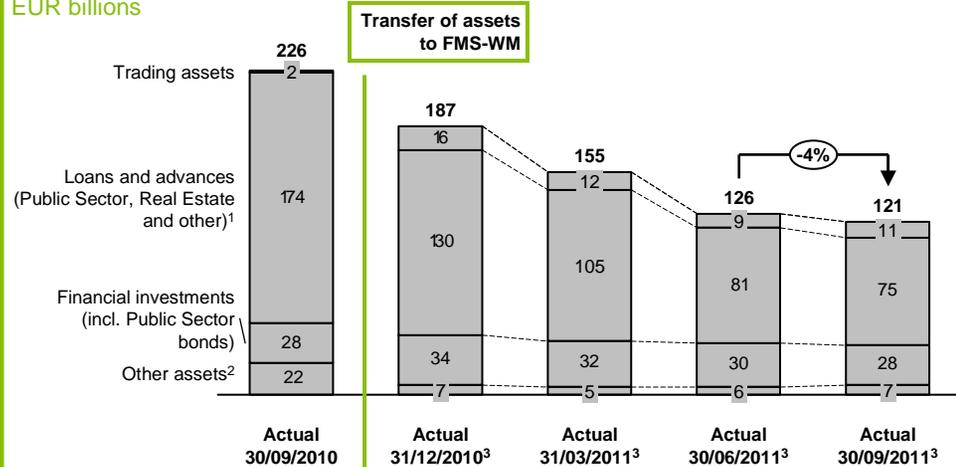
Cover Pools

- Mortgage Cover Pool

- Public Sector Cover Pool

Total assets (IFRS)

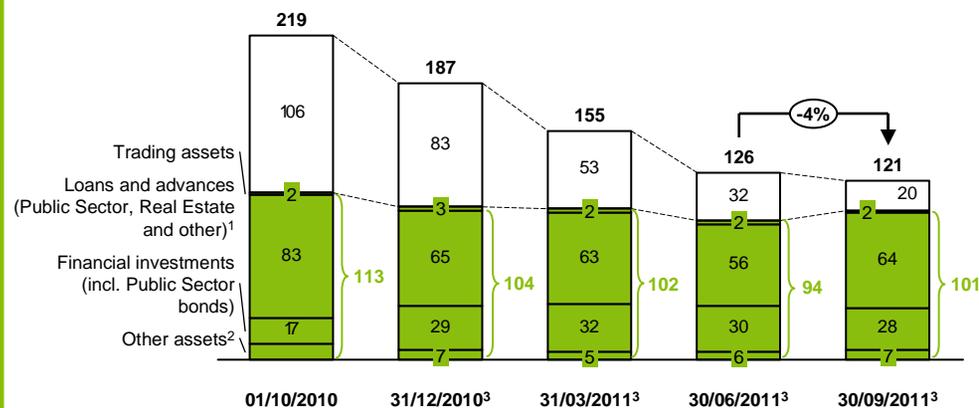
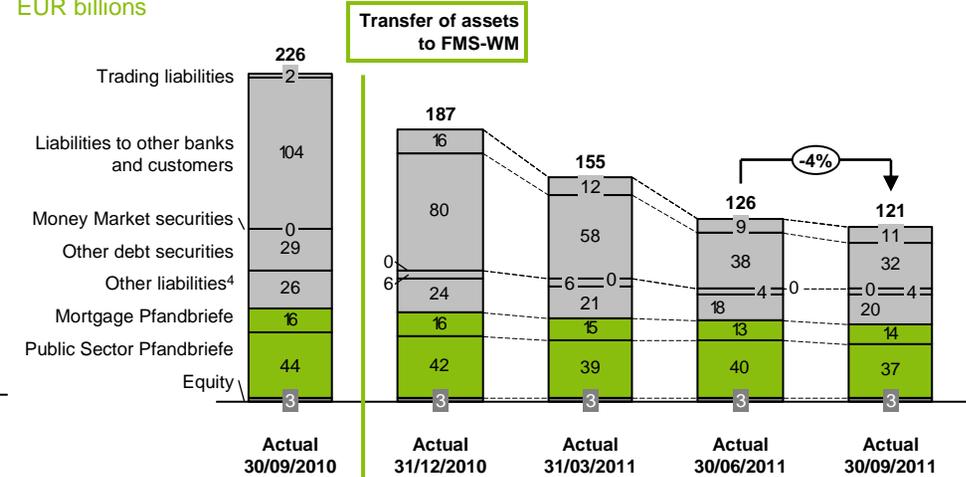
EUR billions



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

Total liabilities and equity (IFRS)

EUR billions



- 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 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
- 4 Provisions, other liabilities (esp. negative market values of hedging derivatives), income tax liabilities, subordinated capital

Note: Figures may not add up due to rounding

pbb Deutsche Pfandbriefbank
Balance sheet



Assets (IFRS) EUR millions	30/09/2011 ¹	31/12/2010 ¹	Change	
			EUR mio	%
Cash reserve	49	224	-175	-78.1
Trading assets	11,232	16,168	-4,936	-30.5
Loans and advances to other banks	12,751	12,128	623	5.1
Loans and advances to customers	62,619	118,642	-56,023	-47.2
Allowances for losses on loans and advances	-504	-561	57	10.2
Financial investments	27,620	33,605	-5,985	-17.8
Property, plan and equipment	3	5	-2	-40.0
Intangible assets	35	32	3	9.4
Other assets	5,683	5,035	648	12.9
Income tax assets	1,579	1,545	34	2.2
Total assets	121,067	186,823	-65,756	-35.2

Equity and liabilities (IFRS) EUR millions	30/09/2011	31/12/2010	Change	
			EUR mio	%
Liabilities to other banks	14,835	62,587	-47,752	-76.3
Liabilities to customers	17,338	17,384	-46	-0.3
Liabilities evidenced by certificates	54,246	63,846	-9,600	-15.0
Trading liabilities	11,121	16,294	-5,173	-31.7
Provisions	167	176	-9	-5.1
Other liabilities	16,174	18,883	-2,709	-14.3
Income tax liabilities	1,515	1,526	-11	-0.7
Subordinated capital	2,494	2,766	-272	-9.8
Liabilities	117,890	183,462	-65,572	-35.7
Subscribed capital	380	380	-	-
Silent participation	999	999	-	-
Additional paid-in capital	5,036	5,036	-	-
Retained earnings	-3,274	-3,089	-185	-6.0
Foreign currency reserve	-35	-35	-	-
Revaluation reserve	-26	255	-281	<-100.0
<i>Afs reserve</i>	-463	-259	-204	-78.8
<i>Cash flow hedge reserve</i>	437	514	-77	-15.0
Consolidated profit/loss 2010	0	-185	185	100.0
Consolidated profit/loss 9M 2011	97	0	97	>100.0
Equity attributable to equity holders	3,177	3,361	-184	-5.5
Non-controlling interest in equity	0	0	-	-
Equity	3,177	3,361	-184	-5.5
Total equity and liabilities	121,067	186,823		

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

Total Portfolio

Real Estate Portfolio

Non-Real Estate Portfolio

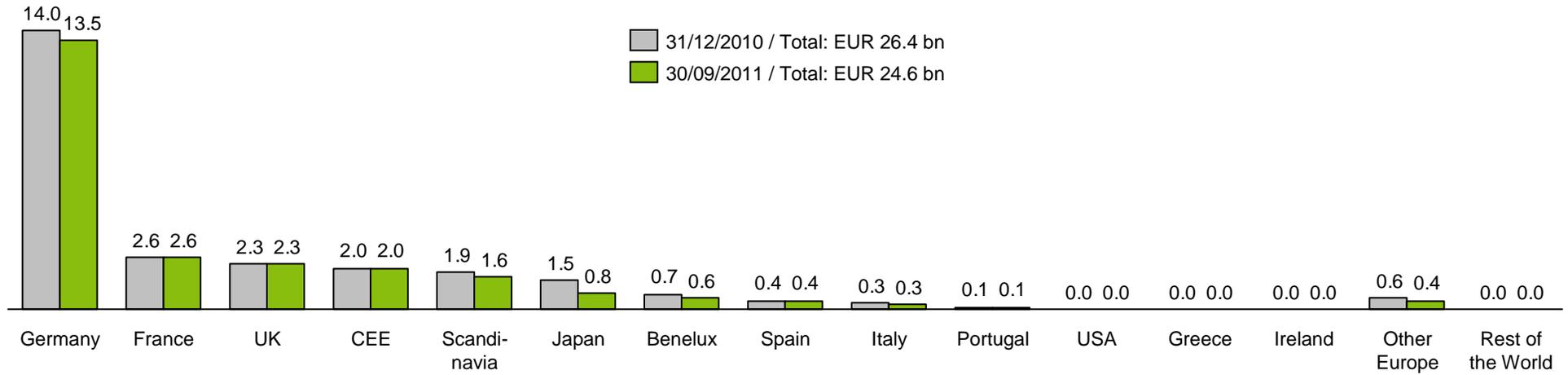
Cover Pools

Mortgage Cover Pool

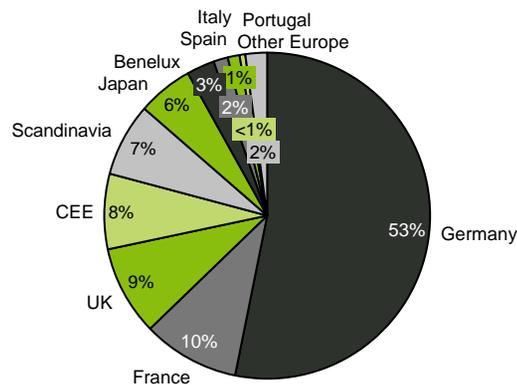
Public Sector Cover Pool

Exposure by region

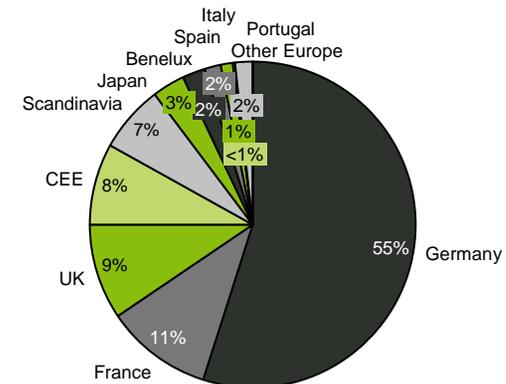
EUR billions (EaD)¹



31/12/2010



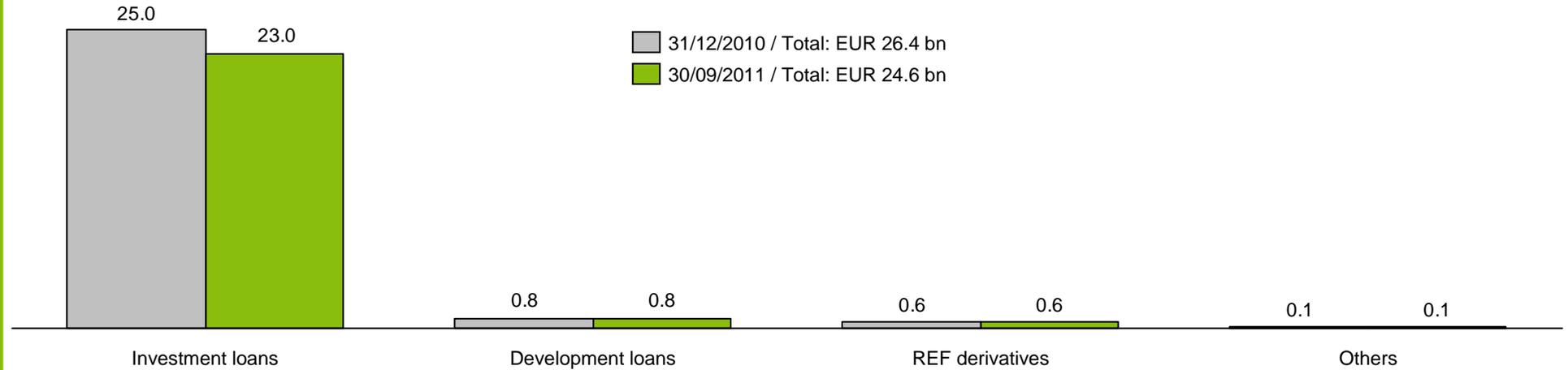
30/09/2011



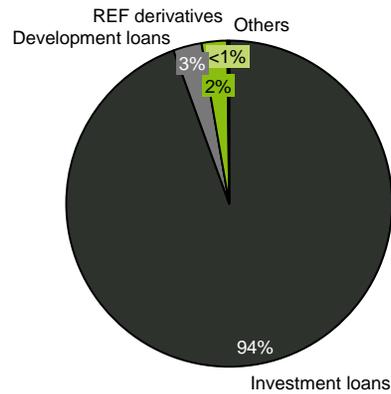
Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure/compensation claims

Exposure by loan type

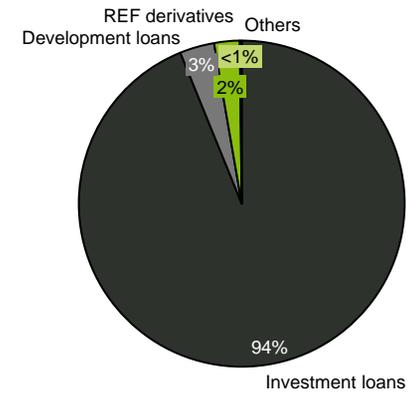
EUR billions (EaD)¹



31/12/2010



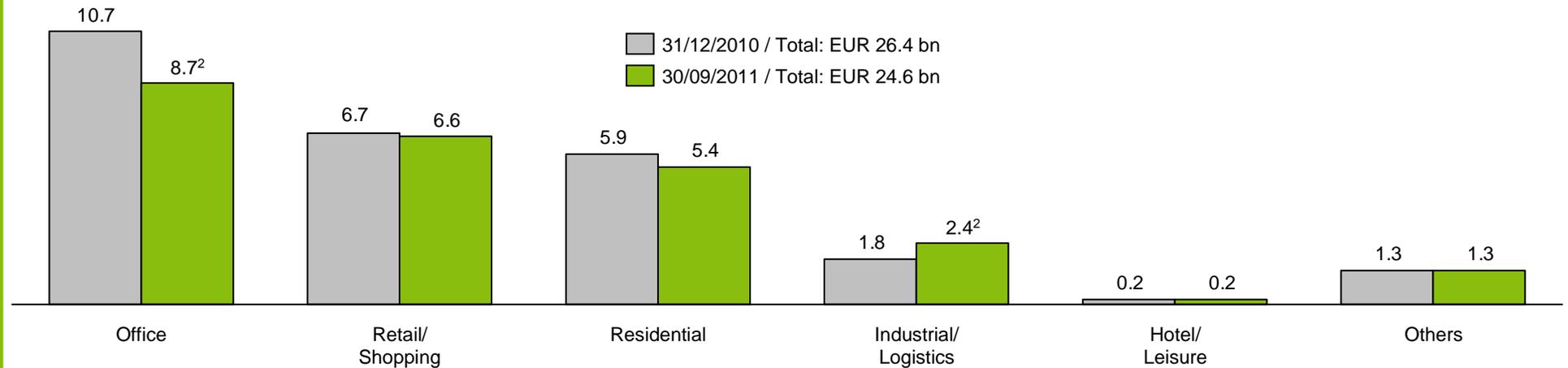
30/09/2011



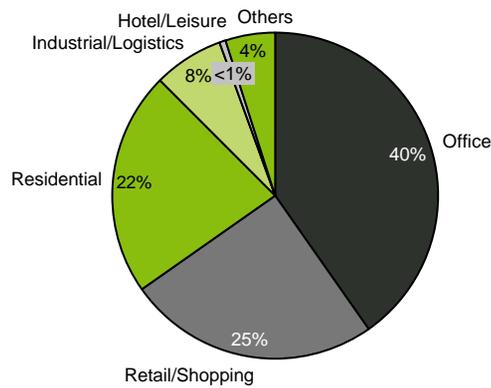
Note: Figures may not add up due to rounding ¹ Excl. FMS-WM guaranteed exposure/compensation claims

Exposure by property type

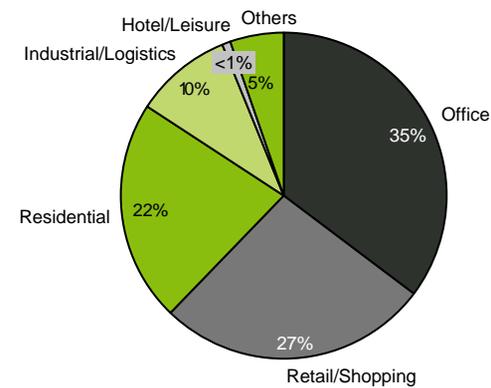
EUR billions (EaD)¹



31/12/2010



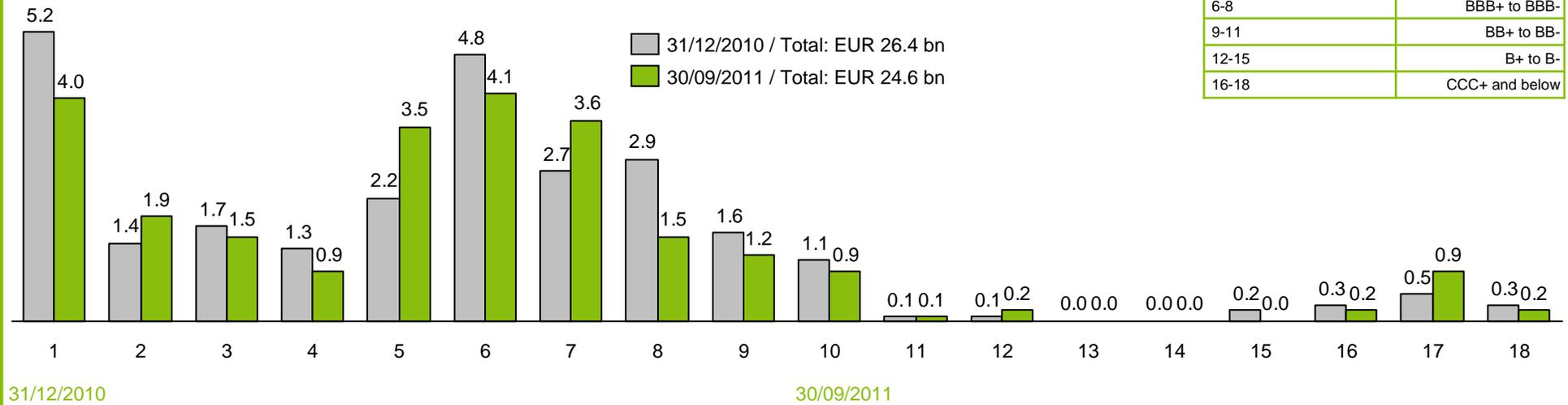
30/09/2011



Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure/compensation claims 2 Change of main property type from 'Office' to 'Industrial/Logistics' in a portfolio transaction (EUR 0.6 bn)

Exposure by EL classes

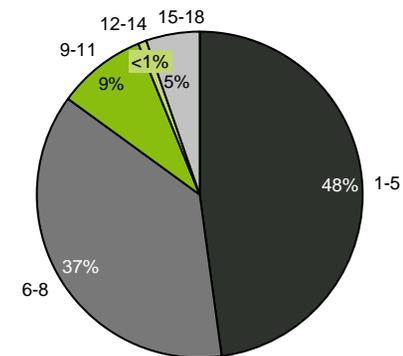
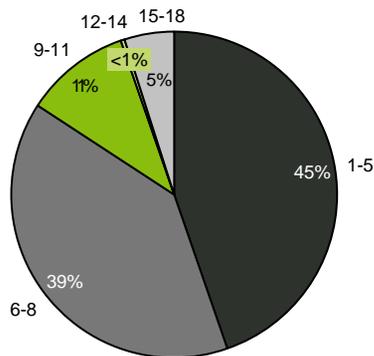
EUR billions (EaD)¹



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

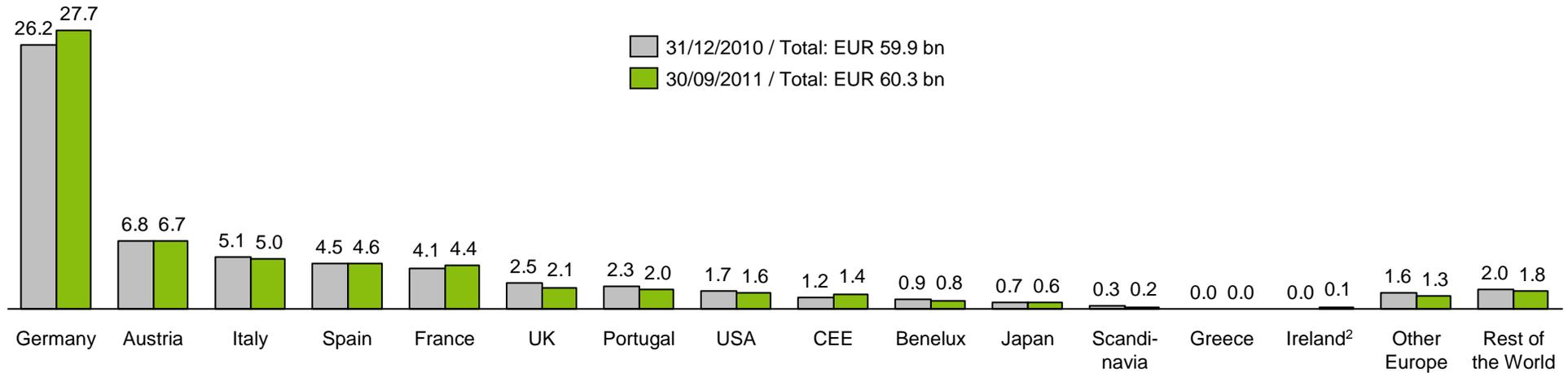
30/09/2011



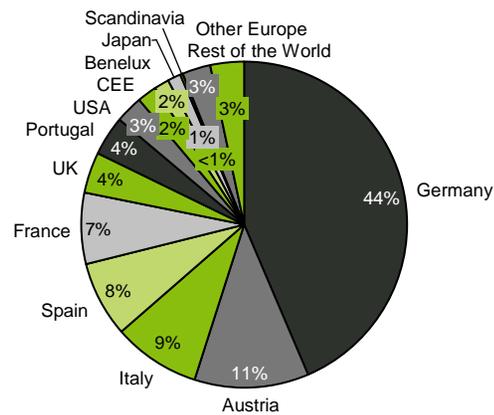
Note: Figures may not add up due to rounding ¹ Excl. FMS-WM guaranteed exposure/compensation claims

Exposure by region

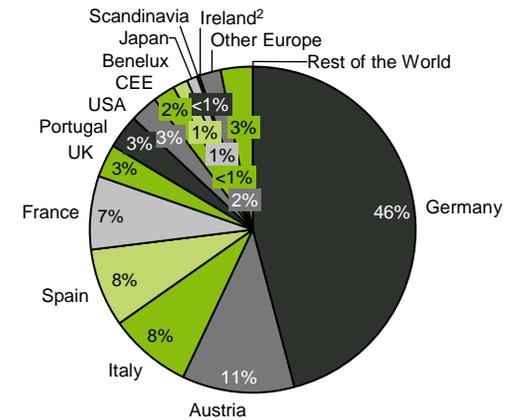
EUR billions (EaD)¹



31/12/2010



30/09/2011



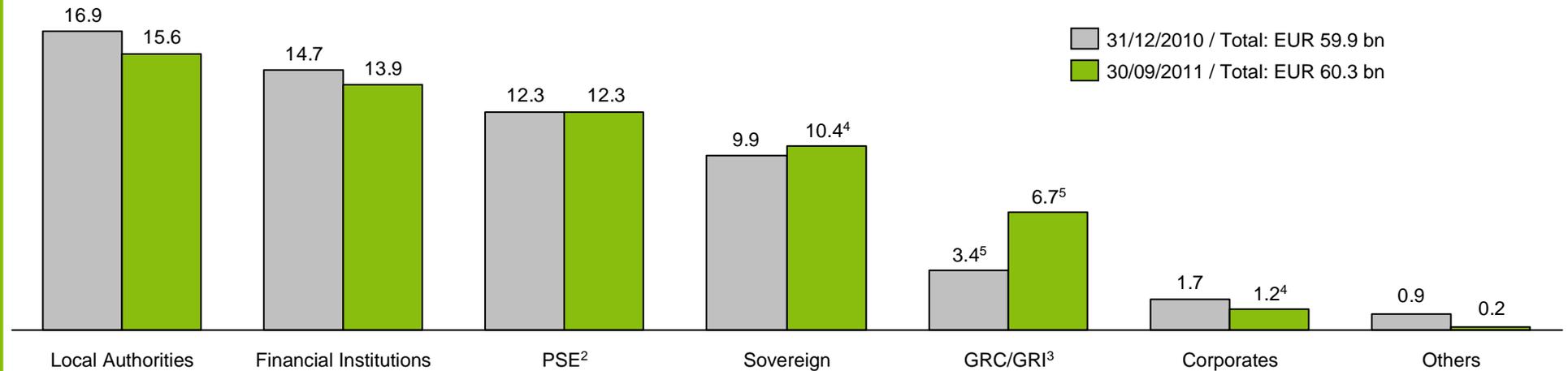
Note: Figures may not add up due to rounding

¹ Excl. FMS-WM guaranteed exposure/compensation claims

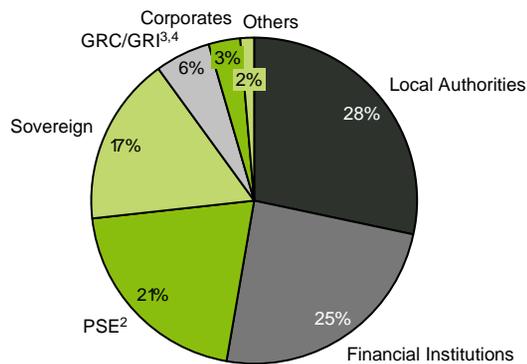
² Excl. intra-group exposure; increase due to derivative positions with international investment banks (Dublin branches)

Exposure by counterparty type

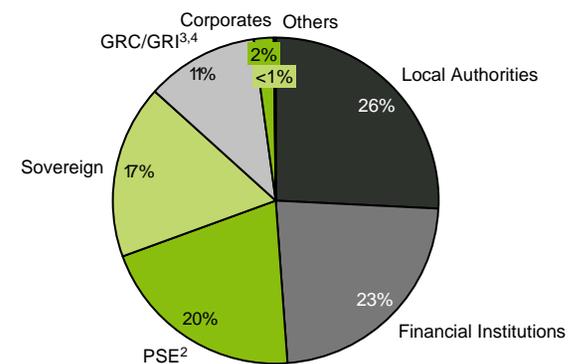
EUR billions (EaD)¹



31/12/2010



30/09/2011



Note: Figures may not add up due to rounding

¹ Excl. FMS-WM guaranteed exposure/compensation claims

² Public Sector Entities (entities with explicit or implicit financial support from a tax raising authority)

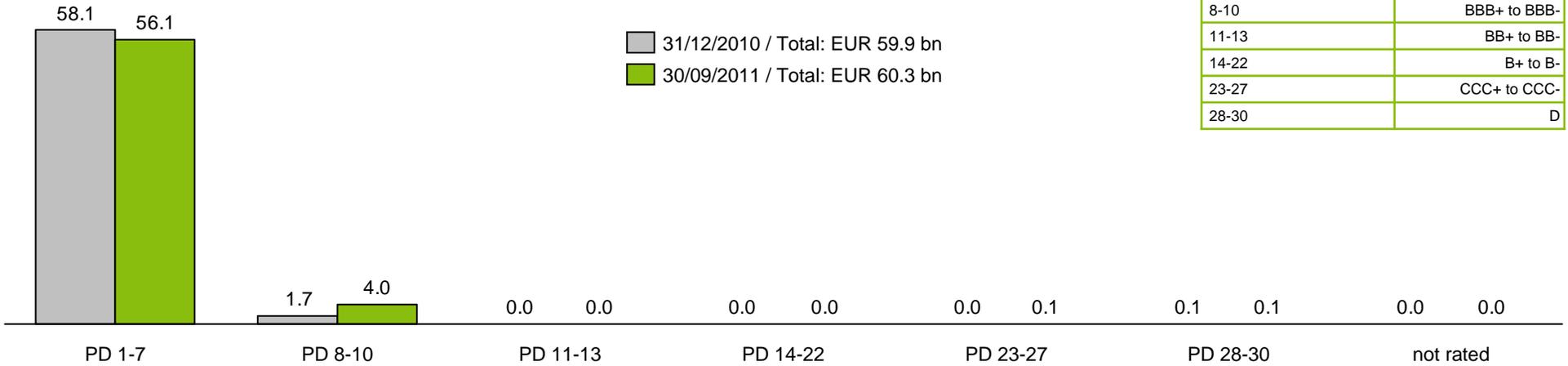
³ Government Related Companies/Institutions (e.g. airports, healthcare, private/public education, water/sewage)

⁴ Change of a German counterparty from counterparty type 'Corporates' to 'Sovereign' (EUR 0.5 bn)

⁵ Incl. accounts with German Central Bank (31/12/2010: EUR 3.3 bn; 30/09/2011: EUR 6.6 bn)

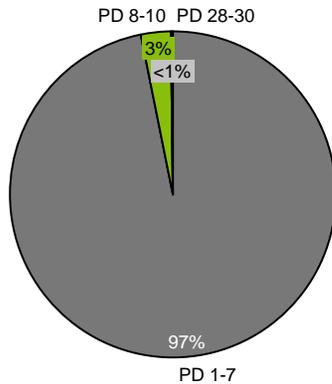
Exposure by PD class

EUR billions (EaD)¹

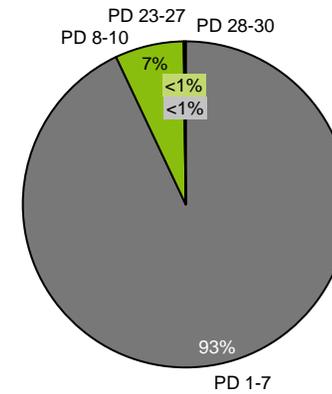


PD class	S&P rating scale
1-7	AAA to A-
8-10	BBB+ to BBB-
11-13	BB+ to BB-
14-22	B+ to B-
23-27	CCC+ to CCC-
28-30	D

31/12/2010



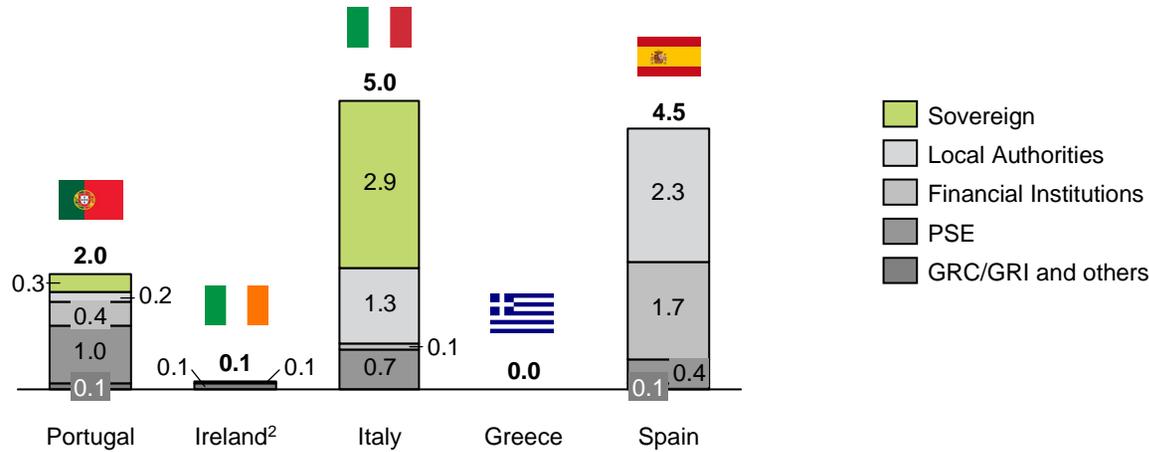
30/09/2011



Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure/compensation claims

Non-REF: Exposure by counterparty types

30/09/2011: EUR billions (EaD)¹



Note: Figures may not add up due to rounding

¹ Excl. FMS-WM guaranteed exposure/compensation claims

² Excl. intra-group exposure; incl. derivative positions with international investment banks (Dublin branches)

Financial Results

Total Portfolio

Real Estate Portfolio

Non-Real Estate Portfolio

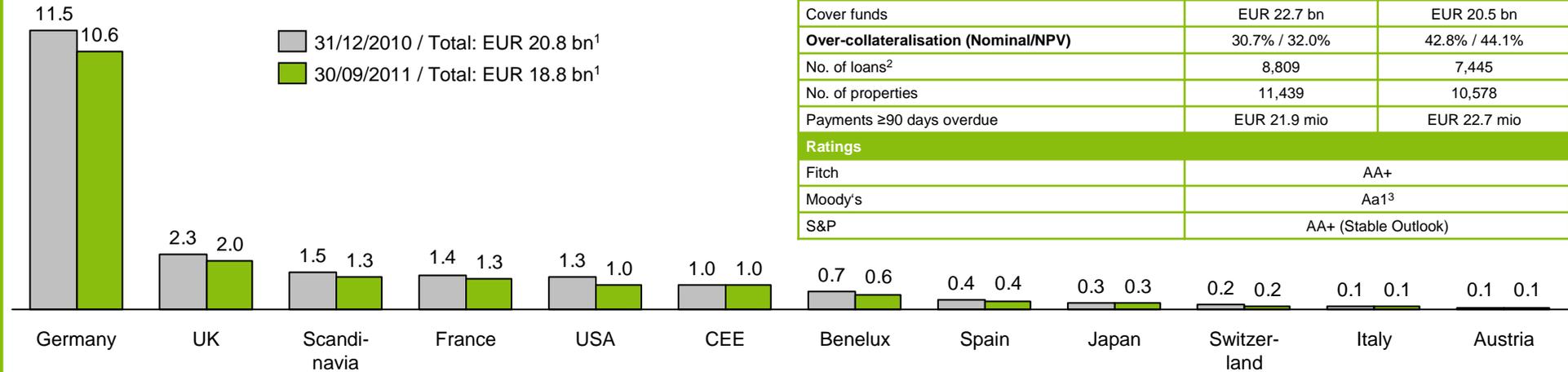
Cover Pools

Mortgage Cover Pool

Public Sector Cover Pool

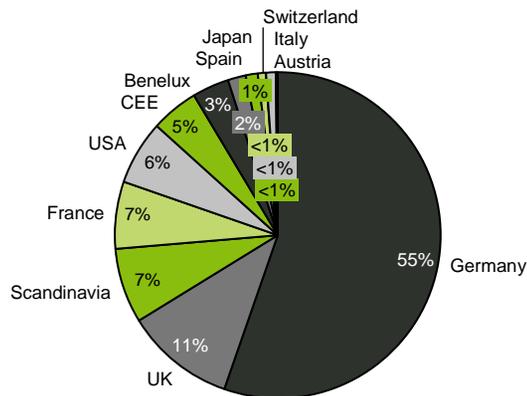
Cover funds by region

EUR billions (Nominal)

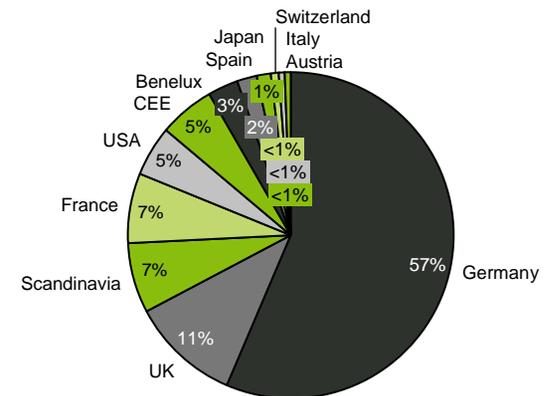


Mortgage cover pool (Nominal)	31/12/2010	30/09/2011
Pfandbriefe outstanding	EUR 17.4 bn	EUR 14.4 bn
Cover funds	EUR 22.7 bn	EUR 20.5 bn
Over-collateralisation (Nominal/NPV)	30.7% / 32.0%	42.8% / 44.1%
No. of loans ²	8,809	7,445
No. of properties	11,439	10,578
Payments ≥90 days overdue	EUR 21.9 mio	EUR 22.7 mio
Ratings		
Fitch	AA+	
Moody's	Aa1 ³	
S&P	AA+ (Stable Outlook)	

31/12/2010



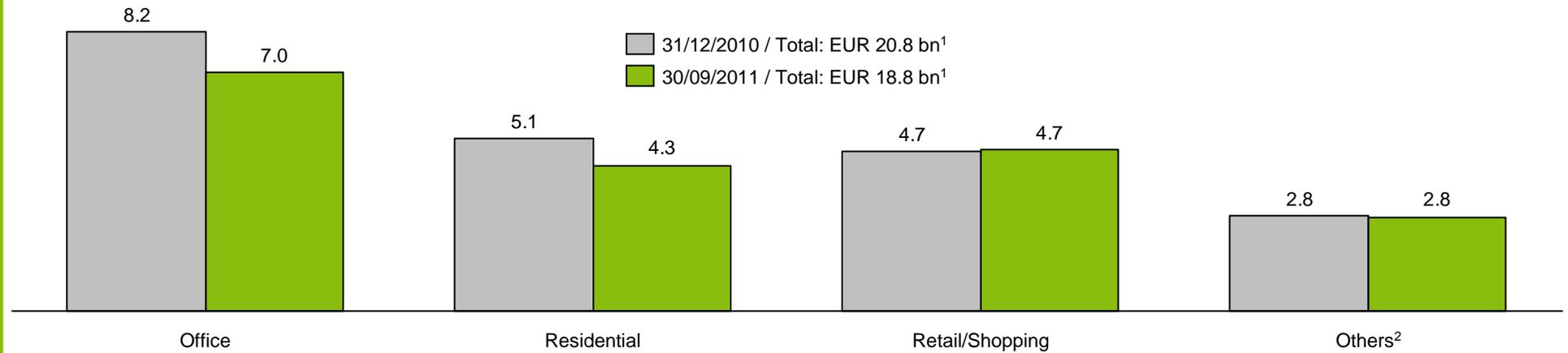
30/09/2011



Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Excl. derivatives 3 Collateral Risk Score: 13.4%, Cover Pool Loss Score: 21.5%

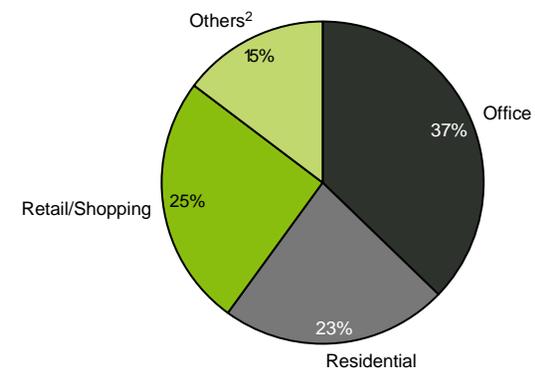
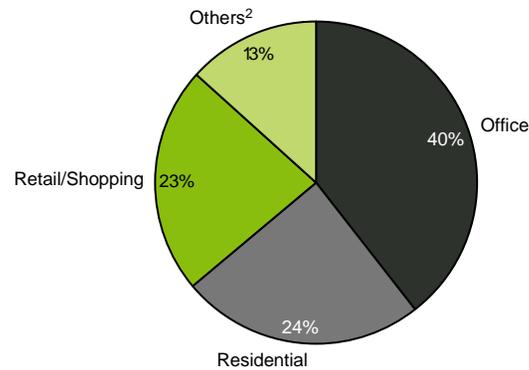
Cover funds by property type

EUR billions (Nominal)



31/12/2010

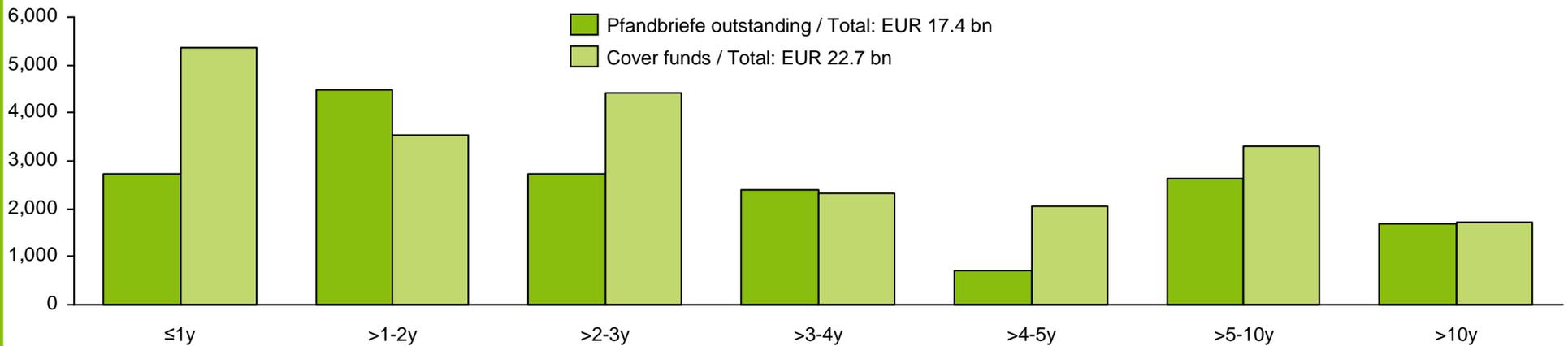
30/09/2011



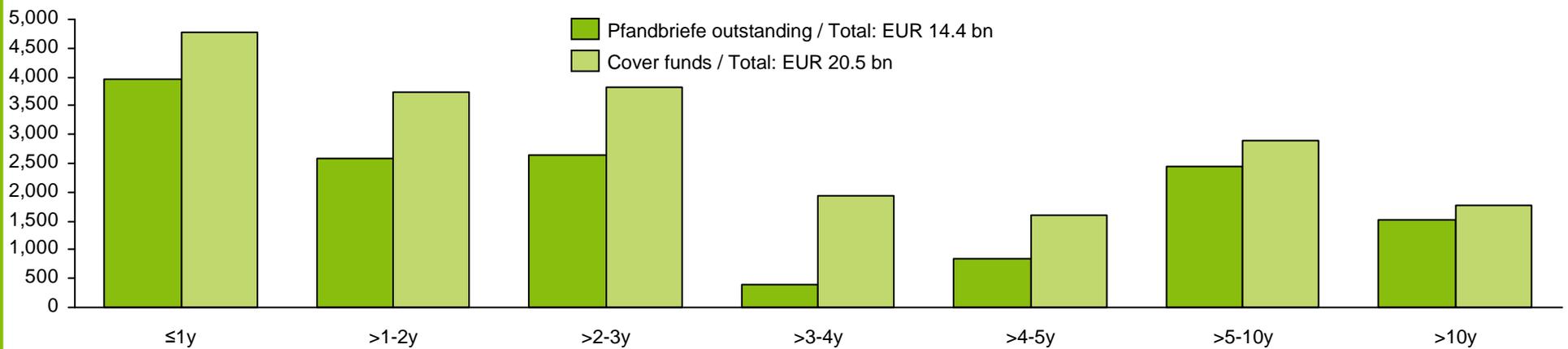
Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Incl. Industrial/Logistics

Maturity profile^{1,2}

31/12/2010: EUR millions (Nominal)



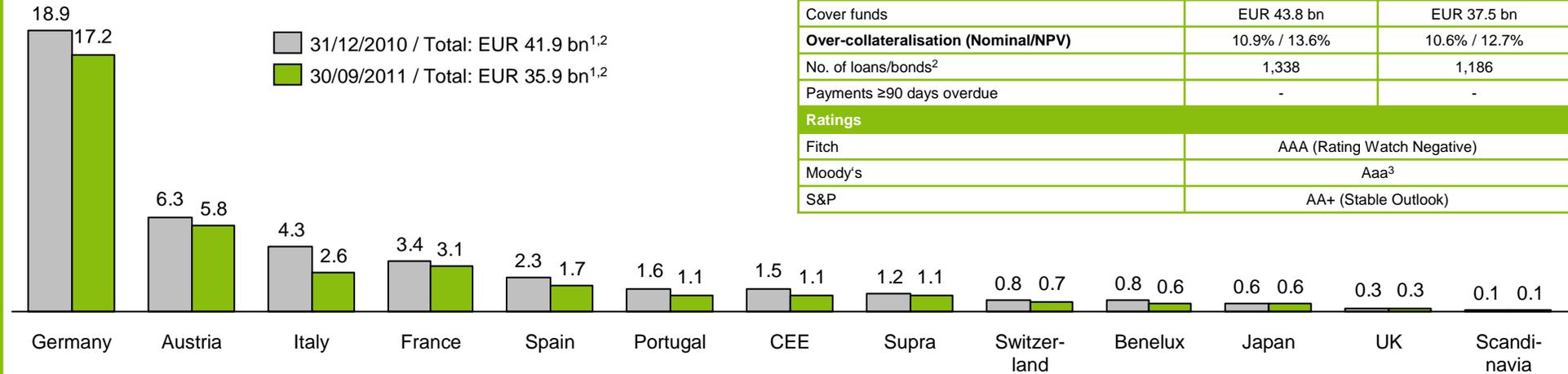
30/09/2011: EUR millions (Nominal)



Note: Figures may not add up due to rounding 1 Assets to interest reset date; liabilities to legal maturity 2 Incl. additional cover assets (substitute collateral) and derivatives

Cover funds by region

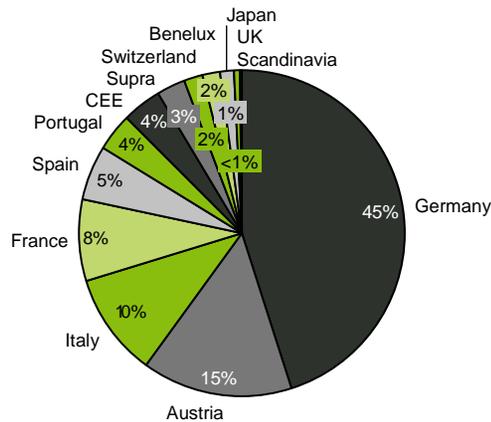
EUR billions (Nominal)



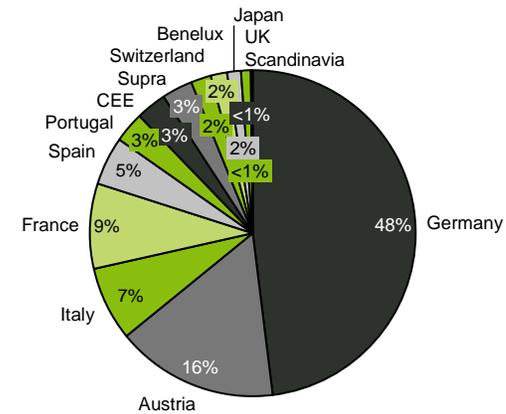
31/12/2010 / Total: EUR 41.9 bn^{1,2}
 30/09/2011 / Total: EUR 35.9 bn^{1,2}

Public Sector cover pool (Nominal)	31/12/2010	30/09/2011
Pfandbriefe outstanding	EUR 39.5 bn	EUR 33.9 bn
Cover funds	EUR 43.8 bn	EUR 37.5 bn
Over-collateralisation (Nominal/NPV)	10.9% / 13.6%	10.6% / 12.7%
No. of loans/bonds ²	1,338	1,186
Payments ≥90 days overdue	-	-
Ratings		
Fitch	AAA (Rating Watch Negative)	
Moody's	Aaa ³	
S&P	AA+ (Stable Outlook)	

31/12/2010



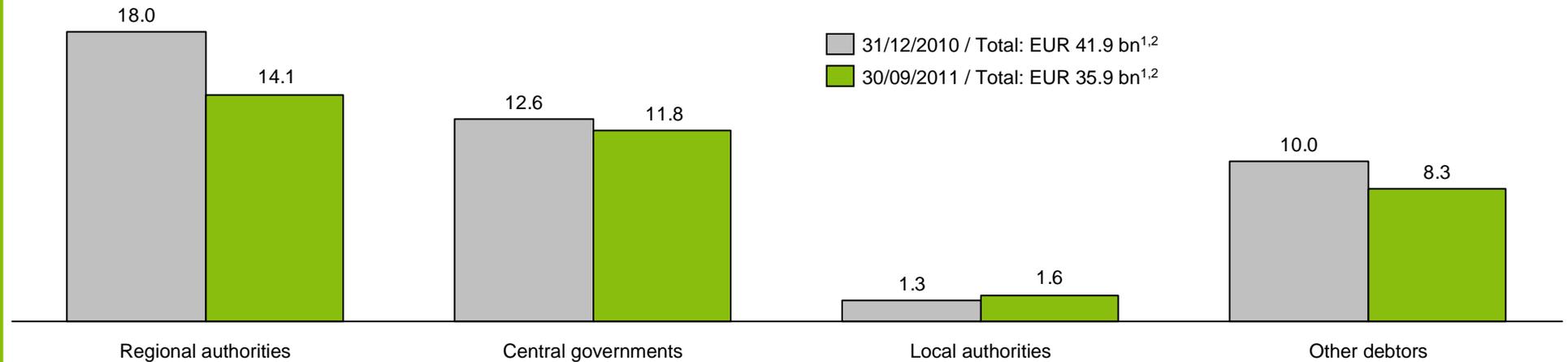
30/09/2011



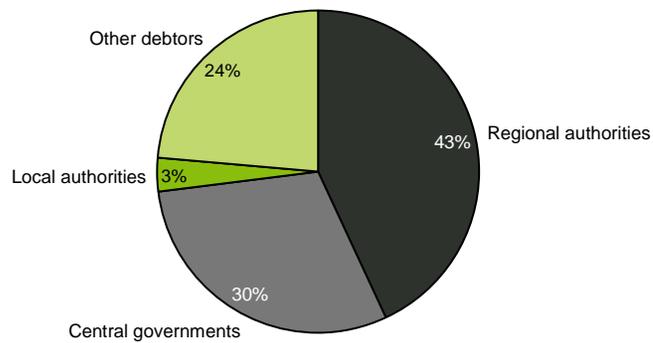
Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Excl. derivatives 3 Collateral Risk Score: 3.5%, Cover Pool Loss Score: 8.6%

Cover funds by counterparty type

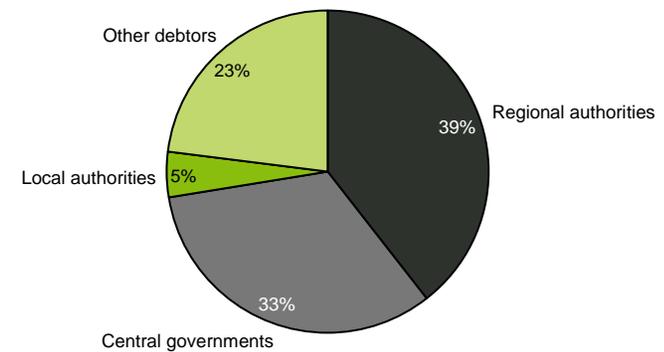
EUR billions (Nominal)



31/12/2010



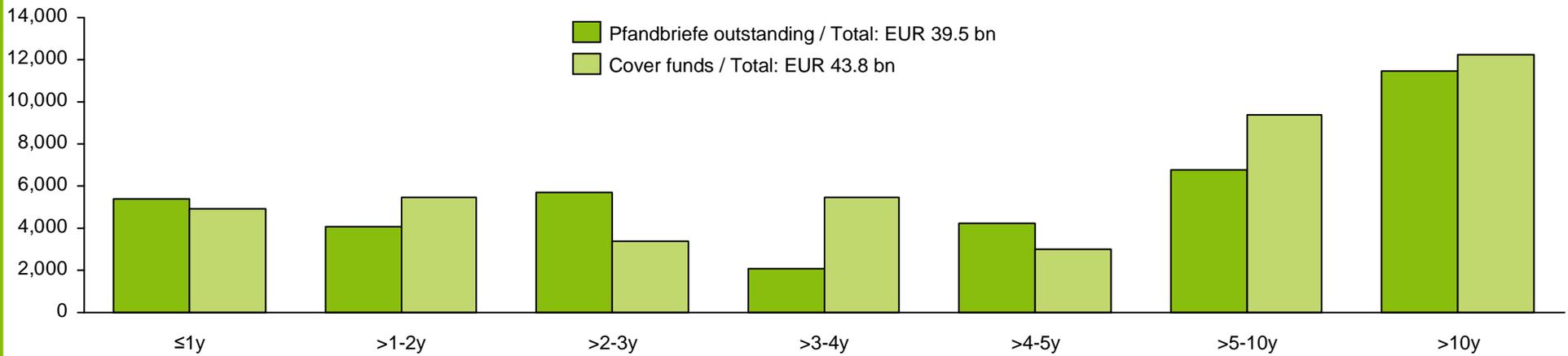
30/09/2011



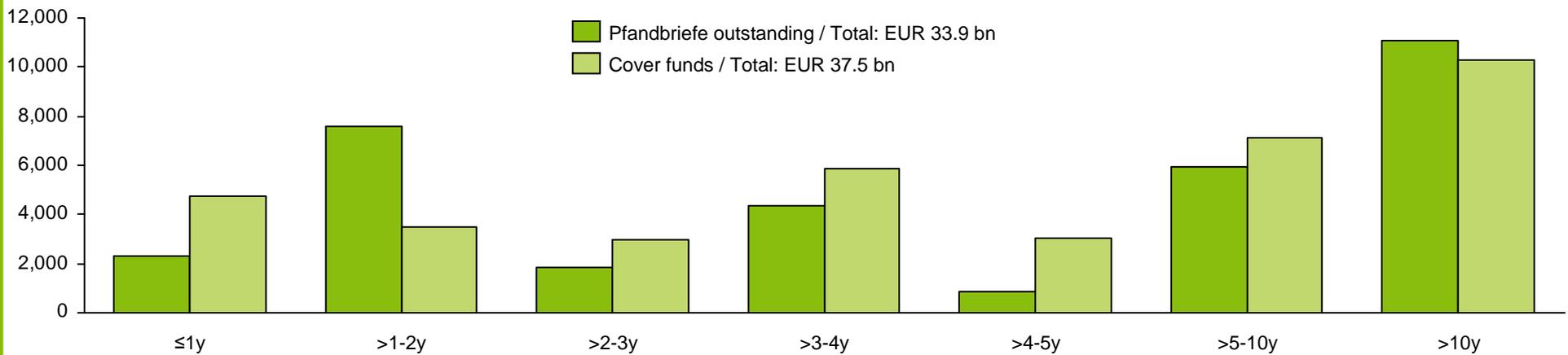
Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Excl. derivatives

Maturity profile^{1,2}

31/12/2010: EUR millions (Nominal)



30/09/2011: EUR millions (Nominal)



Note: Figures may not add up due to rounding 1 Assets to interest reset date; liabilities to legal maturity 2 Incl. additional cover assets (substitute collateral) and derivatives

Appendix 2 – DEPFA

Results Q3 2011

DEPFA

Agenda

pbp

Appendix 1 – pbp

Appendix 2 – DEPFA

Appendix 3 – HRE Group

Financial Results

Total Portfolio

ACS Cover Pool

HPBI Cover Pool

DEPFA

Income statement

Income statement (IFRS)

EUR millions

	Q1 2010 ¹	Q2 2010 ¹	Q3 2010 ¹	9M 2010 ¹	Q4 2010 ¹	Q1 2011	Q2 2011	Q3 2011	9M 2011
Operating revenues	-52	-159	-370	-581	101	151	45	45	241
Net interest and similar income	77	77	34	188	-11	122	46	14	182
Net commission income	-94	-96	-112	-302	-8	-6	-4	-8	-18
thereof: Intra-group refinancing ²	-95	-98	-114	-307	-3	0	0	0	0
Net trading income	-85	-145	-278	-508	51	2	8	3	13
Net income from financial investments	50	25	19	94	12	-19	-15	-2	-36
Net income from hedge relationships	0	-29	10	-19	8	12	-5	15	22
Balance of other operating income/expenses	0	9	-43	-34	49	40	15	23	78
Provisions for losses on loans and advances	-34	-20	20	-34	32	7	12	-2	17
General administrative expenses	-31	-50	-73	-154	-49	-33	-39	-33	-105
Balance of other income/expenses	0	1	-1	0	5	0	1	0	1
Pre-tax profit/loss	-117	-228	-424	-769	89	125	19	10	154

- In Q3 2011, net interest income includes EUR 3 mio gain from sale of assets and benefited less from gains on buy-backs of debt instruments (Q3 2011: EUR 2 mio, Q2 2011: EUR 23 mio, Q1 2011: EUR 118 mio)
- Net trading income positive, reflecting gains on cross currency swaps from widening of EUR/USD basis spreads
- Net income from financial investments EUR -2 mio; this is less negative than previous quarters which included losses from the sale of assets relating to the buy-back of debt instruments (Q2 2011: EUR -15 mio, Q1 2011: EUR -19 mio)
- Other operating income higher, including the following effects:
 - EUR 23 mio income from servicing for FMS-WM (Q2 2011: EUR 21 mio, Q1 2011: EUR 21 mio) as well as EUR 11 mio retrospective shift of service allocation from pbb to DEPFA following the actual cost
 - EUR -9 mio provisions for the IT separation from pbb
 - EUR -2 mio FX effects (Q2 2011: -8 mio, Q1 2011: EUR 17 mio)
- Loan-loss provisions EUR -2 mio relating to portfolio-based allowance
- General administrative expenses include expenses relating to the servicing for FMS-WM; lower IT costs arise in Q3 2011 compared to previous quarters

¹ Incl. P&L effects from 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

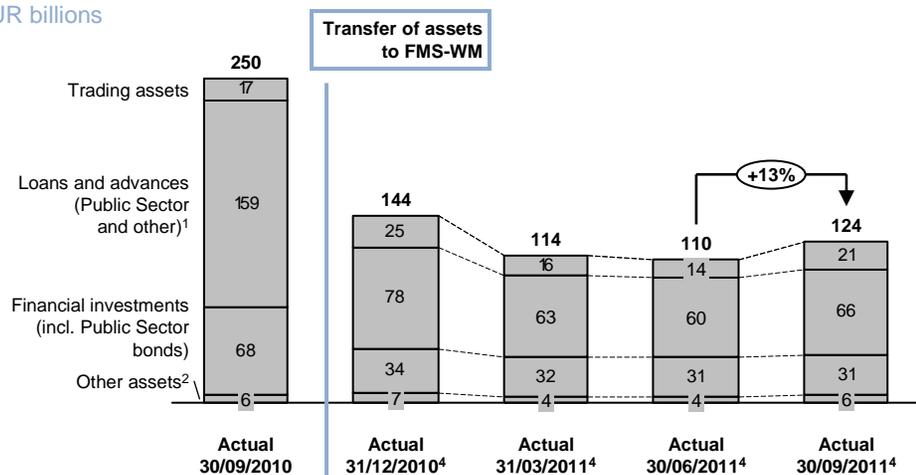
² SoFFin guaranteed refinancing provided by pbb

DEPFA

Balance sheet

Total assets (IFRS)

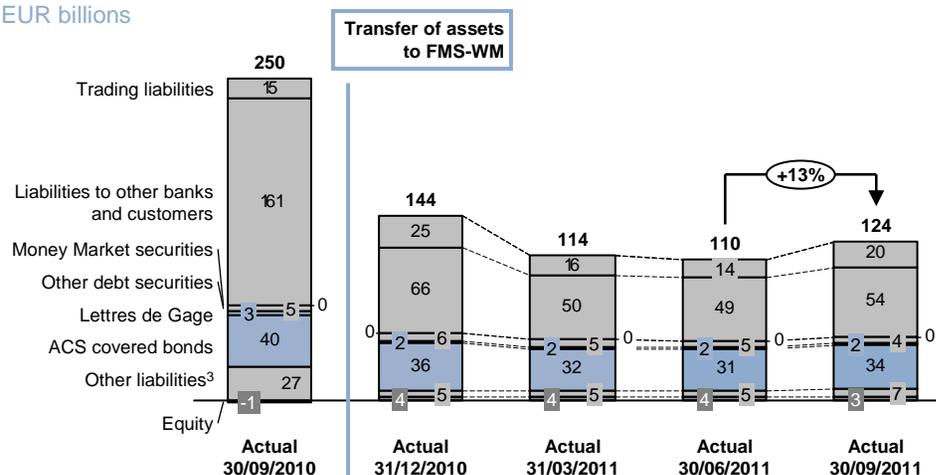
EUR billions



- In Q3 2011, total assets up by EUR 14 bn to EUR 124 bn, primarily due to market-related effects – thereof, total counter-effects resulting from the asset transfer to FMS-WM have increased by EUR 10 bn and the core balance sheet by EUR 4 bn
- The main counter-effects in relation to FMS-WM are as follows:
 - Pass-through funding for FMS-WM: FMS-WM does not have a banking status. Therefore, DEPFA provides access to the ECB for FMS-WM by entering into reverse repo transactions with FMS-WM (pass-through funding). In Q3, these reverse repo transactions with FMS-WM have slightly increased by EUR 1 bn to EUR 27 bn.
 - Back-to-back derivatives were used to transfer market price risks of derivatives to FMS-WM by way of entering into derivative transactions with FMS-WM at counter-identical conditions. These derivative transactions resulted in an increase of the balance sheet. In Q3, changes of interest rate levels resulted in an increase by EUR 5 bn to EUR 13 bn.
 - Moreover, the collateral positions provided and received for these derivatives have increased by EUR 4 bn to EUR 11 bn
 - These counter-effects will diminish over time as pass-through funding for FMS-WM is expected to decline and derivatives will get novated
- Excluding the FMS-WM related counter-effects, the core balance sheet increase is primarily due to fair value changes of derivatives and hedged 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
- Under the terms of the EU state aid approval, no new business allowed prior to re-privatisation
 - Business activities only in the framework of maintaining value, refinancing and hedging of existing portfolios as well as fulfilling legal obligations
 - Balance sheet continues to shrink through natural redemptions as well as balance sheet management
- Therefore, no capital market issuances planned

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, subordinated capital

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

Balance sheet

Assets (IFRS) EUR millions	30/09/2011 ¹	31/12/2010 ¹	Change	
			EUR mio	%
Cash reserve	836	2,283	-1,447	-63.4
Trading assets	20,936	24,740	-3,804	-15.4
Loans and advances to other banks	15,963	21,565	-5,602	-26.0
Loans and advances to customers	50,314	56,859	-6,545	-11.5
Allowances for losses on loans and advances	-83	-100	17	17.0
Financial investments	30,657	33,845	-3,188	-9.4
Property, plan and equipment	1	1	-	-
Intangible assets	18	19	-1	-5.3
Other assets	5,264	4,655	609	13.1
Income tax assets	170	128	42	32.8
Total assets	124,076	143,995	-19,919	-13.8

Equity and liabilities (IFRS) EUR millions	30/09/2011	31/12/2010	Change	
			EUR mio	%
Liabilities to other banks	33,316	39,803	-6,487	-16.3
Liabilities to customers	20,271	25,856	-5,585	-21.6
Liabilities evidenced by certificates	40,013	44,288	-4,275	-9.7
Trading liabilities	20,402	24,618	-4,216	-17.1
Provisions	92	96	-4	-4.2
Other liabilities	5,766	4,524	1,242	27.5
Income tax liabilities	219	169	50	29.6
Subordinated capital	1,077	1,072	5	0.5
Liabilities	121,156	140,426	-19,270	-13.7
Share capital	106	106	-	-
Share premium	1,142	1,142	-	-
Capital reserve	1,500	1,500	-	-
Preferred securities	1,136	1,136	-	-
Retained earnings ²	-914	-256	-658	<-100.0
Other reserves	-50	-59	9	15.3
<i>Available-for-sale</i>	-48	-59	11	18.6
<i>Currency translation</i>	-2	0	-2	<-100.0
Equity	2,920	3,569	-649	-18.2
Total equity and liabilities	124,076	143,995	-19,919	-13.8

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

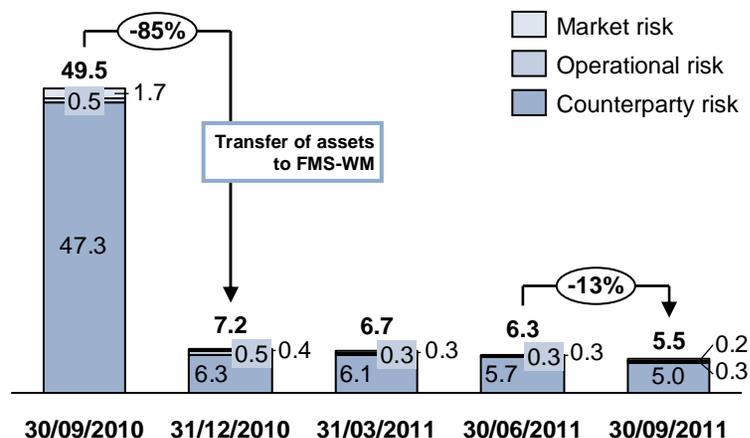
2 Change in retained earnings includes EUR -800 mio payment to the FMSA in relation to the transfer of assets to FMS-WM (purchase price adjustment)

DEPFA

Capitalisation

Risk-weighted Assets (RWA)

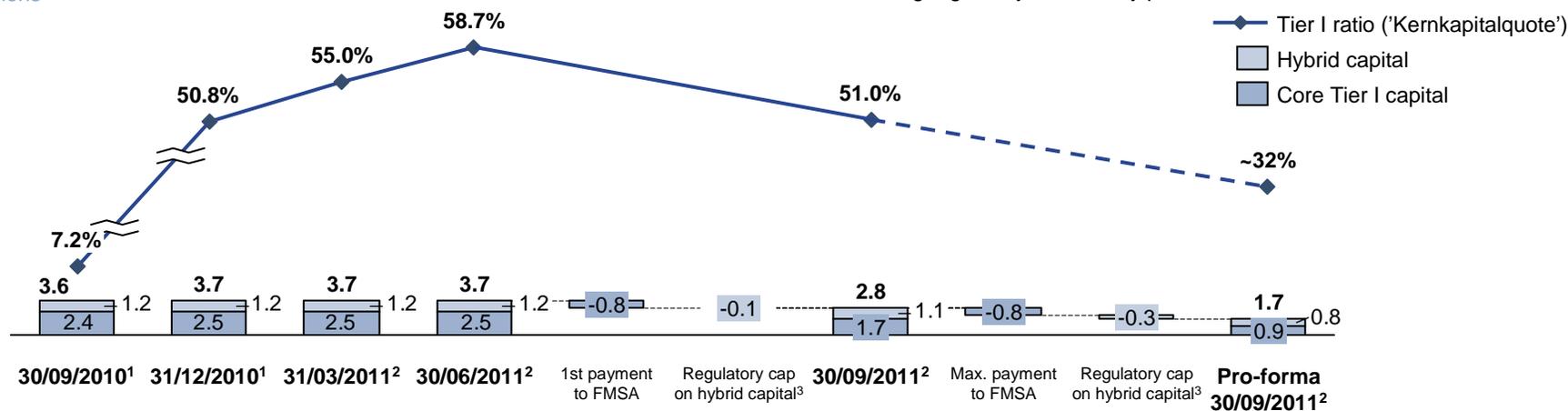
EUR billions



- RWA reduced further by EUR 0.8 bn to EUR 5.5 bn, primarily reflecting maturities (pre-/repayments)
- Tier I capital (excluding year-to-date profit/adjustments) declined by EUR 0.9 bn to EUR 2.8 bn
 - Within the framework of the transfer of assets from HRE Group to FMS-WM the FMSA reserved the right to stipulate a required payment (purchase price adjustment) of up to EUR 1.59 bn in order to avoid distortion of competition
 - In August 2011, the FMSA has issued a respective decree that the full amount is to be borne by DEPFA sub-group
 - A first instalment of EUR 800 mio became due and payable on 2nd Sep 2011; the payment of a second instalment of EUR 167 mio was called for by the FMSA in November 2011 and is due and payable on 15th Nov 2011
 - The remaining amount of EUR 623 mio will not arise unless and until the conditions for payment can be satisfied
 - The purchase price adjustment does and will not affect the income statement
- Tier I ratio now at 51.0% – including the total required payment of EUR 1.59 bn, the pro-forma Tier I ratio of DEPFA sub-group would have been approx. 32%
- Additionally, the EU requires DEPFA sub-group on completion of the payment of the full purchase price adjustment to pay an annual fee until re-privatisation, limited by certain caps that provide for – inter alia – DEPFA neither having to record losses nor breaching regulatory or statutory provisions

Tier I capital/ratio (Central Bank of Ireland)

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

Agenda

Financial Results

Total Portfolio

ACS Cover Pool

HPBI Cover Pool

pbb

Appendix 1 – pbb

Appendix 2 – DEPFA

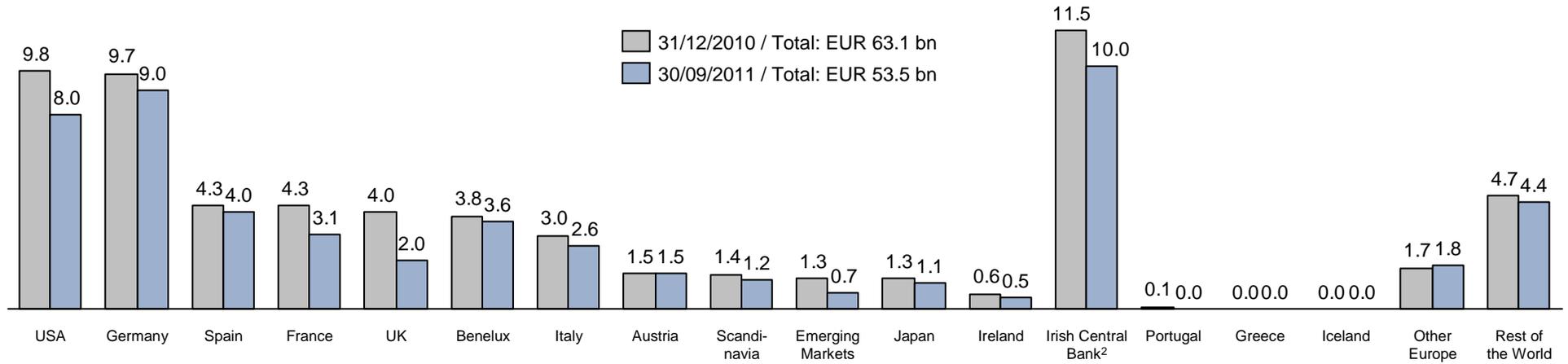
Appendix 3 – HRE Group

DEPFA

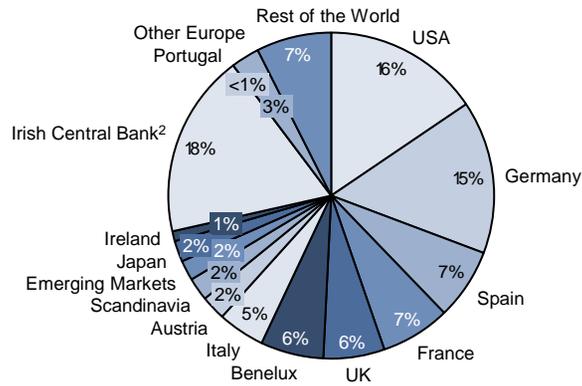
Total portfolio

Exposure by region

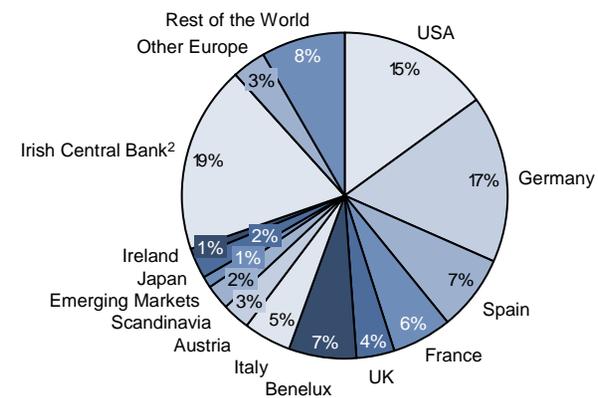
EUR billions (EaD)¹



31/12/2010



30/09/2011



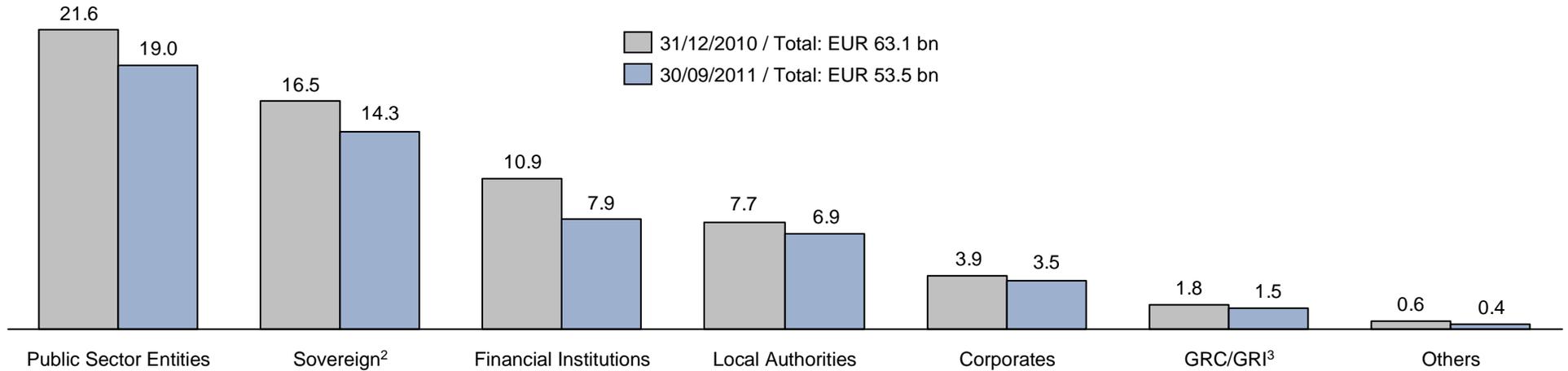
Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure/compensation claims 2 Claims against the Irish Central Bank out of secured refinancing (repo) transactions for FMS-WM

DEPFA

Total portfolio

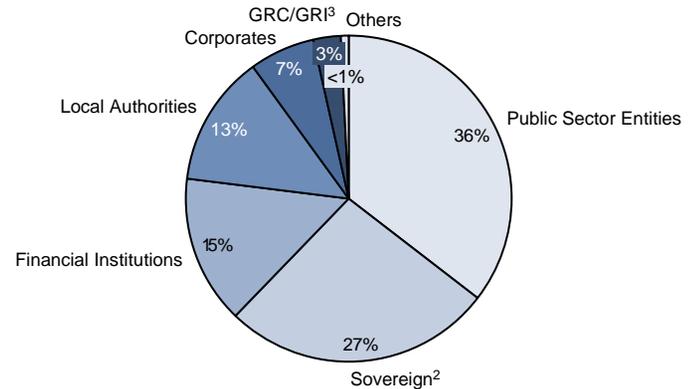
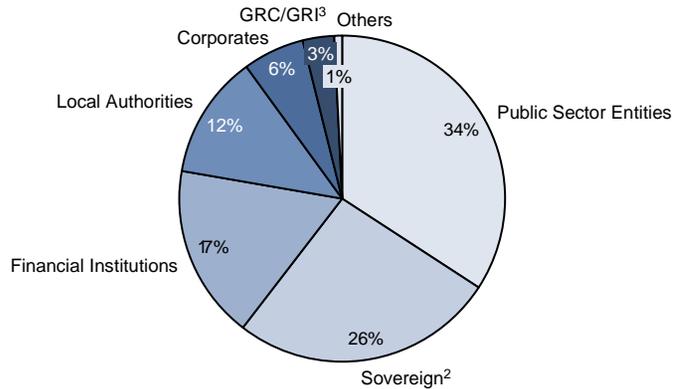
Exposure by counterparty type

EUR billions (EaD)¹



31/12/2010

30/09/2011



Note: Figures may not add up due to rounding

1 Excl. FMS-WM guaranteed exposure/compensation claims

2 Incl. claims against the Irish Central Bank out of secured refinancing (repo) transactions for FMS-WM (31/12/2010: EUR 11.5 bn, 30/09/2011: EUR 10.0 bn)

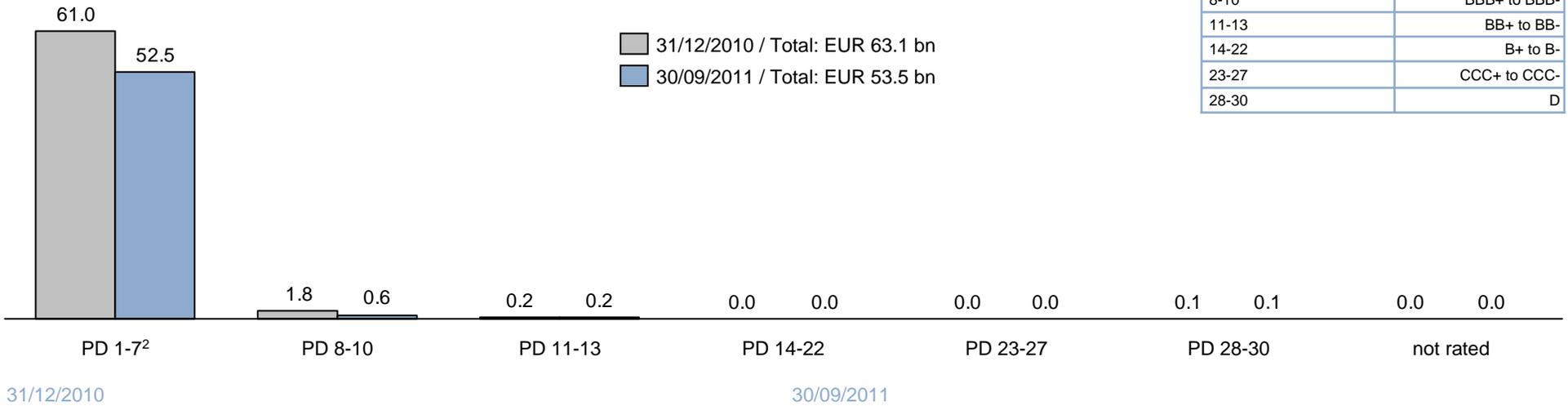
3 Government Related Companies/Institutions

DEPFA

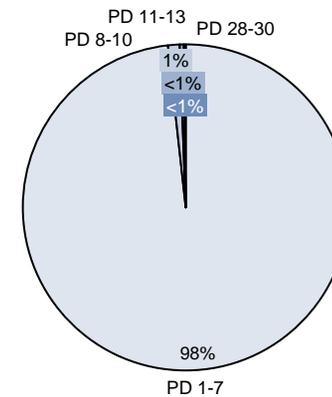
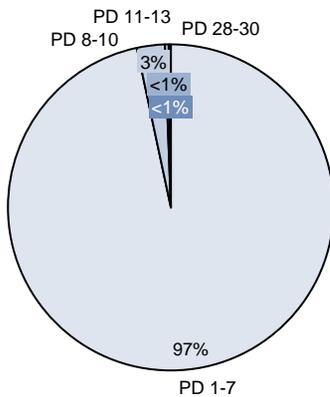
Total portfolio

Exposure by PD class

EUR billions (EaD)¹



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 Excl. FMS-WM guaranteed exposure/compensation claims

² Incl. claims against the Irish Central Bank out of secured refinancing (repo) transactions for FMS-WM (31/12/2010: EUR 11.5 bn, 30/09/2011: EUR 10.0 bn)

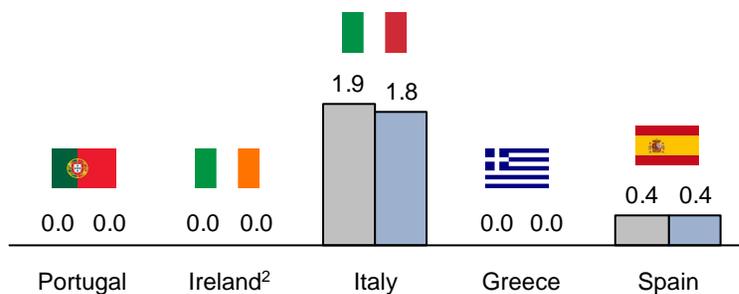
DEPFA

Exposure in selected countries

Sovereign exposure

EUR billions (EaD)¹

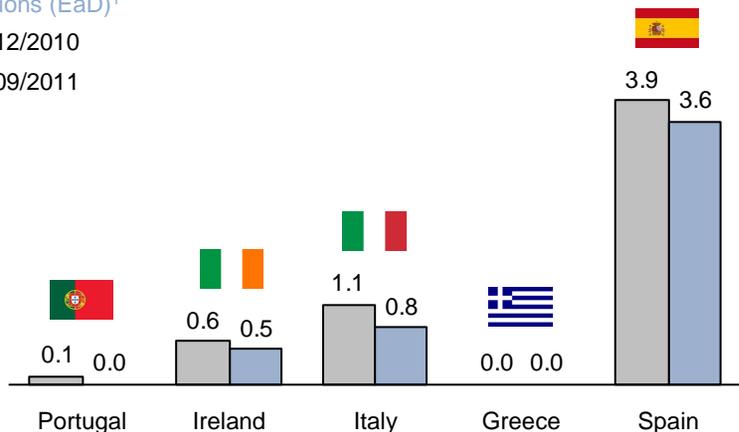
31/12/2010
30/09/2011



Non-sovereign³ exposure

EUR billions (EaD)¹

31/12/2010
30/09/2011



Note: Figures may not add up due to rounding

¹ Excl. FMS-WM guaranteed exposure/compensation claims

² Excl. claims against the Irish Central Bank out of secured refinancing (repo) transactions for FMS-WM (31/12/2010: EUR 11.5 bn, 30/09/2011: EUR 10.0 bn)

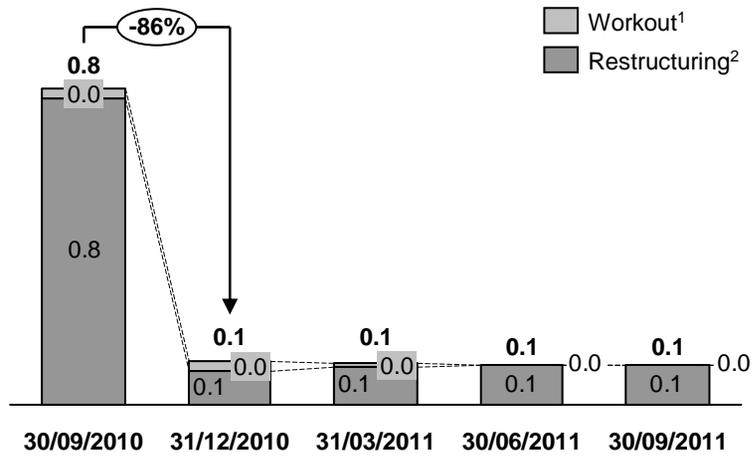
³ Sub-sovereign (Local/Regional Authorities, Municipalities), Financial Institutions (FI), Public Sector Entities (PSE), Government Related, Companies/Institutions (GRC/GRI), Corporates, Others

DEPFA

Total problem loans

Total problem loans

EUR billions (EaD)



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

Agenda

Financial Results

Total Portfolio

ACS Cover Pool

HPBI Cover Pool

pbb

Appendix 1 – pbb

Appendix 2 – DEPFA

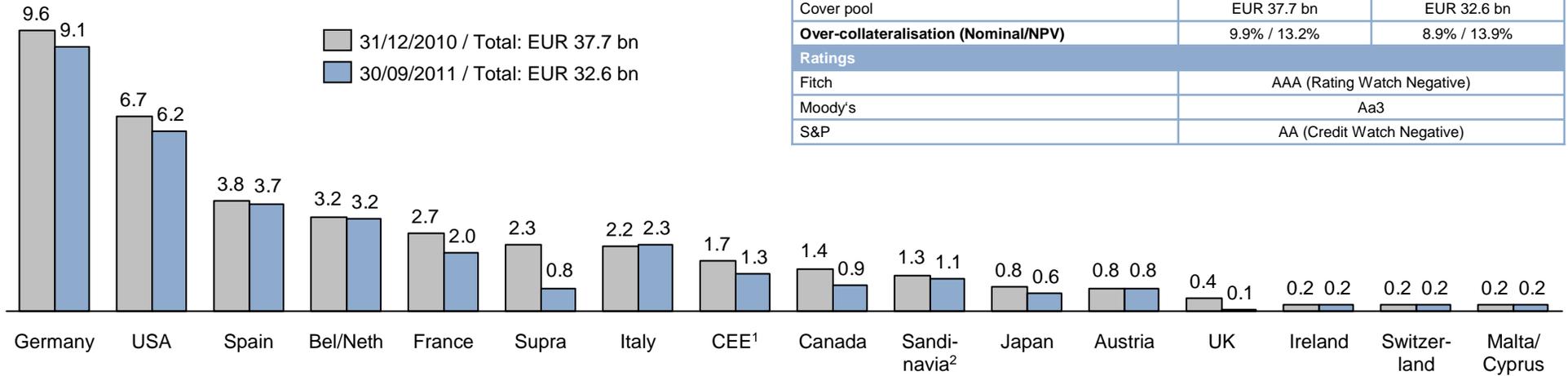
Appendix 3 – HRE Group

DEPFA ACS Bank

ACS cover pool

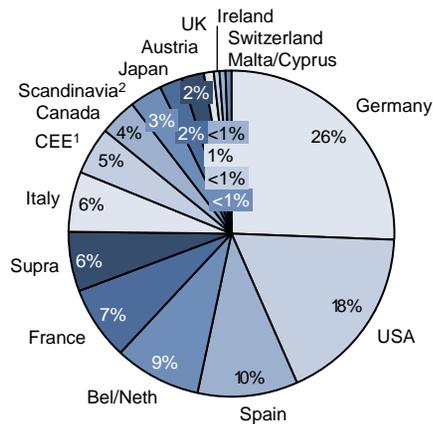
Cover pool by region

EUR billions (Nominal)

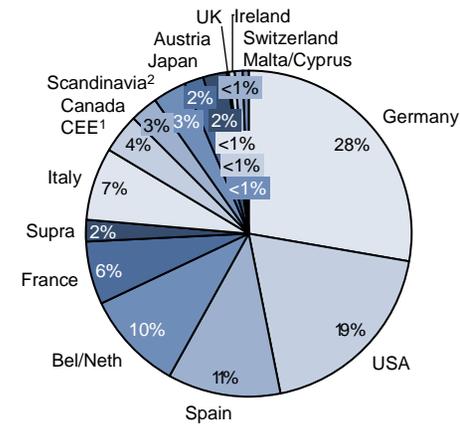


ACS cover pool (Nominal)	31/12/2010	30/09/2011
Public Sector ACS outstanding	EUR 34.3 bn	EUR 29.9 bn
Cover pool	EUR 37.7 bn	EUR 32.6 bn
Over-collateralisation (Nominal/NPV)	9.9% / 13.2%	8.9% / 13.9%
Ratings		
Fitch	AAA (Rating Watch Negative)	
Moody's	Aa3	
S&P	AA (Credit Watch Negative)	

31/12/2010



30/09/2011



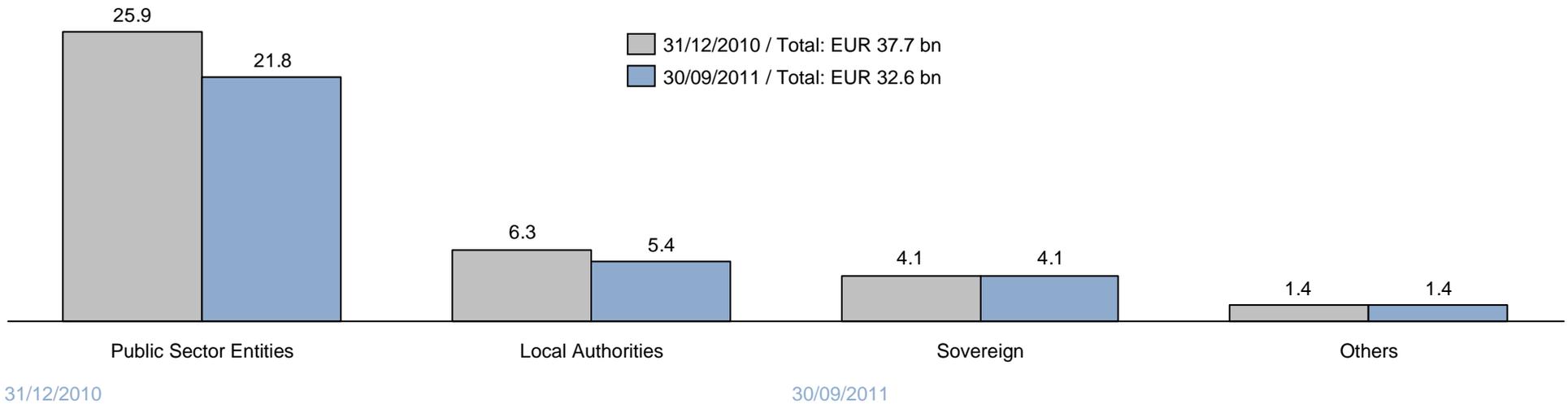
Note: Figures may not add up due to rounding 1 Poland, Slovenia, Czech Republic, Slovakia and Estonia (in order of exposure) 2 Sweden, Finland, Norway and Denmark (in order of exposure)

DEPFA ACS Bank

ACS cover pool

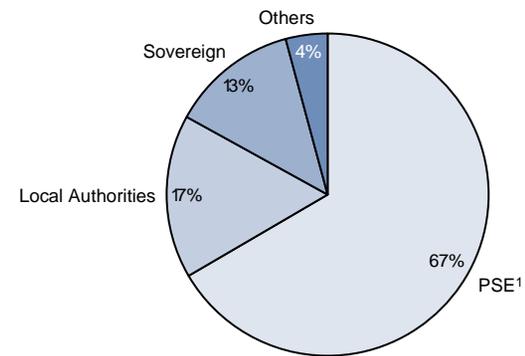
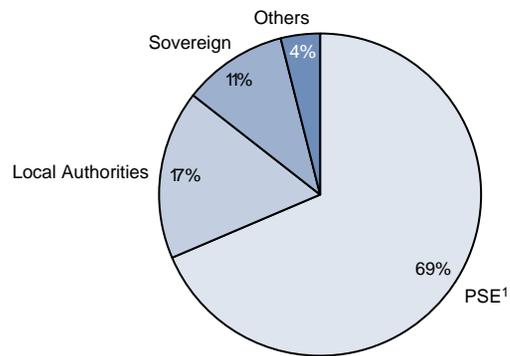
Cover pool by counterparty type

EUR billions (Nominal)



31/12/2010

30/09/2011



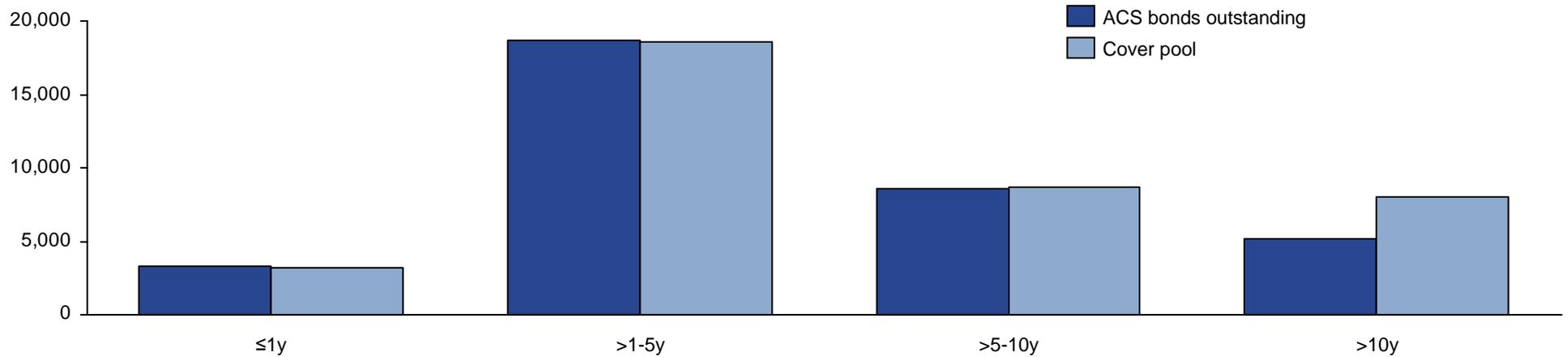
Note: Figures may not add up due to rounding 1 Public Sector Entities

DEPFA ACS Bank

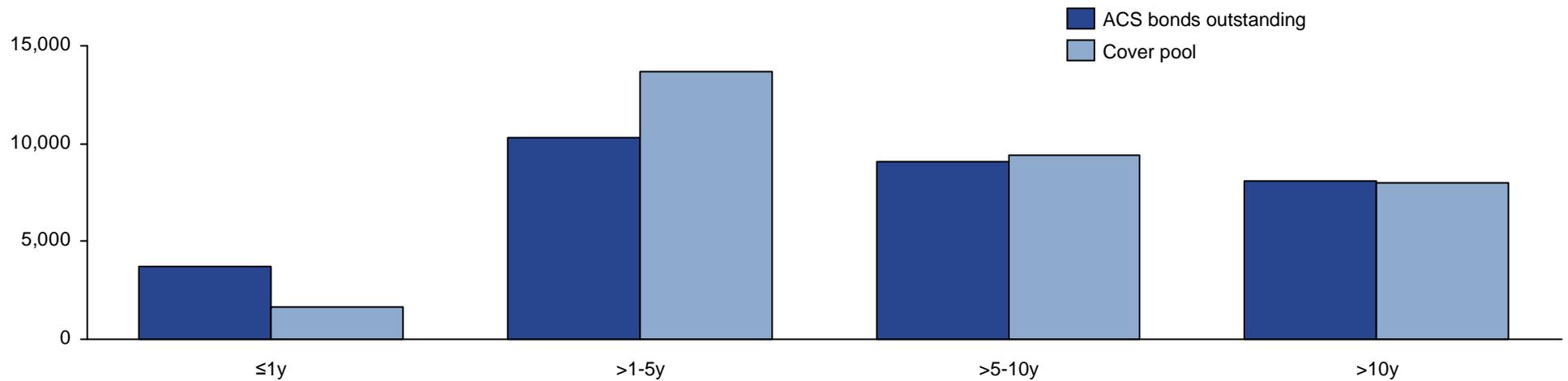
ACS cover pool

Maturity profile¹

31/12/2010: EUR millions (Nominal)



30/09/2011: 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

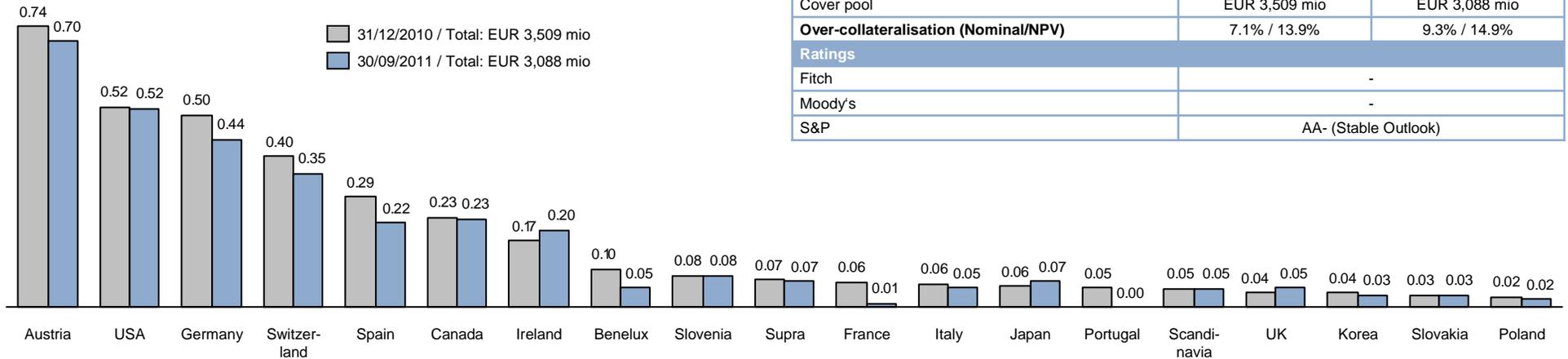
Appendix 3 – HRE Group

Hypo Pfandbrief Bank International (HPBI)

HPBI cover pool

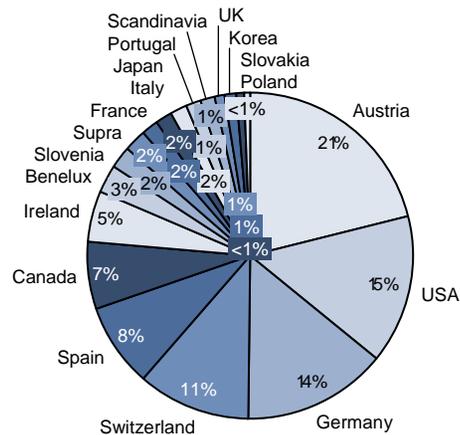
Cover pool by region

EUR billions (Nominal)

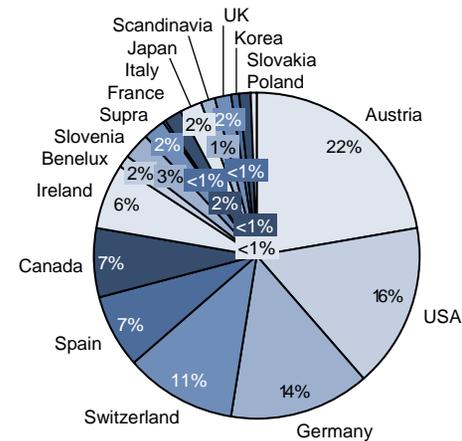


LdG cover pool	31/12/2010	30/09/2011
Lettres de Gage outstanding	EUR 3,276 mio	EUR 2,826 mio
Cover pool	EUR 3,509 mio	EUR 3,088 mio
Over-collateralisation (Nominal/NPV)	7.1% / 13.9%	9.3% / 14.9%
Ratings		
Fitch	-	
Moody's	-	
S&P	AA- (Stable Outlook)	

31/12/2010



30/09/2011

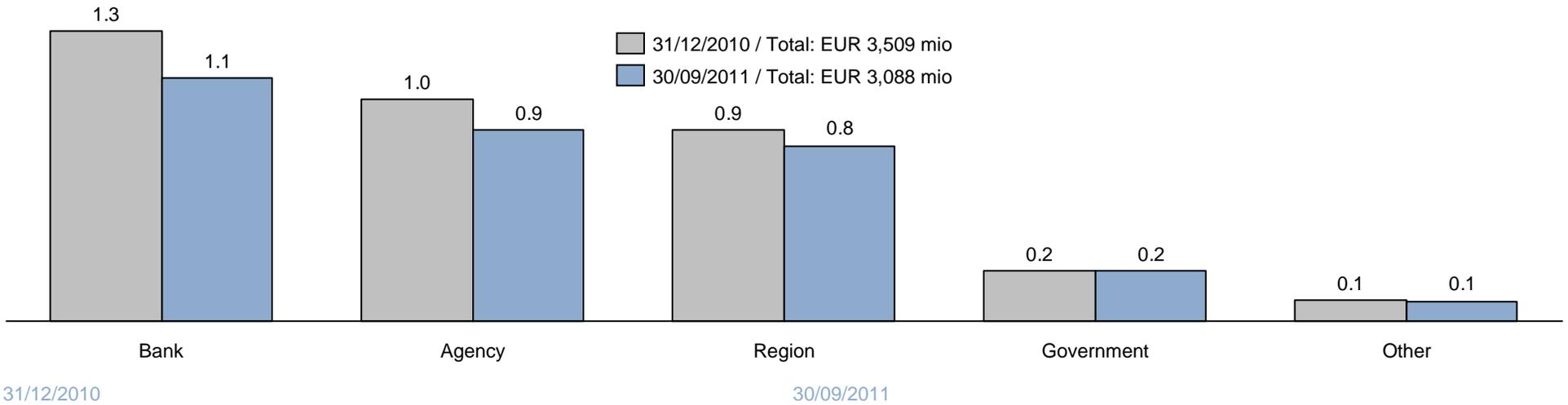


Note: Figures may not add up due to rounding

Hypo Pfandbrief Bank International (HPBI)

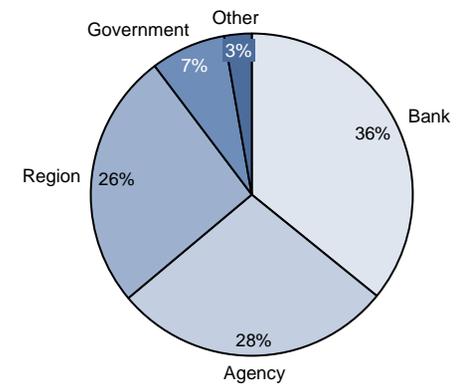
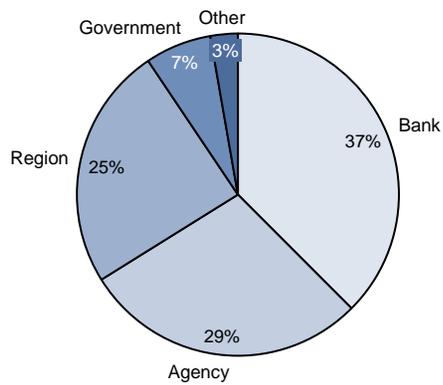
HPBI cover pool

Cover pool by counterparty type
EUR billions (Nominal)



31/12/2010

30/09/2011



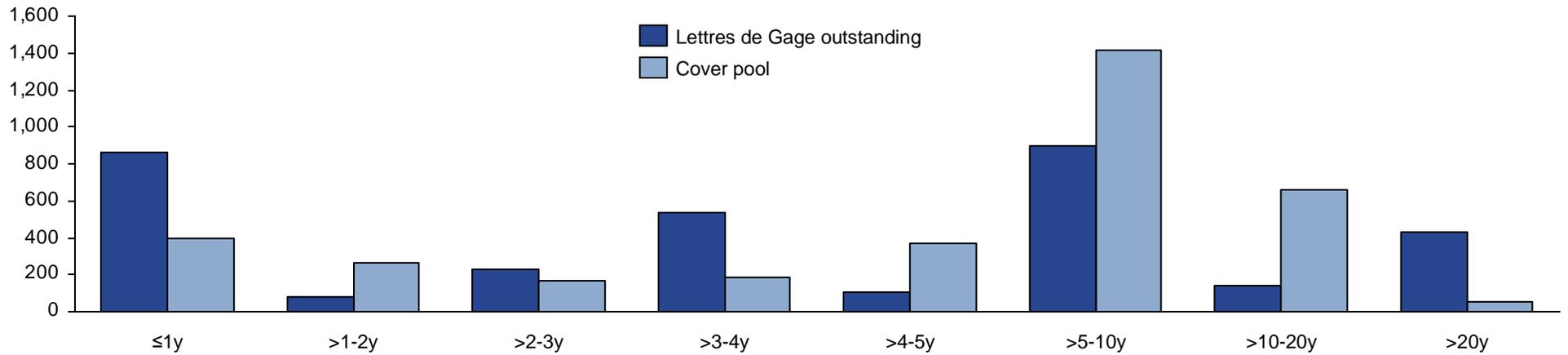
Note: Figures may not add up due to rounding

Hypo Pfandbrief Bank International (HPBI)

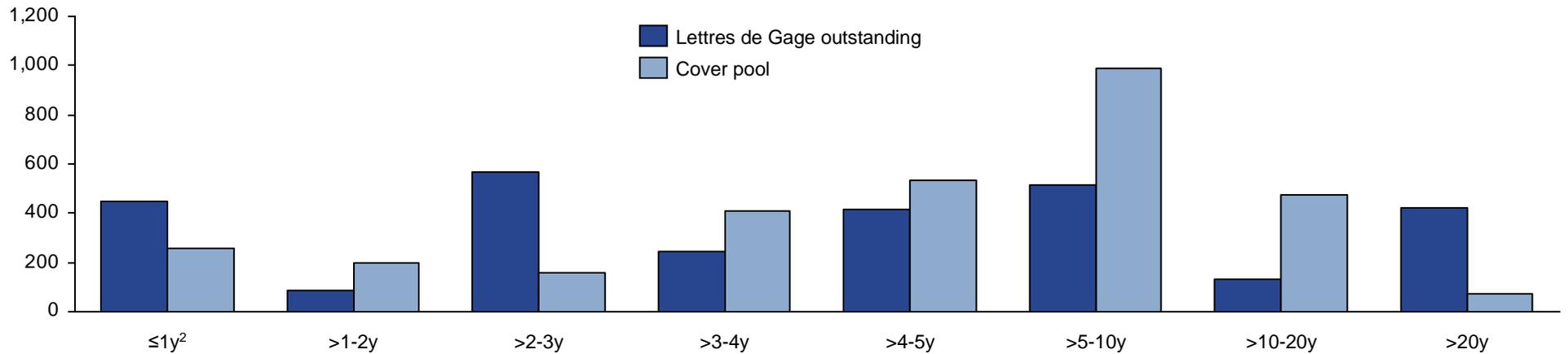
HPBI cover pool

Maturity profile¹

31/12/2010: EUR millions (Nominal)



30/09/2011: EUR millions (Nominal)



Note: Figures may not add up due to rounding 1 Assets to interest reset date; liabilities to legal maturity; incl. quarterly adjustment for zero-correction 2 USD 500 mio benchmark matured 04/10/2011

Appendix 3 – HRE Group Results Q3 2011



HRE Group

Income statement

Income statement (IFRS)

EUR millions

	Q1 2010 ¹	Q2 2010 ¹	Q3 2010 ¹	9M 2010 ¹	Q4 2010 ¹	Q1 2011	Q2 2011	Q3 2011	9M 2011
Operating revenues	51	-66	-244	-259	348	260	177	152	589
Net interest and similar income	243	235	197	675	90	218	141	114	473
Net commission income	-100	-98	-125	-323	4	8	0	-1	7
thereof: SoFFin guarantees	-119	-120	-139	-378	-6	0	0	0	0
Net trading income	-105	-173	-153	-431	67	-7	12	9	14
Net income from financial investments	37	22	18	77	12	-20	-15	-2	-37
Net income from hedge relationships	-20	-44	1	-63	7	-4	-17	7	-14
Balance of other operating income/expenses	-4	-8	-182	-194	168	65	56	25	146
Provisions for losses on loans and advances	-260	-194	2	-452	7	9	11	-1	19
General administrative expenses	-115	-137	-167	-419	-97	-106	-136	-115	-357
Balance of other income/expenses	0	2	1	3	10	0	1	0	1
Pre-tax profit/loss	-324	-395	-408	-1,127	268	163	53	36	252

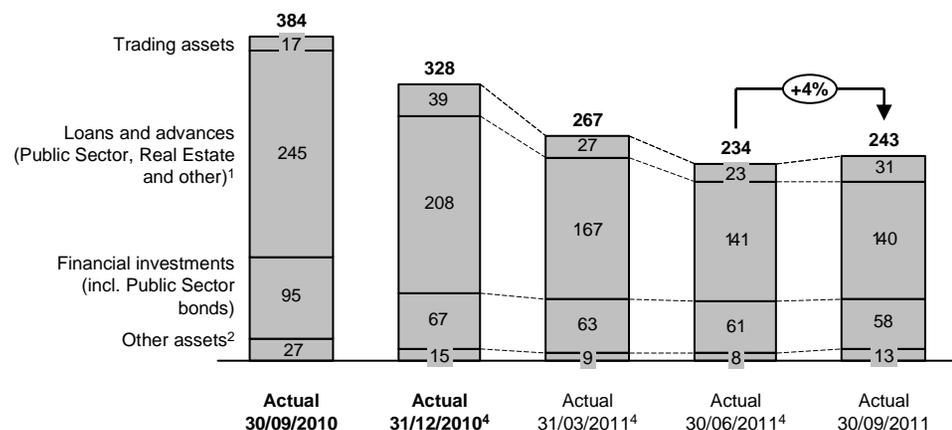
¹ Incl. P&L effects from reclassification of securities from 'Loans and advances to other banks/customers' to 'Financial investments' for the purpose of consistent reporting of all securities with IFRS category LaR

HRE Group

Balance sheet

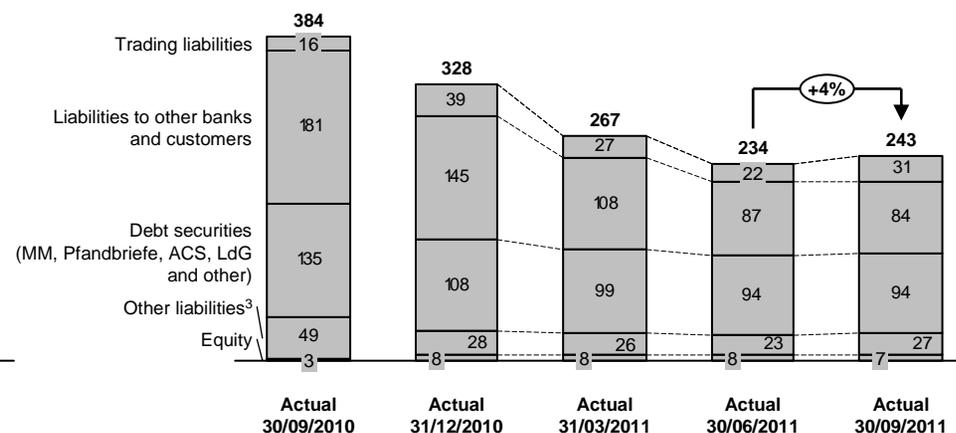
Total assets (IFRS)

EUR billions



Total liabilities and equity (IFRS)

EUR billions



- In Q3 2011, total assets up by EUR 9 bn to EUR 243 bn, primarily due to market-related effects – however, total counter-effects resulting from the asset transfer to FMS-WM have been further reduced
- The main counter-effects in relation to FMS-WM are as follows:
 - Pass-through funding for FMS-WM: FMS-WM does not have a banking status. Therefore, HRE provides access to the ECB for FMS-WM by entering into reverse repo transactions with FMS-WM (pass-through funding). In Q3, reverse repo transactions with FMS-WM have been reduced EUR 10 bn to EUR 35 bn.
 - Back-to-back derivatives were used to transfer market price risks of derivatives to FMS-WM by way of entering into derivative transactions with FMS-WM at counter-identical conditions. These derivative transactions resulted in an increase of the balance sheet. In Q3, changes of interest rate levels resulted in an increase by EUR 6 bn to EUR 21 bn.
 - These counter-effects will diminish over time as pass-through funding for FMS-WM is expected to decline and derivatives will get novated
- Excluding the FMS-WM related counter-effects, the core balance sheet increase is primarily due to fair value changes of derivatives and hedged assets resulting from changes of long-term interest rate levels

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, subordinated capital

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 (IFRS) EUR millions	30/09/2011 ¹	31/12/2010 ¹	Change	
			EUR mio	%
Cash reserve	885	2,507	-1,622	-64.7
Trading assets	31,245	39,114	-7,869	-20.1
Loans and advances to other banks	27,751	32,614	-4,863	-14.9
Loans and advances to customers	112,946	175,724	-62,778	-35.7
Allowances for losses on loans and advances	-587	-661	74	11.2
Financial investments	58,027	66,819	-8,792	-13.2
Property, plan and equipment	4	6	-2	-33.3
Intangible assets	48	49	-1	-2.0
Other assets	10,706	10,244	462	4.5
Income tax assets	1,776	1,703	73	4.3
Total assets	242,801	328,119	-85,318	-26.0

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

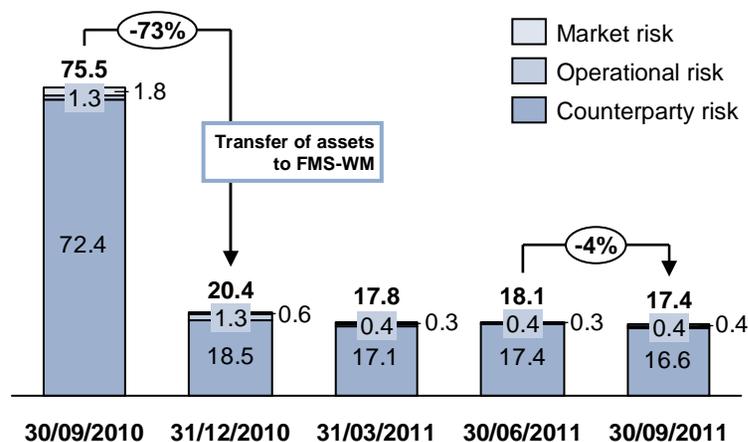
Equity and liabilities (IFRS) EUR millions	30/09/2011	31/12/2010	Change	
			EUR mio	%
Liabilities to other banks	46,703	101,382	-54,679	-53.9
Liabilities to customers	37,592	43,216	-5,624	-13.0
Liabilities evidenced by certificates	94,023	107,898	-13,875	-12.9
Trading liabilities	30,543	39,109	-8,566	-21.9
Provisions	315	313	2	0.6
Other liabilities	21,772	23,226	-1,454	-6.3
Income tax liabilities	1,751	1,714	37	2.2
Subordinated capital	3,234	3,508	-274	-7.8
Liabilities	235,933	320,366	-84,433	-26.4
Subscribed capital	2,668	2,668	-	-
Additional paid-in capital	8,090	8,091	-1	-0.0
Retained earnings	-5,971	-4,260	-1,711	-40.2
Foreign currency reserve	-42	-44	2	4.5
Revaluation reserve	-189	72	-261	<-100.0
<i>Afs reserve</i>	-614	-421	-193	-45.8
<i>Cash flow hedge reserve</i>	425	493	-68	-13.8
Consolidated profit/loss 2010	-	-910	910	100.0
Consolidated profit/loss 9M 2011	176	0	176	>100.0
Equity attributable to equity holders	4,732	5,617	-885	-15.8
Hybrid capital instruments ²	1,137	1,137	-	-
Silent participation ³	999	999	-	-
Non-controlling interest in equity	2,136	2,136	-	-
Equity	6,868	7,753	-885	-15.8
Total equity and liabilities	242,801	328,119	-85,318	-26.0

HRE Group

Capitalisation

Risk-weighted assets (RWA)

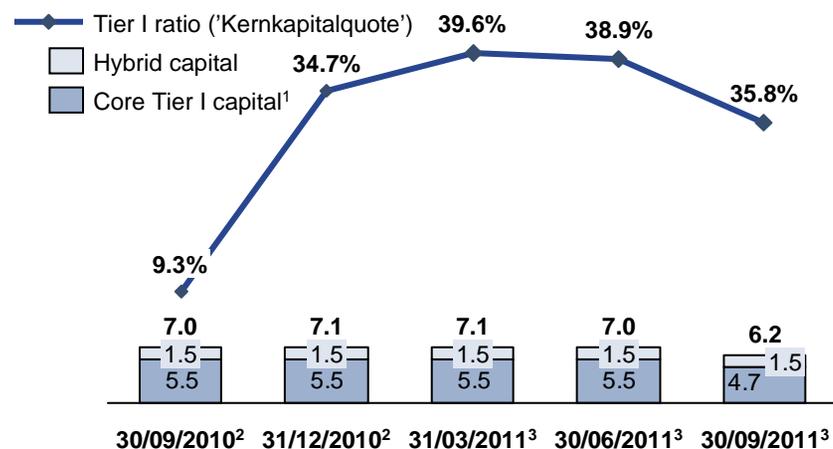
EUR billions



- RWA reduced by EUR 0.7 bn to EUR 17.4 bn, primarily reflecting maturities (pre-/repayments)
- Tier I capital (excluding year-to-date profit/adjustments) declined by EUR 0.8 bn to EUR 6.2 bn
 - Within the framework of the transfer of assets from HRE Group to FMS-WM the FMSA reserved the right to stipulate a required payment (purchase price adjustment) of up to EUR 1.59 bn in order to avoid distortion of competition
 - In August 2011, the FMSA has issued a respective decree that the full amount is to be borne by DEPFA sub-group
 - A first instalment of EUR 800 mio became due and payable on 2nd Sep 2011; the payment of a second instalment of EUR 167 mio was called for by the FMSA in November 2011 and is due and payable on 15th Nov 2011
 - The remaining amount of EUR 623 mio will not arise unless and until the conditions for payment can be satisfied
 - The purchase price adjustment does and will not affect the income statement
- Tier I ratio now at 35.8% – including the total required payment of EUR 1.59 bn, the pro-forma Tier I ratio of HRE Group would have been approx. 31%
- Additionally, the EU requires the following:
 - A full retention of profits at pbb until re-privatisation to pay back the silent participation of SoFFin
 - DEPFA sub-group on completion of the payment of the full purchase price adjustment to pay an annual fee until re-privatisation, limited by certain caps that provide for – inter alia – DEPFA neither having to record losses nor breaching regulatory or statutory provisions

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

EUR billions



Note: Figures may not add up due to rounding 1 Incl. silent participation 2 Incl. year-to-date losses/adjustments 3 Excl. year-to-date result/adjustments