

# Analyst/Investor Presentation

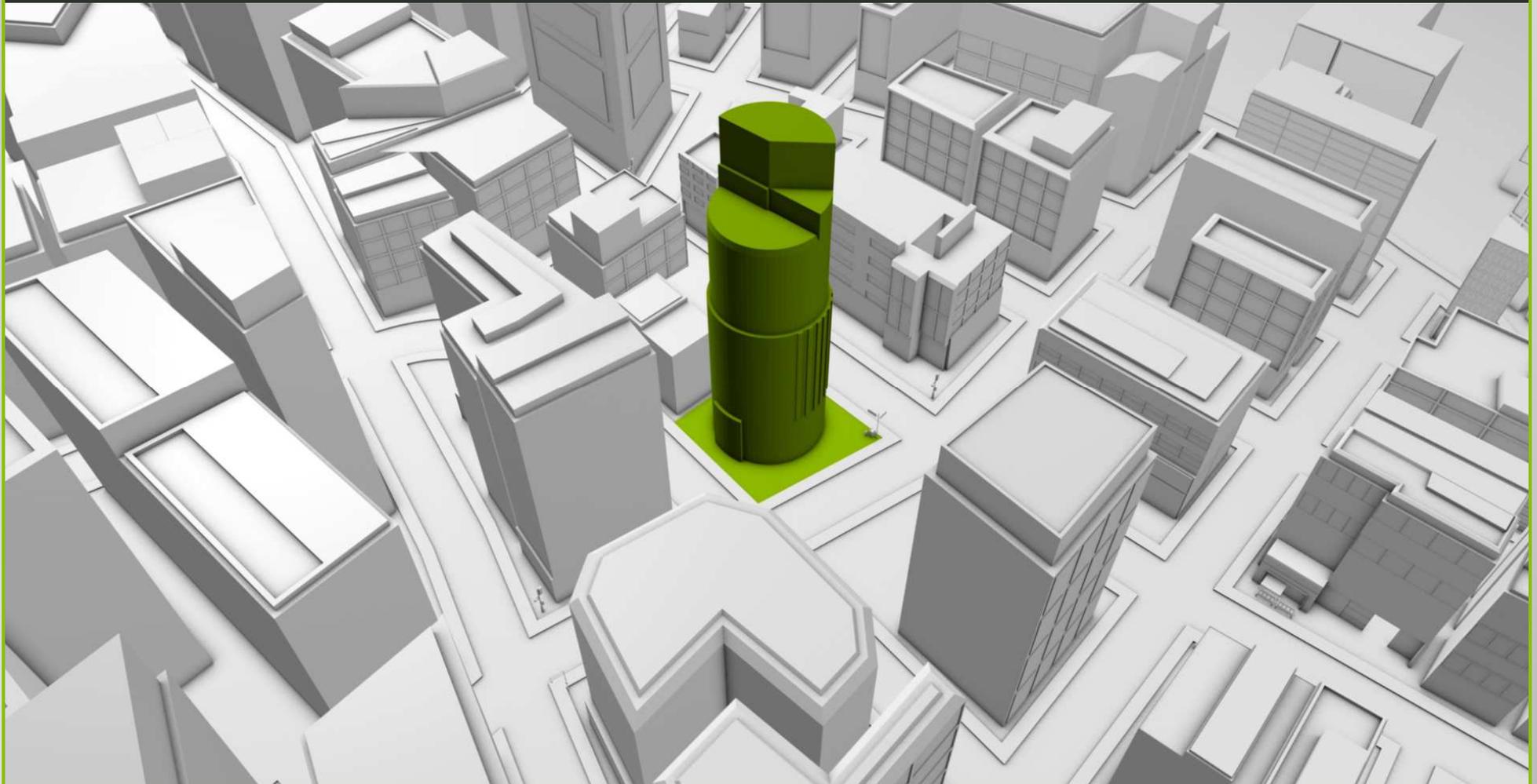
## Results Q2 2012:

### pbb on track with pre-tax profit of EUR 30 mio

PUBLIC SECTOR FINANCE  
REAL ESTATE FINANCE

**pbb**

DEUTSCHE  
PFANDBRIEFBANK



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- ✓ pbb on track with pre-tax profit of EUR 30 mio in Q2 2012 (Q1: EUR 21 mio) – **half-year pre-tax profit of EUR 51 mio in line with expectations**
- ✓ **Selective new business** of EUR 1.5 bn (incl. extensions >1 year) in H1 2012, given a restrictive approach in the light of strained funding markets at the end of last year/beginning of this year
- ✓ **Receptiveness of funding markets better than expected** – total funding volume of EUR 3.7 bn in H1 2012 provides good basis for higher new business in the second half of the year
- ✓ **Total portfolio stable** at EUR 81 bn (EaD) – exposure to peripheral southern European countries considerably reduced since beginning of the year due to active portfolio management and maturities
- ✓ **Cover pools provide comfortable over-collateralisation** (Mortgage: 44.2%; Public Sector: 12.5%; nominal) for Pfandbriefe outstanding
- ✓ **Tier I ratio** (pro-forma) at 17.1% (03/2012: 15.9%)

## Income statement pbb on track with pre-tax profit of EUR 30 mio in Q2 2012



### Income statement (IFRS)

EUR millions

	Q4 2011	Q1 2012	Q2 2012	H1 2012
<b>Operating revenues</b>	<b>104</b>	<b>103</b>	<b>120</b>	<b>223</b>
Net interest and similar income	78	76	74	150
Net commission income	7	3	3	6
Net trading income	-12	0	-2	-2
Net income from financial investments	4	-4	9	5
Net income from hedge relationships	-22	-2	-1	-3
Balance of other operating income/expenses	49	30	37	67
<i>thereof: FMS-WM servicing</i>	28	28	25	53
<i>IT services for DEPFA Group</i>	7	8	9	17
<i>Bank levy</i>	-1	-7	-5	-12
<b>Provisions for losses on loans and advances</b>	<b>10</b>	<b>-4</b>	<b>-5</b>	<b>-9</b>
<b>General administrative expenses</b>	<b>-96</b>	<b>-78</b>	<b>-86</b>	<b>-164</b>
<b>Balance of other income/expenses</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Pre-tax profit/loss</b>	<b>25</b>	<b>21</b>	<b>30</b>	<b>51</b>

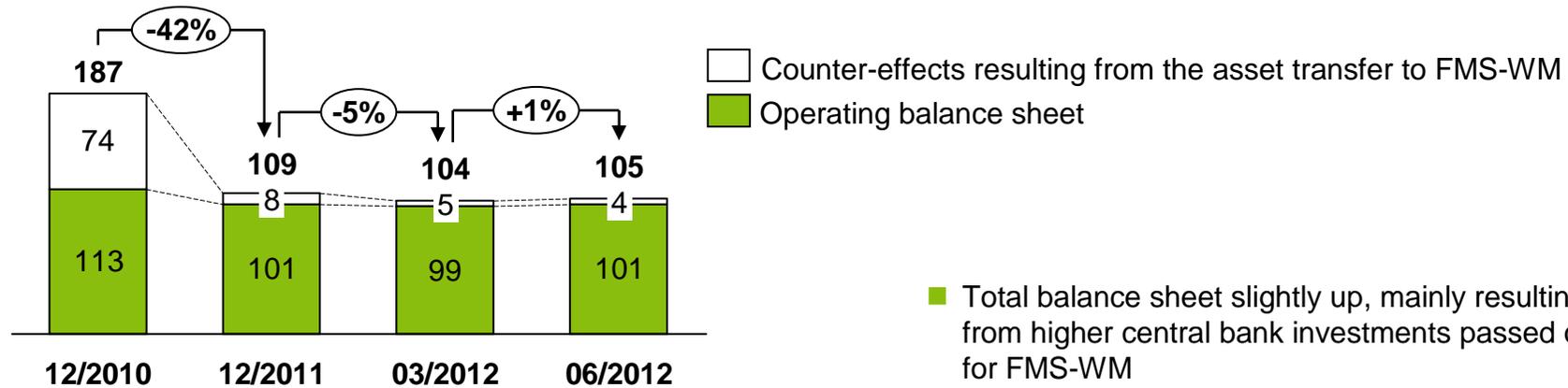
- Net interest income affected by a conservative liquidity strategy as well as a reduced nominal asset base
- In Q2, net income from financial investments benefited from gains resulting from an adjustment of the liquidity buffer (sale of assets)
- Loan-loss provisions remain on low level
- General administrative expenses up in Q2 in line with expectations, due to higher IT and professional services costs

## Balance sheet

Operating balance sheet size of EUR 101 bn well below year-end limit of EUR 105 bn required by the EU

### Total assets (IFRS)

EUR billions



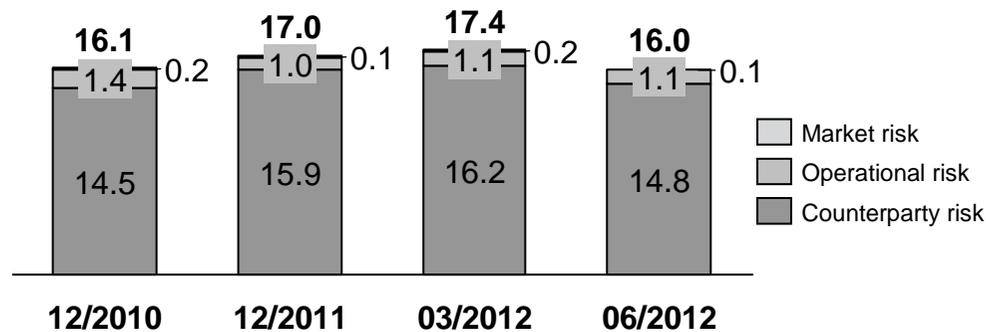
- Total balance sheet slightly up, mainly resulting from higher central bank investments passed on for FMS-WM
- However, total counter-effects resulting from the asset transfer to FMS-WM further reduced, primarily reflecting a further decline of back-to-back derivatives by EUR 1 bn to EUR 3 bn

Note: Figures may not add up due to rounding

## Capitalisation Tier I ratio at 17.1%

### Pro-forma Risk-Weighted Assets (RWA)

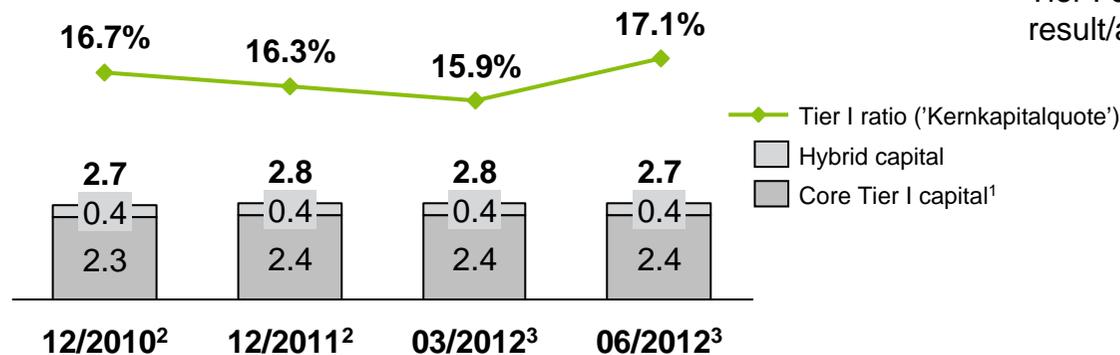
EUR billions



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) exempt from calculating the equity capital ratio and the core capital ratio on a sub-group level.

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

EUR billions



- RWA considerably reduced – effects from recent rating downgrades more than offset by positive effects from regular yearly LGD recalibration
- Tier I ratio up to 17.1%, given a relatively stable Tier I capital of EUR 2.7 bn (excl. year-to-date result/adjustments)

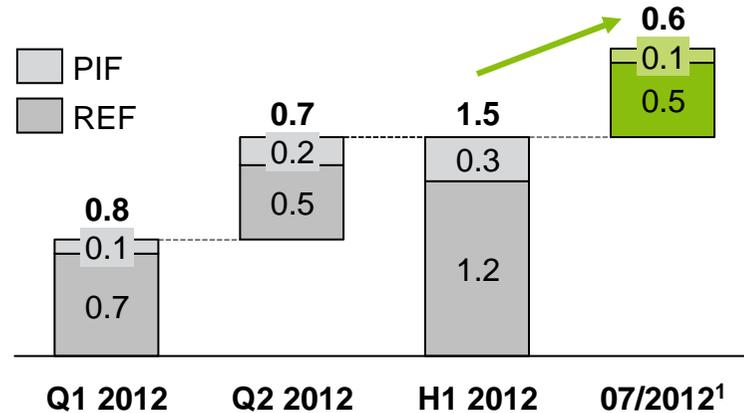
Note: Figures may not add up due to rounding 1 Incl. silent participation of SoFFin 2 Incl. full-year result/adjustments 3 Year-to-date result/adjustments not yet included

## New business

Selective new business of EUR 1.5 bn in H1 2012 – new business volumes expected to accelerate in the second half of the year

### Total new business (incl. extensions >1 yr)

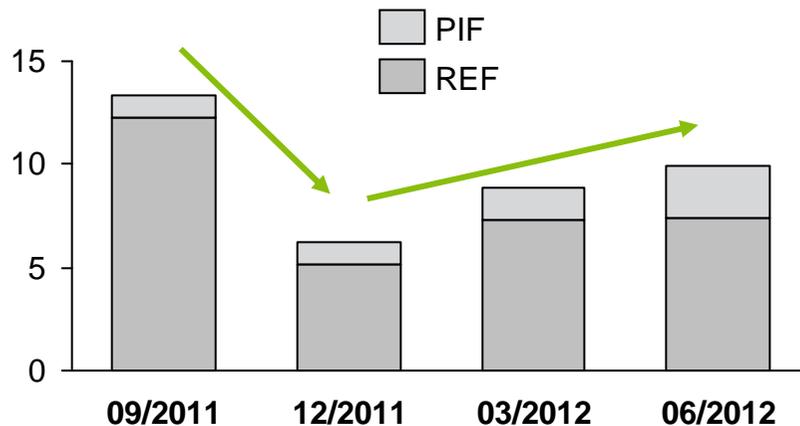
EUR billions



- Reduction of deal pipeline and restrictive new business approach in the light of strained funding markets at the end of last year/beginning of this year
- In line with successful funding activities year-to-date, new deal pipeline has been built up again
- New business volumes expected to accelerate in H2 2012, given an average timelag of ~120 days between take-up of deal into pipeline and closing
- Full-year target of EUR 8 bn remains unchanged

### Deal pipeline<sup>2</sup>

EUR billions



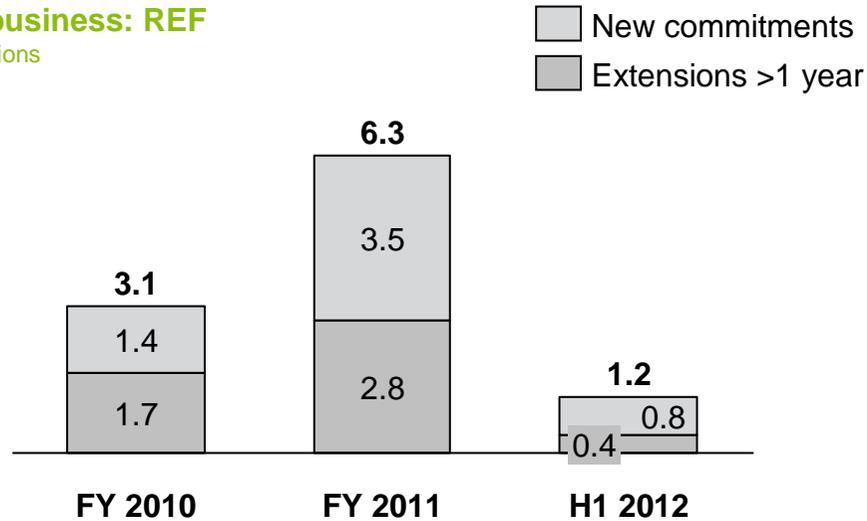
Note: Figures may not add up due to rounding    1 Preliminary figures    2 Incl. deals with status Pre-New Deal Committee, New Deal Committee and Credit Committee

## New business

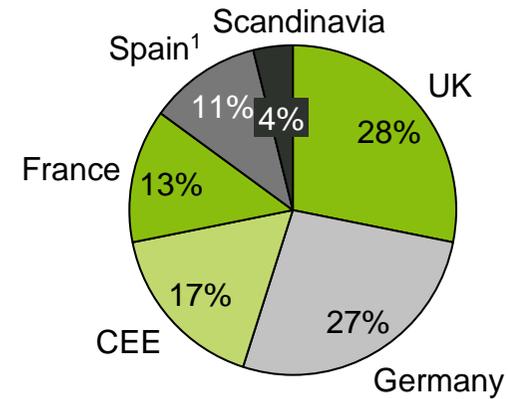
Real Estate Finance (REF): Selective new business at substantially higher margins and lower LTVs

### New business: REF

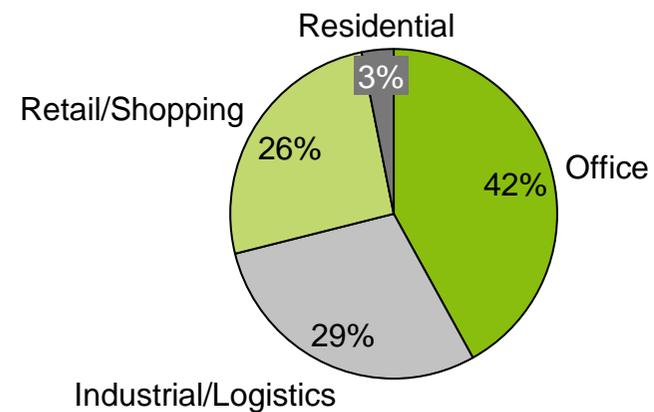
EUR billions



### by region (H1 2012)



### by property type (H1 2012)



Real Estate Finance (REF)	FY 2010	FY 2011	H1 2012
No. of deals	65	88	27
Average maturity	~3.9 yrs	~4.2 yrs	~3.9 yrs
Average LTV (New commitments) <sup>2</sup>	64%	65%	52%
Average gross margin	>200 bp	>205 bp	>240 bp

Note: Figures may not add up due to rounding 1 No new commitments in Q2; average LTV: 41% 2 Extensions: 80% (H1 2012)

## New business

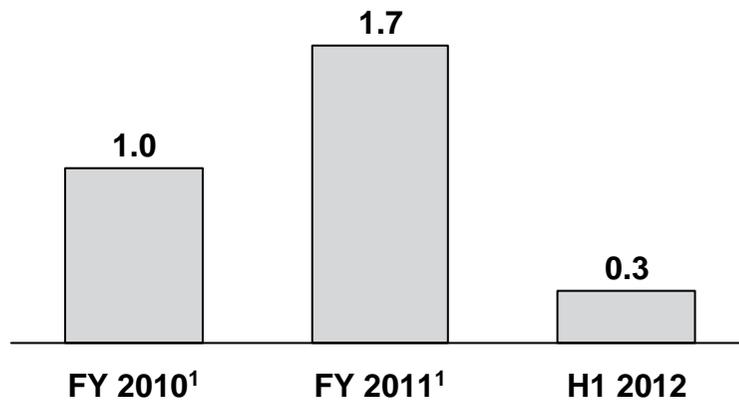
### Public Investment Finance (PIF): New business focus currently on Germany and France



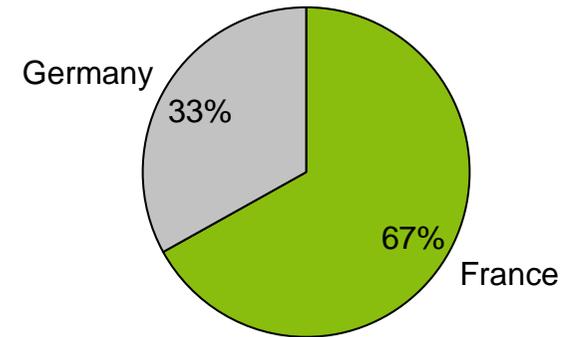
#### New business: PIF

EUR billions

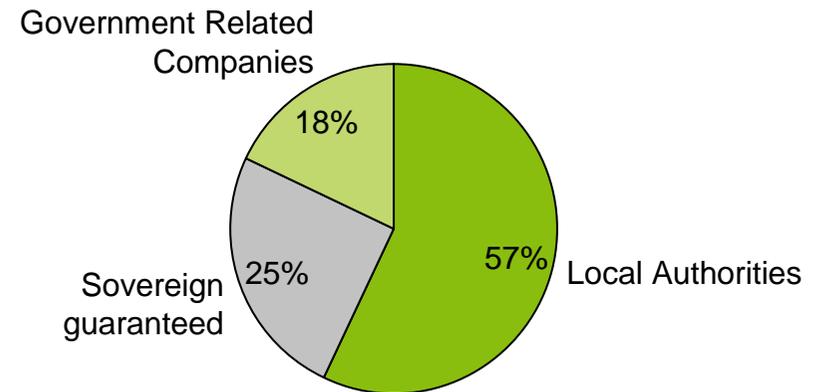
■ New commitments



#### by region (H1 2012)



#### by counterparty type (H1 2012)



Public Investment Finance	FY 2010 <sup>1</sup>	FY 2011 <sup>1</sup>	H1 2012
No. of deals	51	42	21
Average maturity	~7.4 yrs	~10.3 yrs	~7.1 yrs
Average gross margin	>100 bp	>105 bp	>140 bp

Note: Figures may not add up due to rounding 1 Incl. EUR 0.2 bn Public Budget Finance (prior to EU decision in July 2011)

# Funding

## Receptiveness of funding markets better than initially expected



Financials

New business

Funding

Cover pools

Portfolio

Summary & Outlook

Appendix

### New publicly issued Mortgage Pfandbriefe in 2012

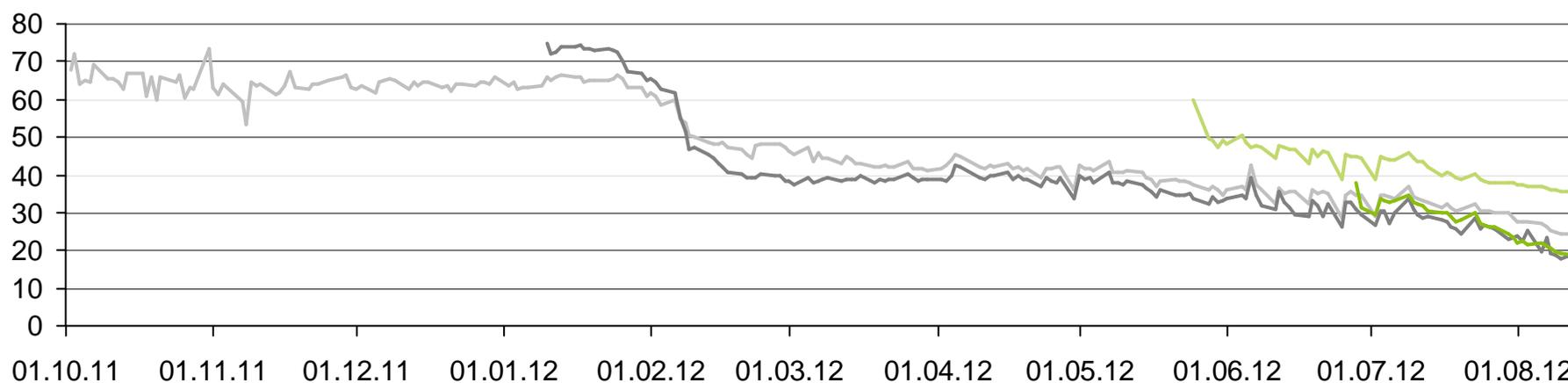
WKN	Launch date	Maturity	Volume	Spread <sup>1</sup>	Coupon	Issue/reoffer price
A1K0RS	10.01.2012	18.01.2016	EUR 500 mio	+75bp	2.250%	99.970%
A1EWJU (1. Tap) <sup>2</sup>	22.02.2012	06.10.2016	EUR 100 mio	+57bp	2.625%	102.579%
A1K0RS (1. Tap)	07.03.2012	18.01.2016	EUR 175 mio	+48bp	2.250%	101.904%
A1MLUW	24.05.2012	03.06.2019	EUR 500 mio	+60bp	2.125%	99.800%
A1PGTJ	27.06.2012	04.07.2017	EUR 500 mio	+38bp	1.625%	99.433%
A1MLUW (1. Tap)	23.07.2012	03.06.2019	EUR 200 mio	+40bp	2.125%	102.806%

- Total long-term funding volume of EUR 3.7 bn<sup>3</sup> in H1 2012 with an average maturity of more than 6 years provides good basis for higher new business in the second half of the year
- So far, pbb publicly issued three Mortgage Pfandbriefe in benchmark format (EUR 1.5 bn) and successfully tapped three issues (EUR 475 mio) this year, adding to a number of private placements
- All issues were well over-subscribed at the time of the issue and showed a good performance in the secondary market

### Spread development of the latest public benchmark issues

Spread (bp)<sup>1,4</sup>

- 2.625% Sep 2011 (5y)
- 2.125% May 2012 (7y)
- 2.250% Jan 2012 (4y)
- 1.625% Jun 2012 (5y)



1 vs. mid-swap 2 Tap of an initially EUR 500 mio issue from 06.10.2011 3 Excl. money market and ECB repo transactions 4 Source: Bloomberg

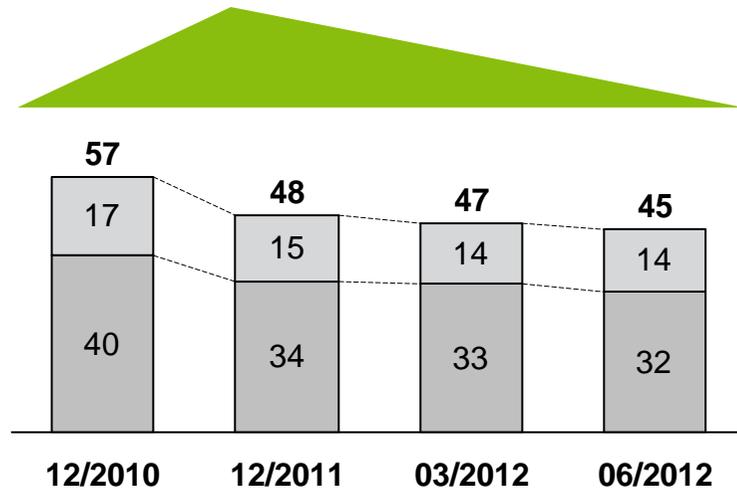
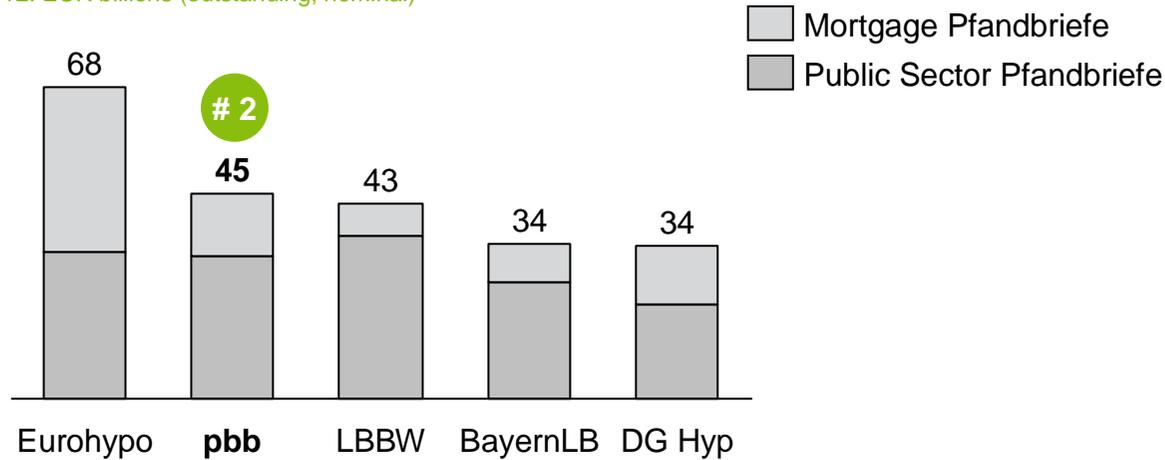
## Cover pools

With an outstanding volume of EUR 45 bn, pbb is second largest Pfandbrief issuer



### Largest Pfandbrief issuers

30/06/2012: EUR billions (outstanding, nominal)



- Total outstanding Pfandbrief volume further declined, mainly reflecting the run-down of the Public Budget Finance business in the Public Sector cover pool
- However, Mortgage Pfandbriefe outstanding expected to increase mid-term

Source: German Pfandbrief Association (vdp)

## Cover pools

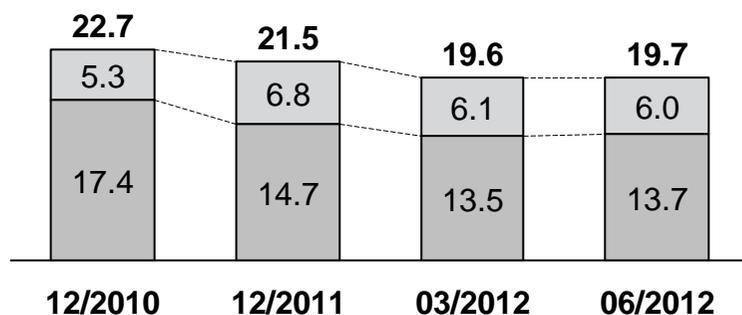
### Over-collateralisation provides comfortable cover for Pfandbriefe outstanding



#### Mortgage cover pool: Total cover funds

EUR billions (nominal)

Over-Collateralisation (OC)  
Pfandbriefe outstanding



OC (%)



Payments  $\geq 90$  days overdue (EUR millions)



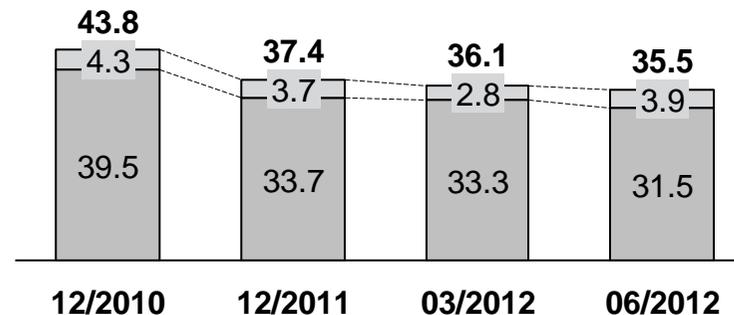
- Over-collateralisation (OC) of EUR 6.0 bn (nominal) provides
  - comfortable cover for Pfandbriefe outstanding
  - basis for new issuances

Note: Figures may not add up due to rounding

#### Public Sector cover pool: Total cover funds

EUR billions (nominal)

Over-Collateralisation (OC)  
Pfandbriefe outstanding



OC (%)



Payments  $\geq 90$  days overdue (EUR millions)



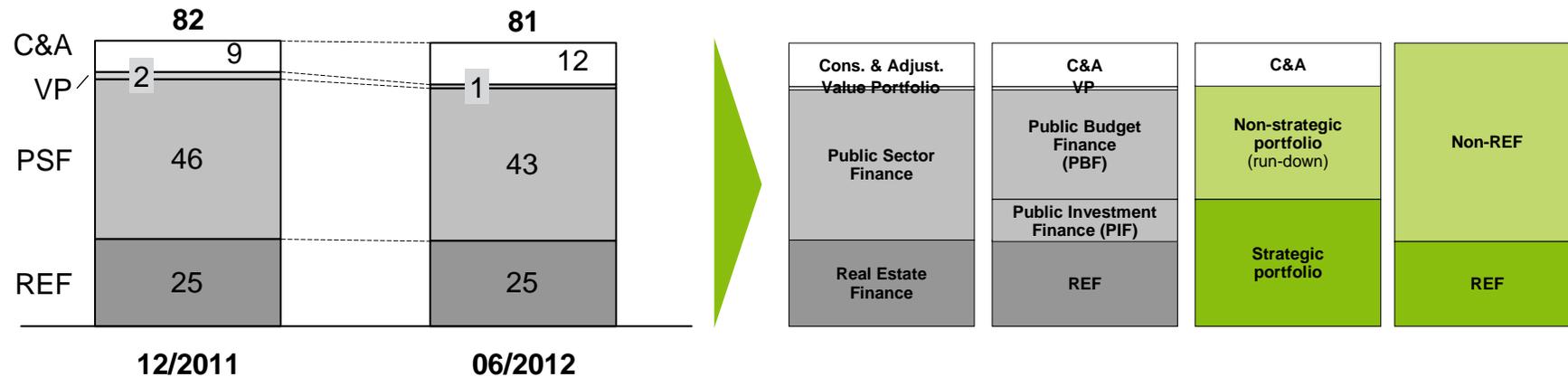
- Over-collateralisation (OC) increased to EUR 3.9 bn (nominal) due to Pfandbrief maturities
- OC (nominal) now covers exposure to peripheral southern European countries by 89% (03/2012: 69%; 12/2011: 67%)
- Currently no new benchmark issuances of public sector Pfandbriefe planned

## Total portfolio

Future portfolio growth in strategic business areas expected to largely compensate mid-term for the run-off of Public Budget Finance

### Total portfolio

EUR billions (EaD)<sup>1,2</sup>



- Total portfolio (EaD) stable – portfolio reduction on a nominal basis (new business < maturities) offset by FX effects and higher exposure with German Central Bank
- Non-lending business exposure shown in ‘Consolidation & Adjustments’ (e.g. assets for bank steering and asset-liability management purposes), providing for a better transparency

Note: Figures may not add up due to rounding

1 Excl. FMS-WM guaranteed exposure, back-to-back derivatives and pass-through funding

2 Incl. FMS-WM bonds (12/2011: EUR 3.0 bn; 06/2012: EUR 2.2 bn)

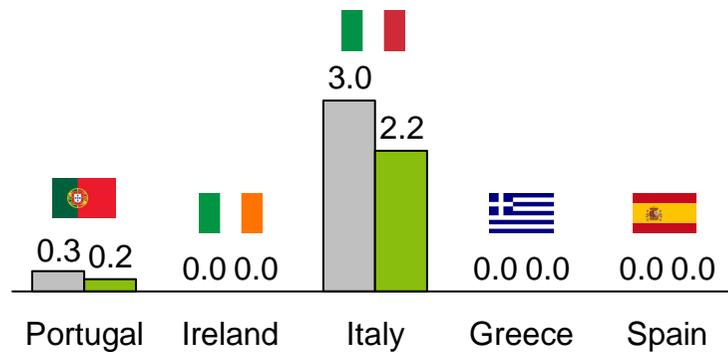
## Exposure in selected countries

Exposure to Portugal and Italy considerably reduced due to active portfolio management and maturities since beginning of the year

### Non-REF: Sovereign exposure

EUR billions (EaD)<sup>1</sup>

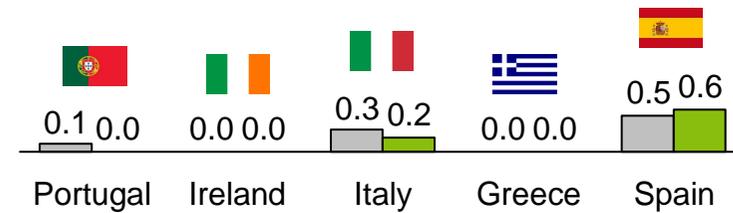
12/2011  
06/2012



### REF: Real Estate exposure

EUR billions (EaD)<sup>1</sup>

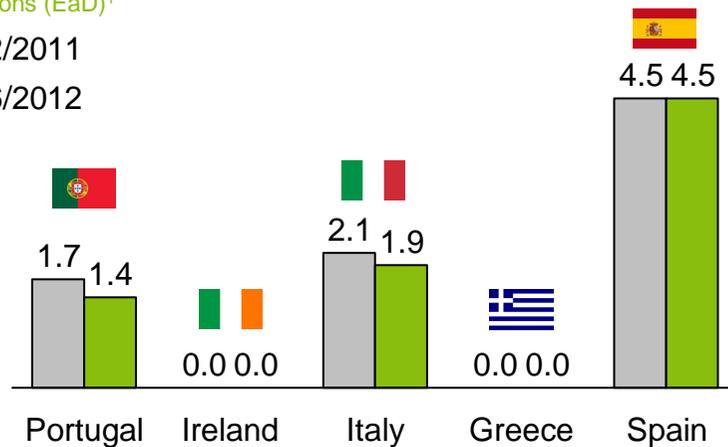
12/2011  
06/2012



### Non-REF: Non-sovereign exposure

EUR billions (EaD)<sup>1</sup>

12/2011  
06/2012



- No Sovereign exposure to Ireland, Greece and Spain
- Sovereign exposure to Italy expected to decline further by year-end 2012, given maturities of EUR 0.8 bn

Note: Figures may not add up due to rounding <sup>1</sup> Excl. FMS-WM and exposure to other entities of HRE Group

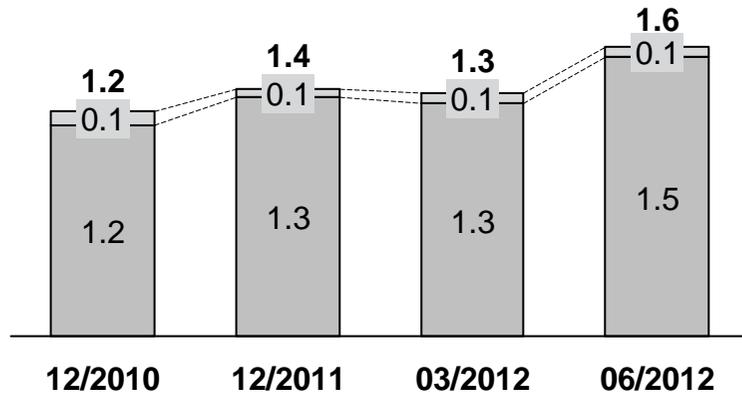
## Problem loans

Total problem loans up, but adequately covered by loan-loss provisions



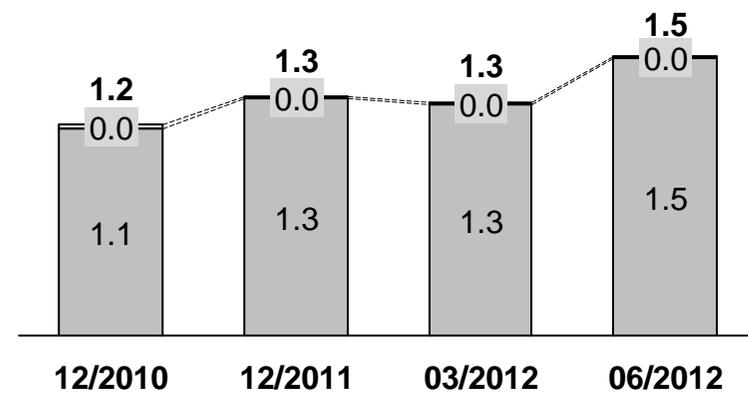
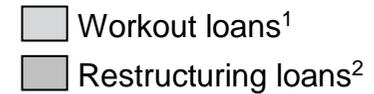
### Total problem loans

EUR billions (EaD)

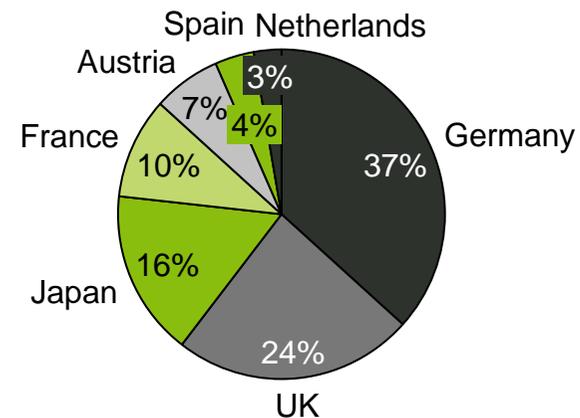


### REF problem loans

EUR billions (EaD)



- Total problem loans up to EUR 1.6 bn (92 individual cases), mainly reflecting new restructuring cases in Spain and France
- However, adequate additions to portfolio-based LLPs made – problem loans now covered as follows:
  - Non-REF: ~74% coverage ratio
  - REF: ~30% coverage ratio



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

➔ **Pre-tax profit** of EUR 51 mio in H1 2012 **in line with expectations** – full-year target range of EUR 100-140 mio confirmed

➔ In H1 2012, **restrictive new business approach**

However, receptiveness of funding markets in H1 2012 better than initially expected – therefore, new deal pipeline built up again and new business **volumes expected to accelerate in the second half of the year**

Full-year target of EUR 8 bn remains unchanged

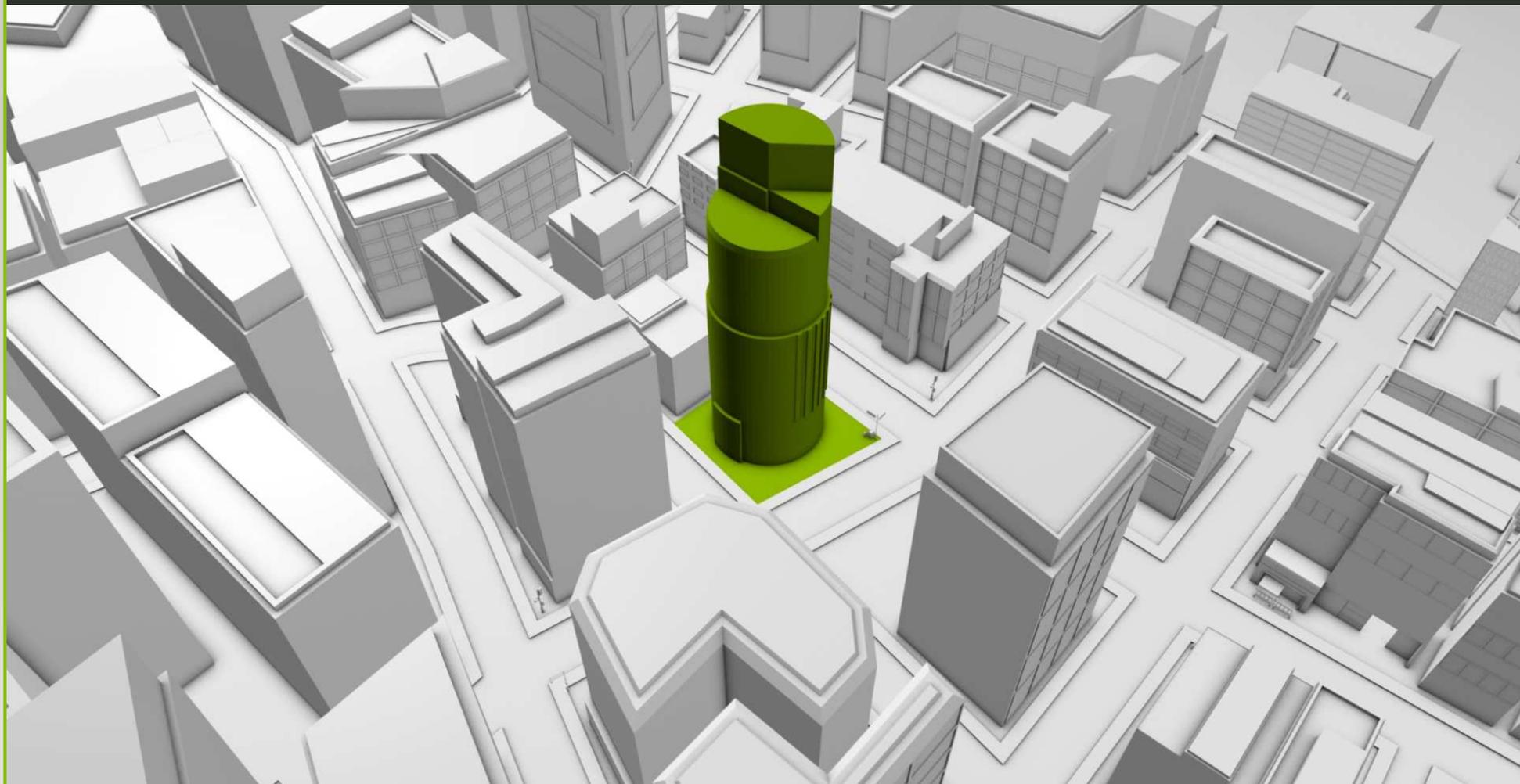
➔ Portfolio strictly monitored – **exposure to peripheral southern European countries considerably reduced** since beginning of this year

# Appendix

PUBLIC SECTOR FINANCE  
REAL ESTATE FINANCE

pbb

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# Group structure

pbb being the strategic core bank within HRE Group



Financials

New business

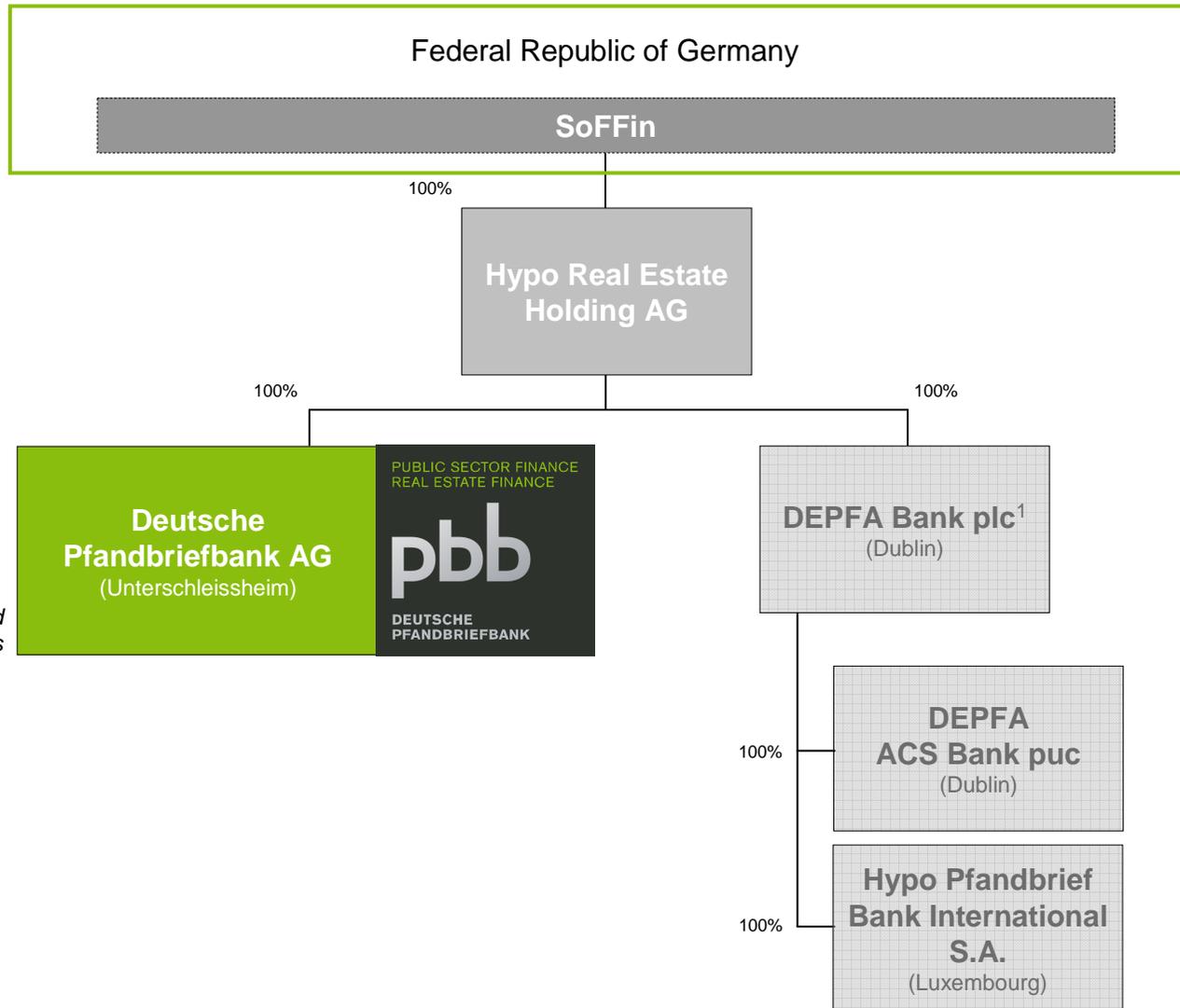
Funding

Cover pools

Portfolio

Summary & Outlook

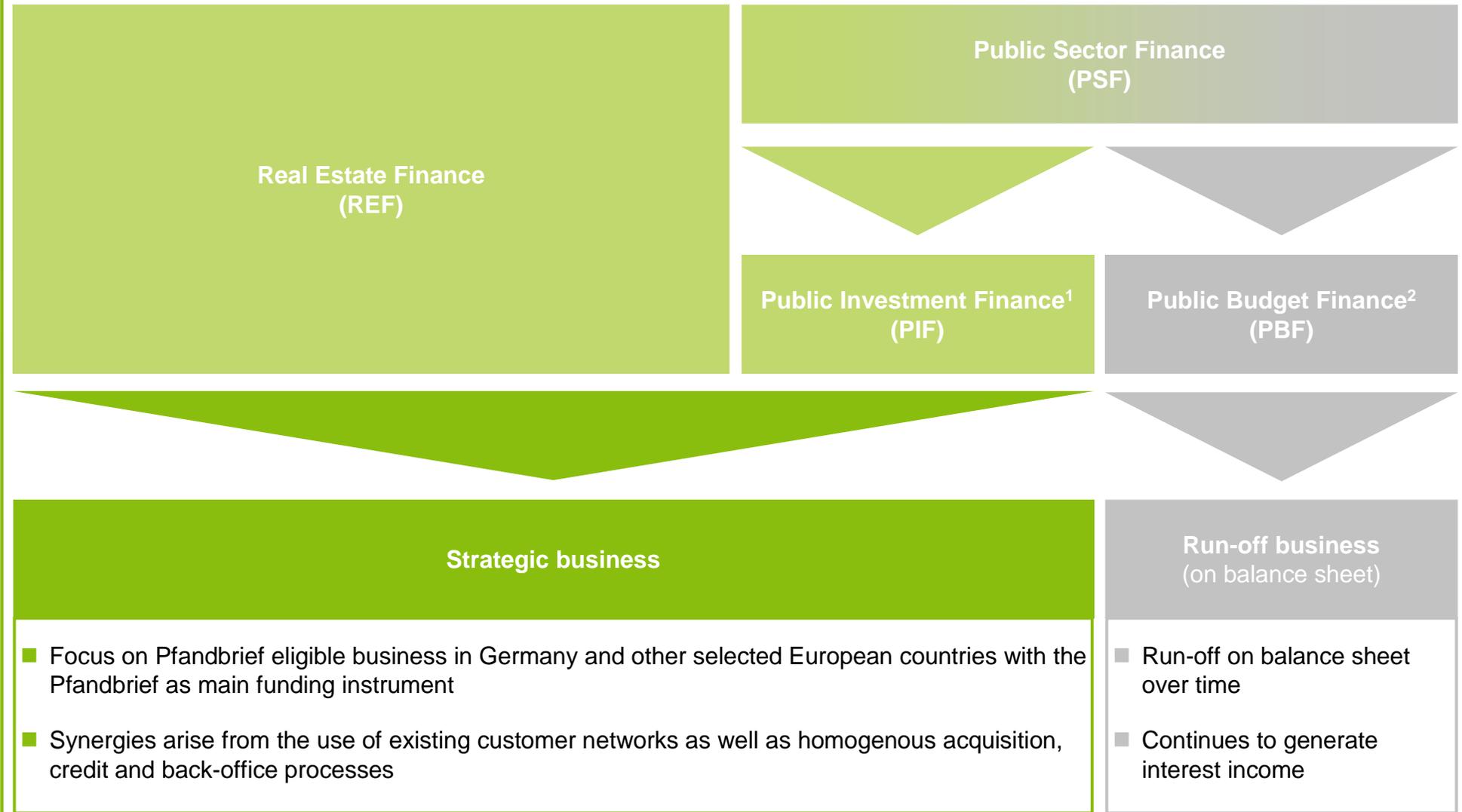
Appendix



Issuer of publicly traded capital market products

1 Incl. Hypo Public Finance Bank

**Business model and strategy**  
**Focus on Real Estate and Public Investment Finance – Public Budget Finance business**  
**will be run-off over time on balance sheet**



Financials  
 New business  
 Funding  
 Cover pools  
 Portfolio  
 Summary & Outlook  
 Appendix

<sup>1</sup> Project related Public Investment Finance    <sup>2</sup> Financing of general and non-allocated household budget

## New business

Regional focus on Germany and other selected European countries – pbb benefits from long-standing experience and franchise within strategic markets

### Real Estate Finance (REF)



- Core countries with sales locations
- Potential new location in Sweden
- Other strategic countries

Countries	Sales locations
Germany	Unterschleissheim, Eschborn
UK	London
France	Paris
Italy	Rome
Spain	Madrid

- New business focus currently on Germany, UK, France and CEE
- At present, new business in Spain will only be conducted on a very conservative and selective basis

### Public Investment Finance (PIF)



- New business focus currently on Germany and France
- At present, no new business in Spain and Italy

# Business model and strategy

## Scope of strategic business activities: Real Estate Finance (REF)



Financials

New business

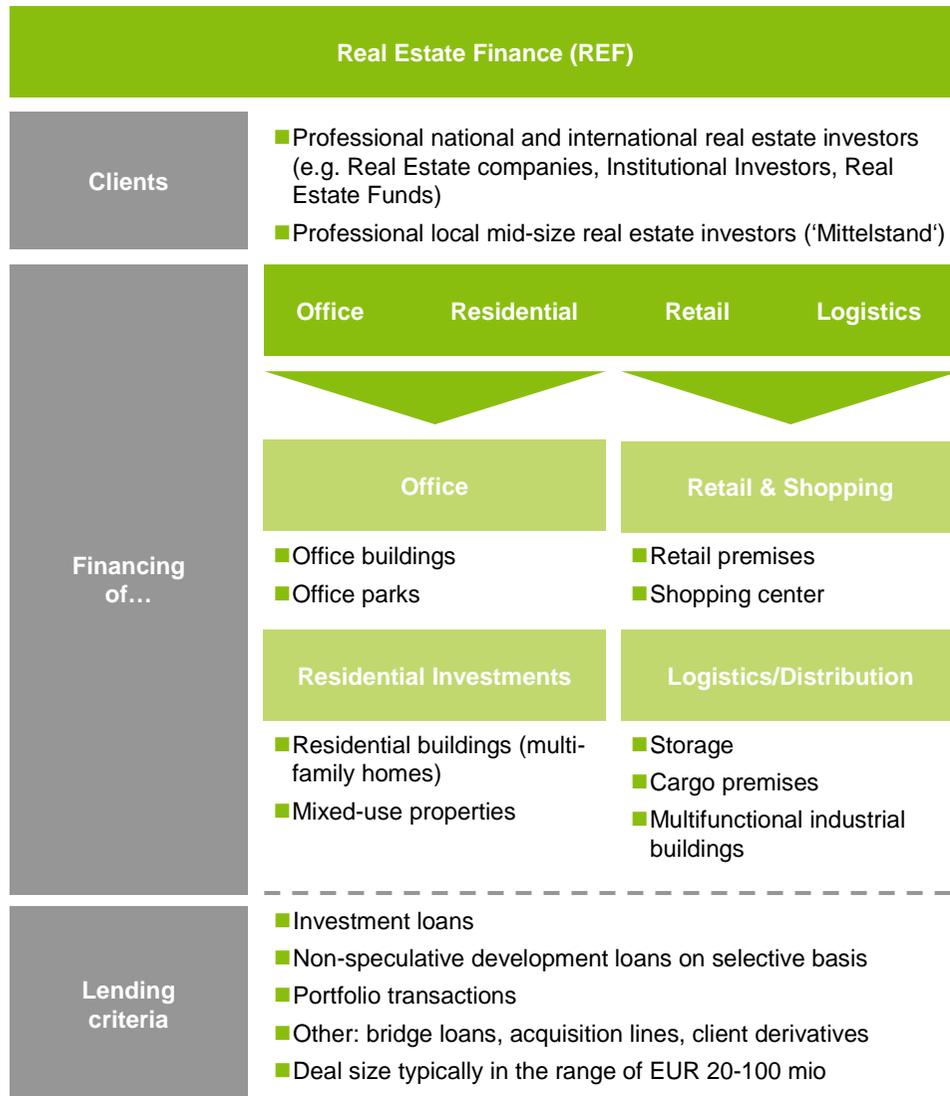
Funding

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**GLL Real Estate Partners  
Roosevelt Office Building**  
€ 60 million

Refinancing Facility  
pbb as Agent & Arranger – pbb stake € 30 million  
Budapest, Hungary  
March 2012

**Blackstone  
UK Logistics Portfolio**  
£ 159 million

Acquisition Financing, Club Deal  
pbb acting as Facility and Security Agent  
pbb stake £ 53 million  
April 2012

**Aviva Investors  
CEE Portfolio**  
€ 148 million

Investment Loan  
Club deal arranged by pbb – pbb stake € 74 million  
Pan-CEE  
June 2012

**ProLogis  
European Properties Fund II  
Prime Logistics Property**  
£ 40 million

Investment Financing  
Daventry, UK  
July 2012

**CeGeREAL  
Office Portfolio**  
€ 400 million

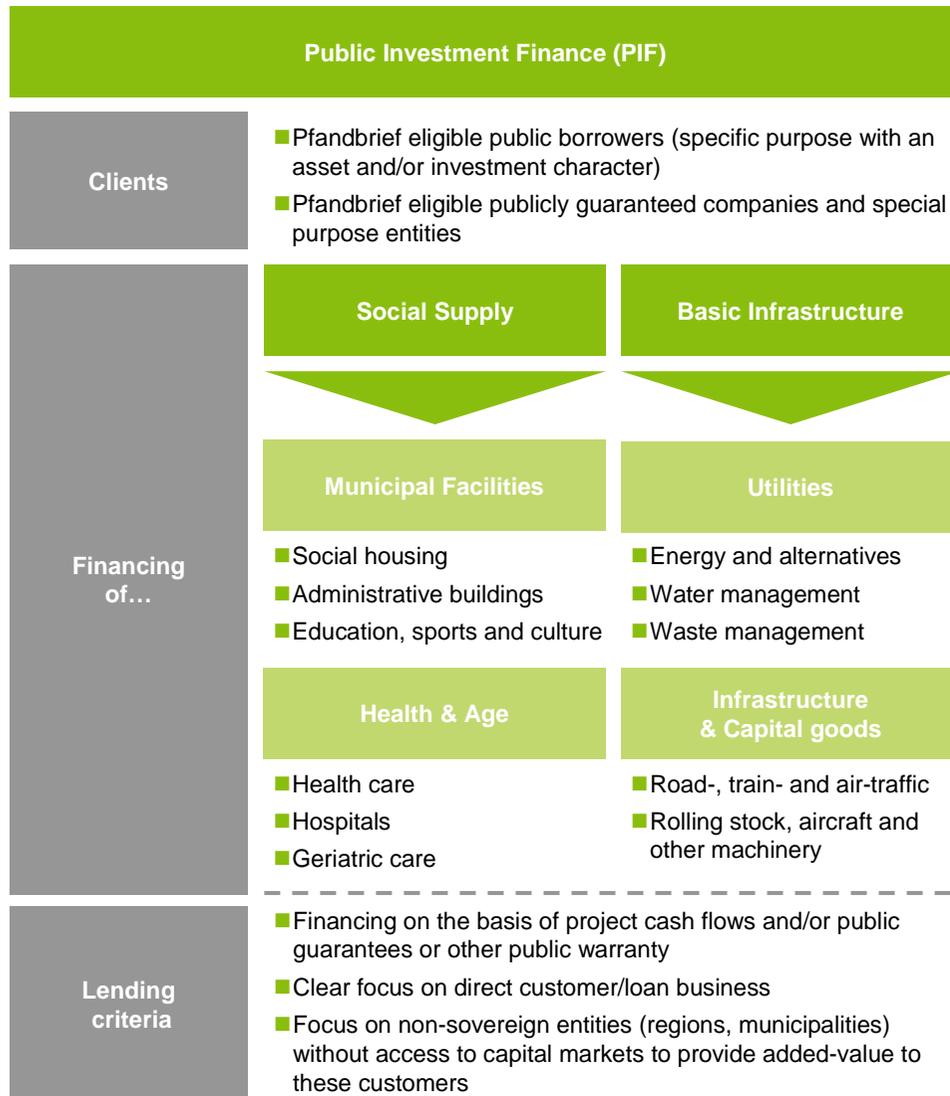
Investment Financing, Club Deal  
pbb acts as Co-Arranger – pbb stake € 75 million  
Paris, France  
July 2012

**O&H Holdings  
Office & Retail Portfolio**  
£ 25 million

Investment Financing  
London, UK  
July 2012

# Business model and strategy

## Scope of strategic business activities: Public Investment Finance (PIF)



**pbb**  
DEUTSCHE PFANDBRIEFBANK

degewo  
**€ 90 million**

Lender  
Germany  
October & December 2011

**pbb**  
DEUTSCHE PFANDBRIEFBANK

New Administrative Center PPP  
**€ 27 million**

**BORDEAUX**

Mandated Lead Arranger  
France  
December 2011

**pbb**  
DEUTSCHE PFANDBRIEFBANK

Paris-Bercy Arena Concession  
**€ 125 million**

**BERCY**

Mandated Lead Arranger  
France  
December 2011

**pbb**  
DEUTSCHE PFANDBRIEFBANK

Conseil Général du Finistère  
**€ 10 million**

**CONSEIL GÉNÉRAL Finistère**

Lender  
France  
April 2012

**pbb**  
DEUTSCHE PFANDBRIEFBANK

Landeshauptstadt Hannover  
Neubau von 8 Kindertagesstätten  
**€ 20 Millionen**

Langfristige Finanzierung  
Deutschland  
Mai 2012

**pbb**  
DEUTSCHE PFANDBRIEFBANK

Troyes Hospital  
**€ 10 million**

Lender  
France  
June 2012

## Financials Income statement



### Income statement (IFRS)

EUR millions

	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	H1 2012
<b>Operating revenues</b>	<b>652</b>	<b>131</b>	<b>162</b>	<b>129</b>	<b>104</b>	<b>526</b>	<b>103</b>	<b>120</b>	<b>223</b>
Net interest and similar income	600	97	95	101	78	371	76	74	150
Net commission income	-10	14	5	6	7	32	3	3	6
Net trading income	77	-8	8	4	-12	-8	0	-2	-2
Net income from financial investments	-17	-1	0	0	4	3	-4	9	5
Net income from hedge relationships	-45	-15	-12	-7	-22	-56	-2	-1	-3
Balance of other operating income/expenses	47	44	66	25	49	184	30	37	67
<b>Provisions for losses on loans and advances</b>	<b>-443</b>	<b>2</b>	<b>-1</b>	<b>1</b>	<b>10</b>	<b>12</b>	<b>-4</b>	<b>-5</b>	<b>-9</b>
<b>General administrative expenses</b>	<b>-352</b>	<b>-81</b>	<b>-93</b>	<b>-87</b>	<b>-96</b>	<b>-357</b>	<b>-78</b>	<b>-86</b>	<b>-164</b>
<b>Balance of other income/expenses</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Pre-tax profit/loss</b>	<b>-135</b>	<b>52</b>	<b>68</b>	<b>43</b>	<b>25</b>	<b>188</b>	<b>21</b>	<b>30</b>	<b>51</b>

Financials

New business

Funding

Cover pools

Portfolio

Summary & Outlook

Appendix

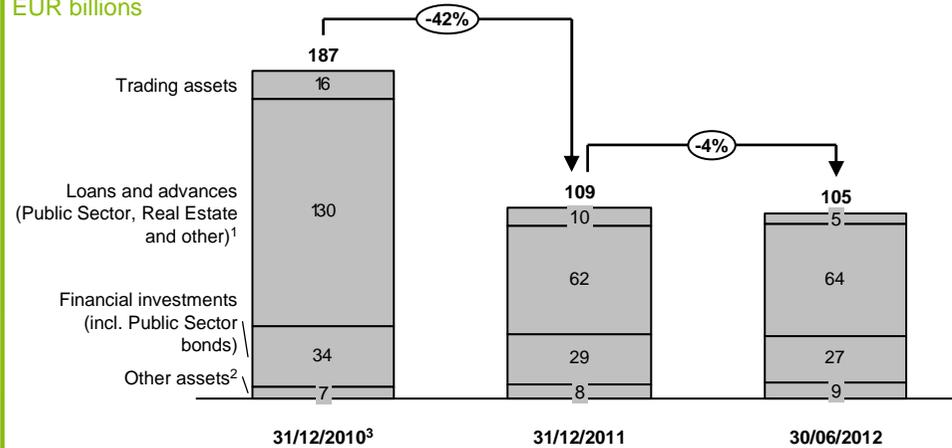
# Financials

## Balance sheet



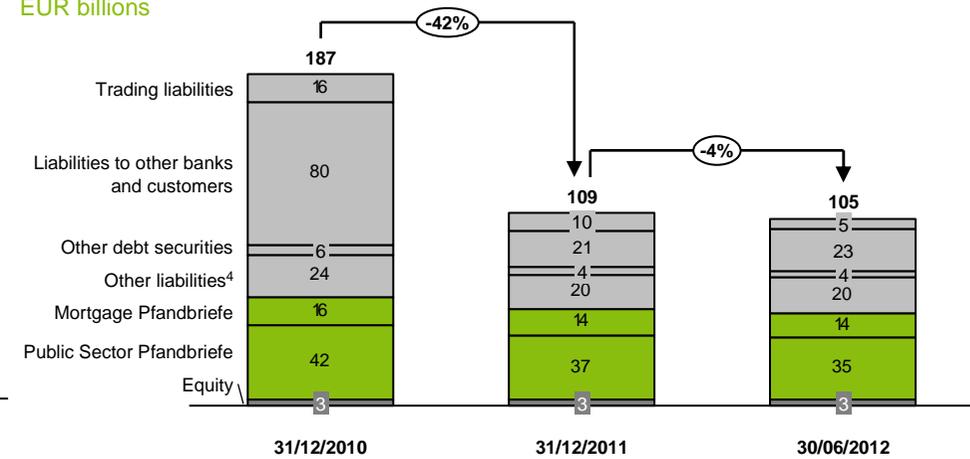
### Total assets (IFRS)

EUR billions



### Total liabilities and equity (IFRS)

EUR billions



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 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

## Funding

pbb is a frequent Pfandbrief issuer with liquid benchmark transactions as well as tailor-made private placements



	Pfandbrief	Unsecured	Others
Products	<b>Mortgage Pfandbrief</b>  <b>Public Sector Pfandbrief</b>	<b>Bearer bonds</b>  <b>Promissory notes (Schuldscheindarlehen)</b>	<b>Money Market (Commercial Paper)</b>  <b>Deposits</b>
Types	<ul style="list-style-type: none"> <li>Plain fixed-rate or floater as well as zeros or step-up coupons</li> <li>Callable/puttable structures</li> <li>CMS-linked, CMS-spreads, amortizing issues, Inflation-linker</li> </ul>		
Currencies	<ul style="list-style-type: none"> <li>Public Sector Pfandbrief will predominantly require EUR (minor USD) funding</li> <li>Mortgage Pfandbrief will require EUR and GBP funding</li> <li>Unsecured Funding will be taken in various currencies</li> </ul>		

Financials

New business

Funding

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Portfolio

Summary & Outlook

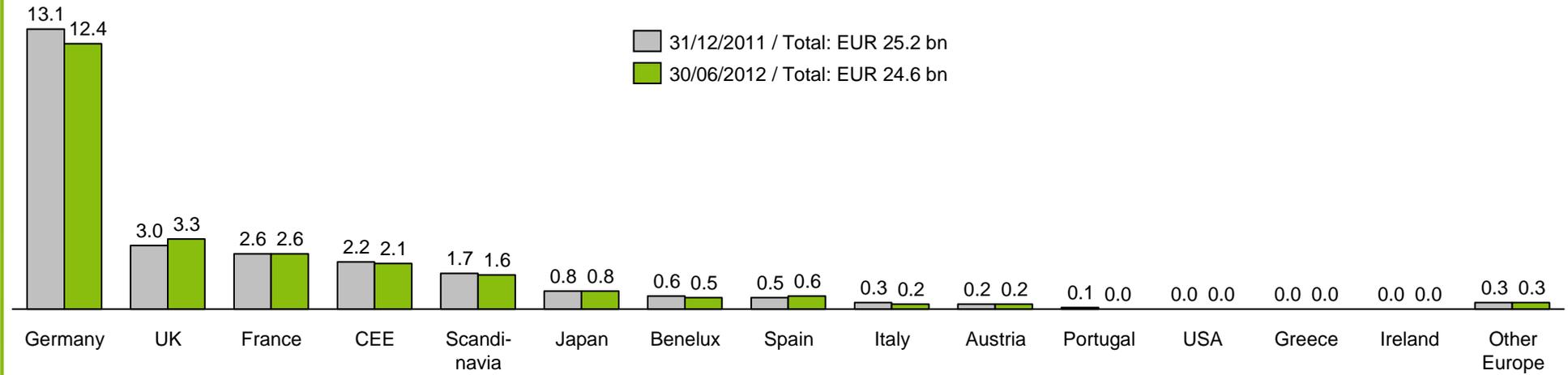
Appendix

<sup>1</sup> Review for downgrade

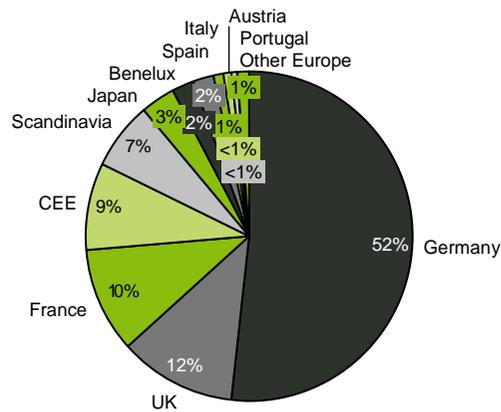
# Portfolio Real Estate portfolio

## Exposure by region

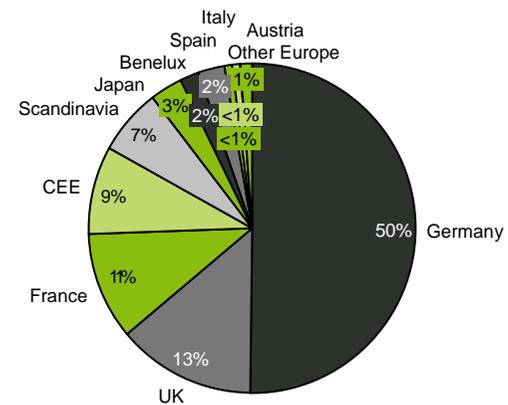
EUR billions (EaD)



31/12/2011



30/06/2012



Note: Figures may not add up due to rounding

# Portfolio Real Estate portfolio



Financials

New business

Funding

Cover pools

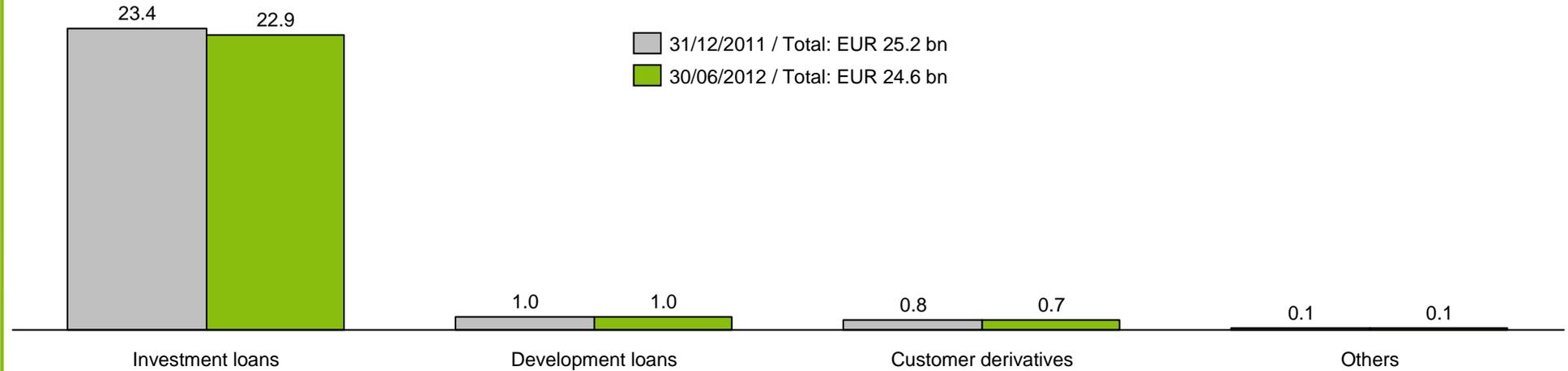
Portfolio

Summary & Outlook

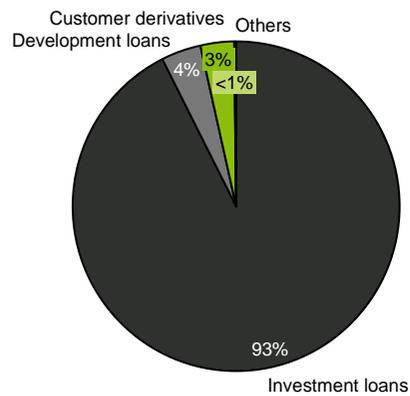
Appendix

## Exposure by loan type

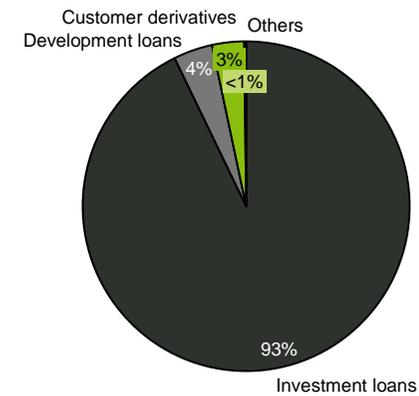
EUR billions (EaD)



31/12/2011



30/06/2012



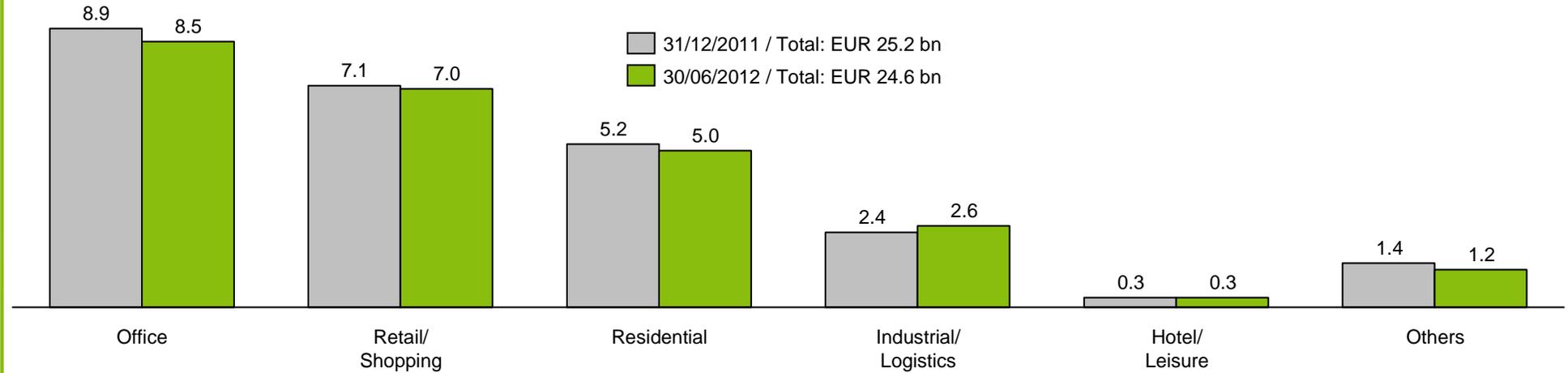
Note: Figures may not add up due to rounding

# Portfolio Real Estate portfolio

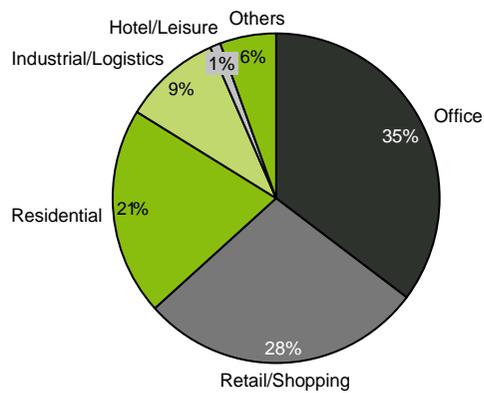


## Exposure by property type

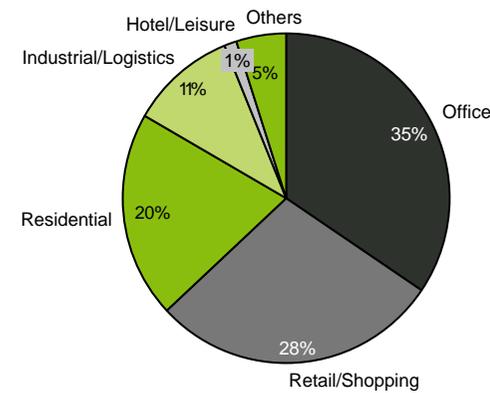
EUR billions (EaD)



31/12/2011



30/06/2012



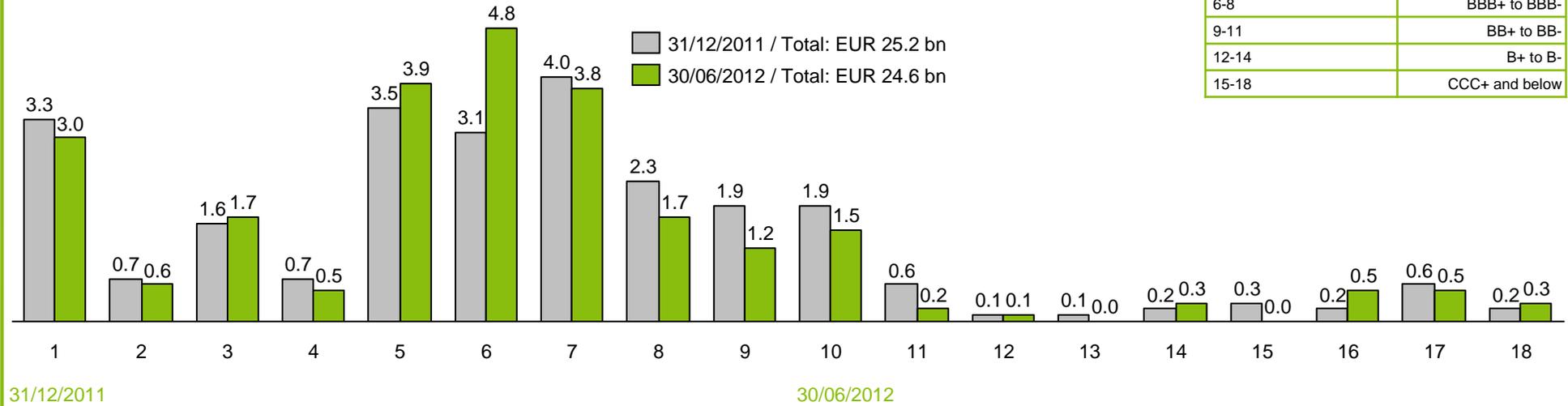
Note: Figures may not add up due to rounding

# Portfolio Real Estate portfolio



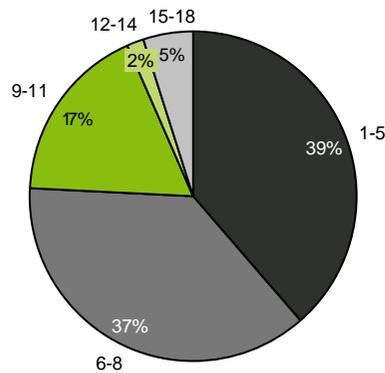
## Exposure by EL classes

EUR billions (EaD)

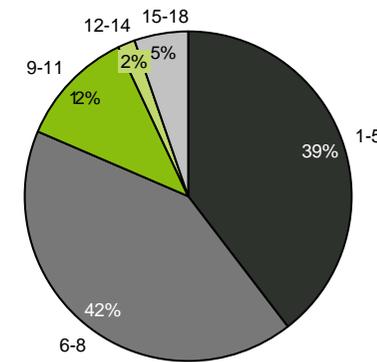


EL class	S&P rating scale
1-5	AAA to A-
6-8	BBB+ to BBB-
9-11	BB+ to BB-
12-14	B+ to B-
15-18	CCC+ and below

31/12/2011



30/06/2012

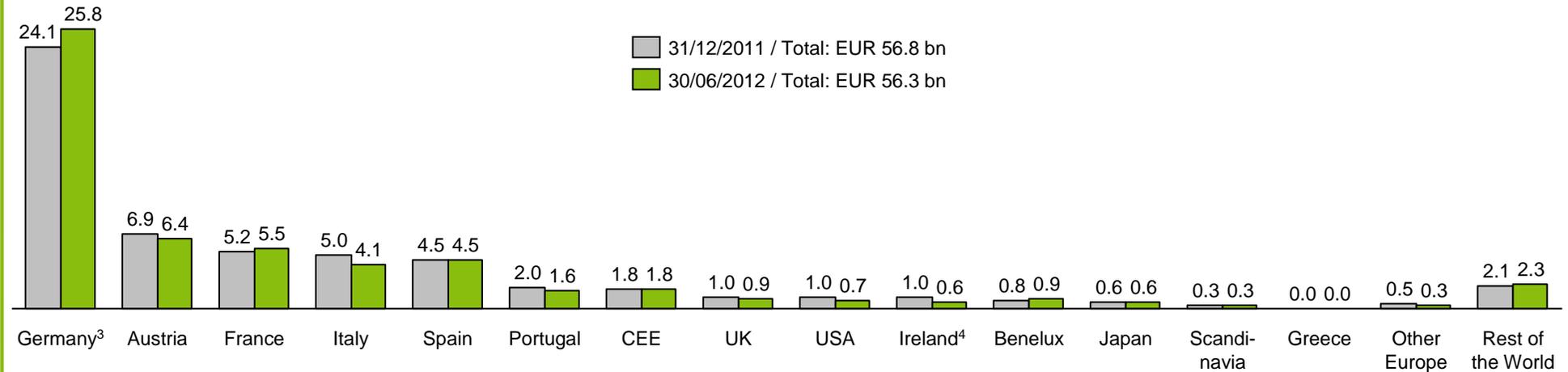


Note: Figures may not add up due to rounding

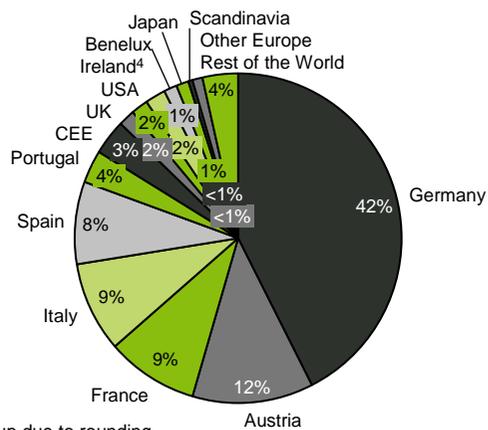
# Portfolio Non-Real Estate portfolio

## Exposure by region

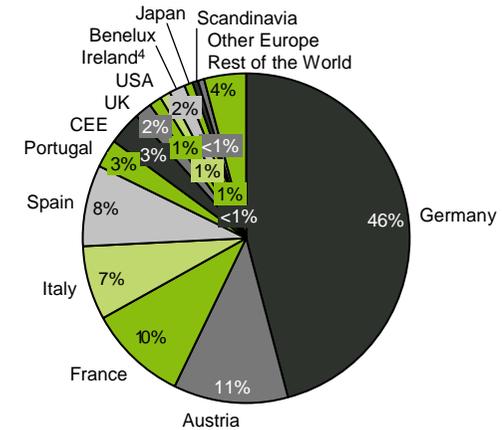
EUR billions (EaD)<sup>1,2</sup>



31/12/2011



30/06/2012



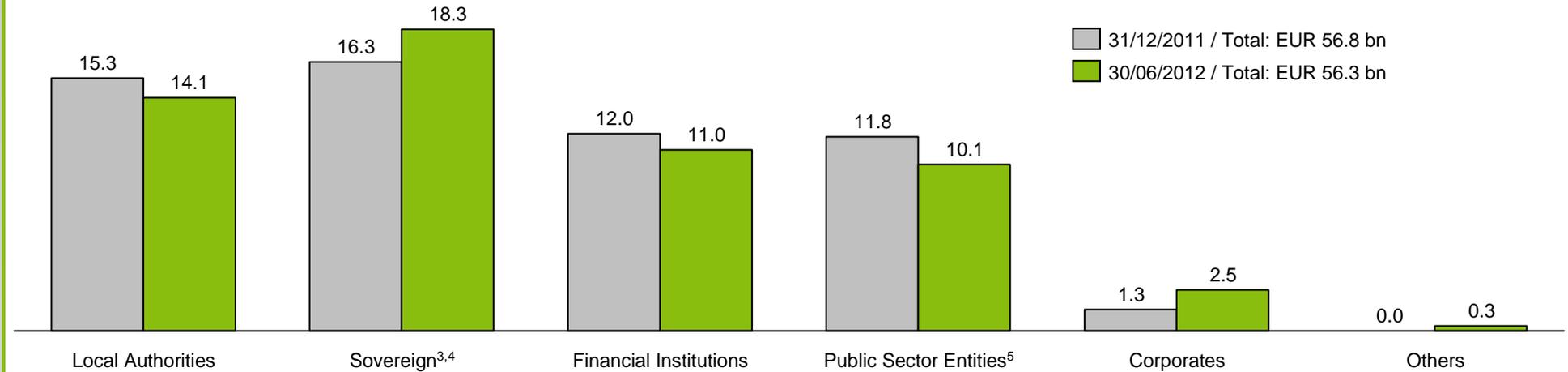
Note: Figures may not add up due to rounding  
 1 Excl. FMS-WM guaranteed exposure, back-to-back derivatives and pass-through funding  
 2 Incl. FMS-WM bonds (31/12/2011: EUR 3.0 bn; 30/06/2012: EUR 2.2 bn)  
 3 Incl. accounts with German Central Bank (31/12/2011: EUR 1.6 bn; 30/06/2012: EUR 5.8 bn)  
 4 Only exposure to other entities of HRE Group

# Portfolio Non-Real Estate portfolio

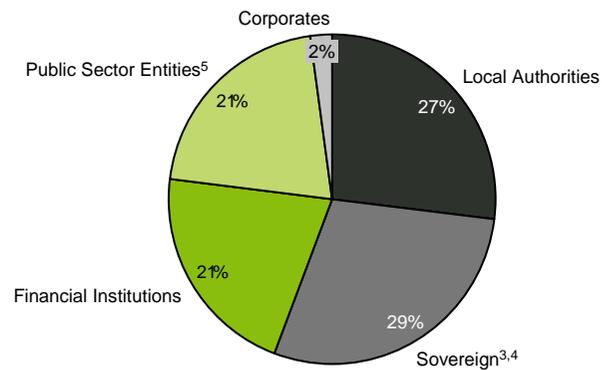


## Exposure by counterparty type

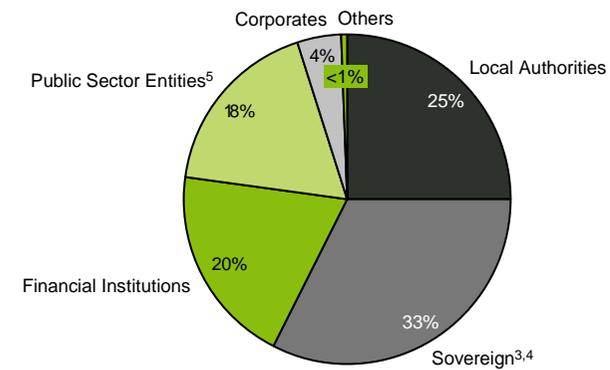
EUR billions (EaD)<sup>1,2</sup>



31/12/2011



30/06/2012



Note: Figures may not add up due to rounding

1 Excl. FMS-WM guaranteed exposure, back-to-back derivatives and pass-through funding

2 Incl. FMS-WM bonds (31/12/2011: EUR 3.0 bn; 30/06/2012: EUR 2.2 bn)

3 Incl. accounts with German Central Bank (31/12/2011: EUR 1.6 bn; 30/06/2012: EUR 5.8 bn)

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

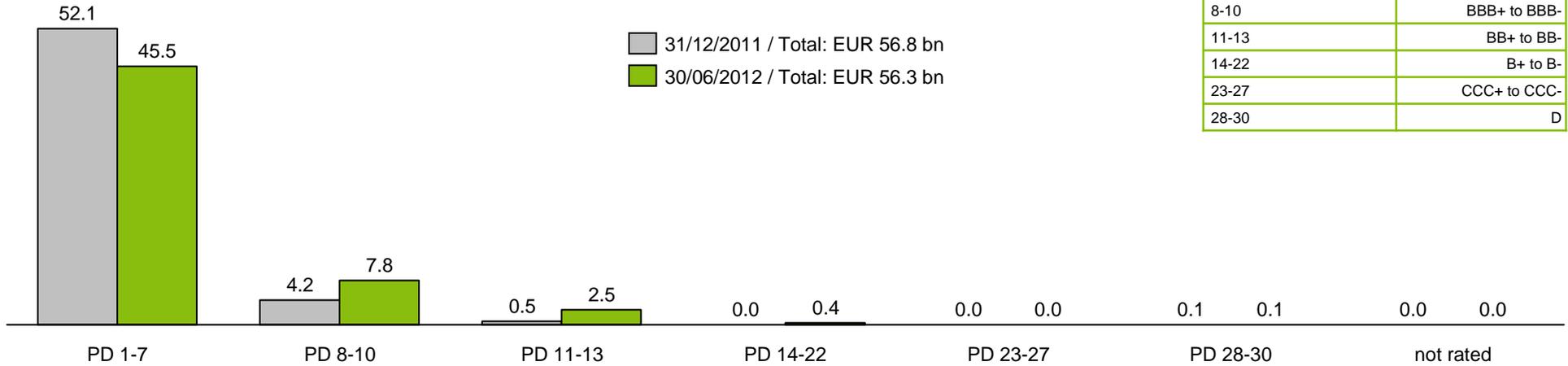
5 Entities with explicit or implicit financial support from a tax raising authority

# Portfolio Non-Real Estate portfolio



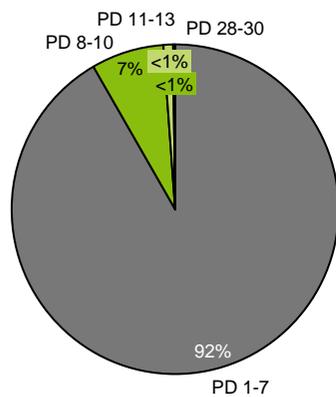
## Exposure by PD class

EUR billions (EaD)<sup>1,2</sup>

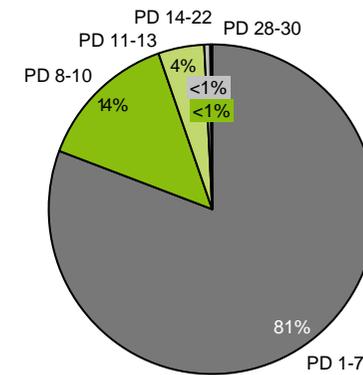


PD class	S&P rating scale
1-7	AAA to A-
8-10	BBB+ to BBB-
11-13	BB+ to BB-
14-22	B+ to B-
23-27	CCC+ to CCC-
28-30	D

31/12/2011



30/06/2012



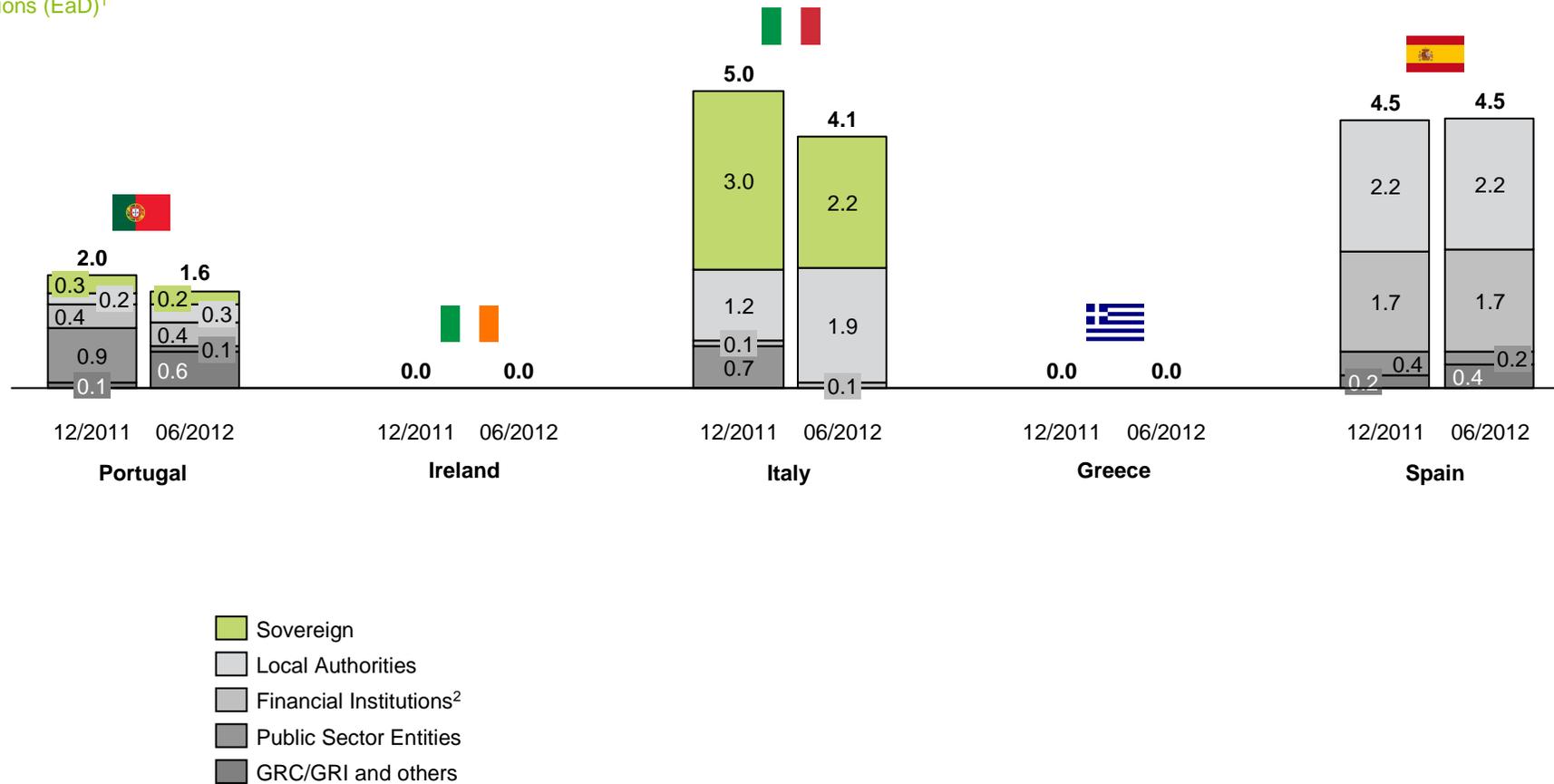
Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure, back-to-back derivatives and pass-through funding 2 Incl. FMS-WM bonds (31/12/2011: EUR 3.0 bn; 30/06/2012: EUR 2.2 bn)

# Portfolio

## Non-Real Estate portfolio

### Non-REF: Exposure in selected countries by counterparty types

EUR billions (EaD)<sup>1</sup>



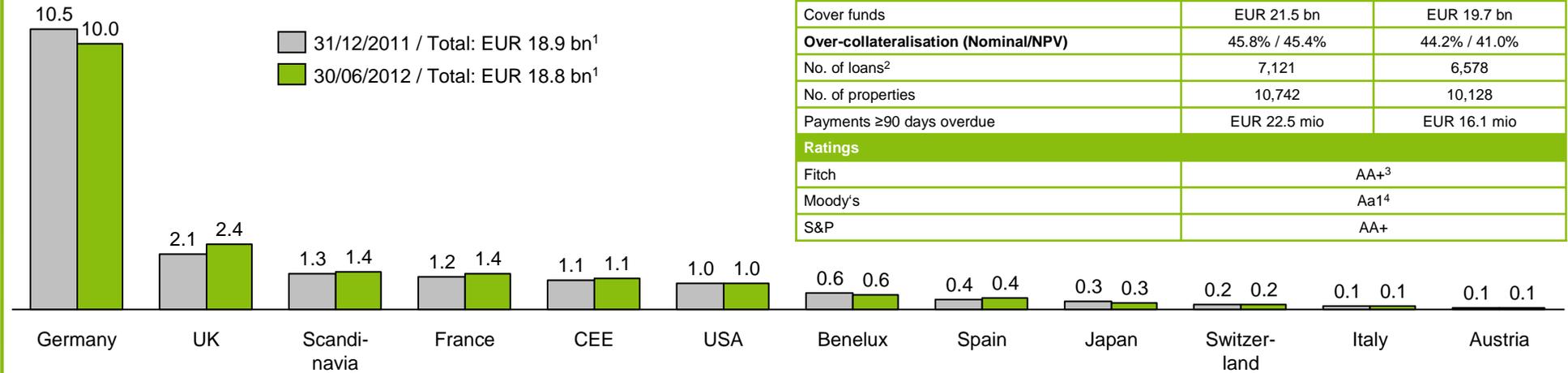
Note: Figures may not add up due to rounding 1 Excl. FMS-WM and exposure to other entities of HRE Group 2 Predominantly mortgage covered bonds

# Cover pools Mortgage cover pool

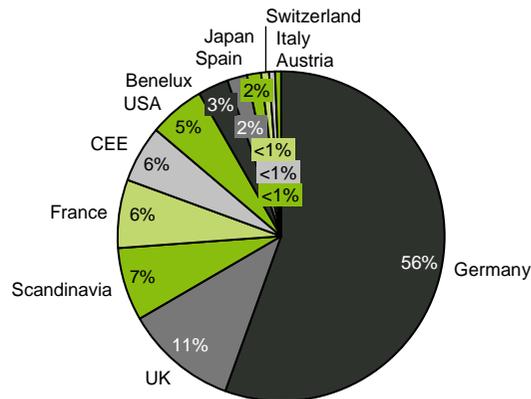


## Cover funds by region

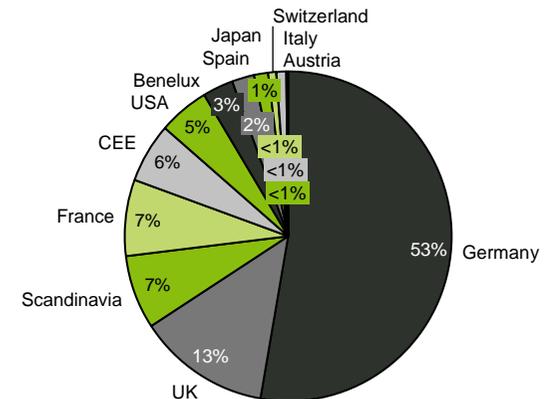
EUR billions (Nominal)



31/12/2011



30/06/2012



Note: Figures may not add up due to rounding

1 Excl. additional cover assets (substitute collateral)

2 Excl. derivatives

3 On 09/08/2012, pbb ended Fitch's mandate for Mortgage Pfandbriefe and has asked Fitch to withdraw the rating

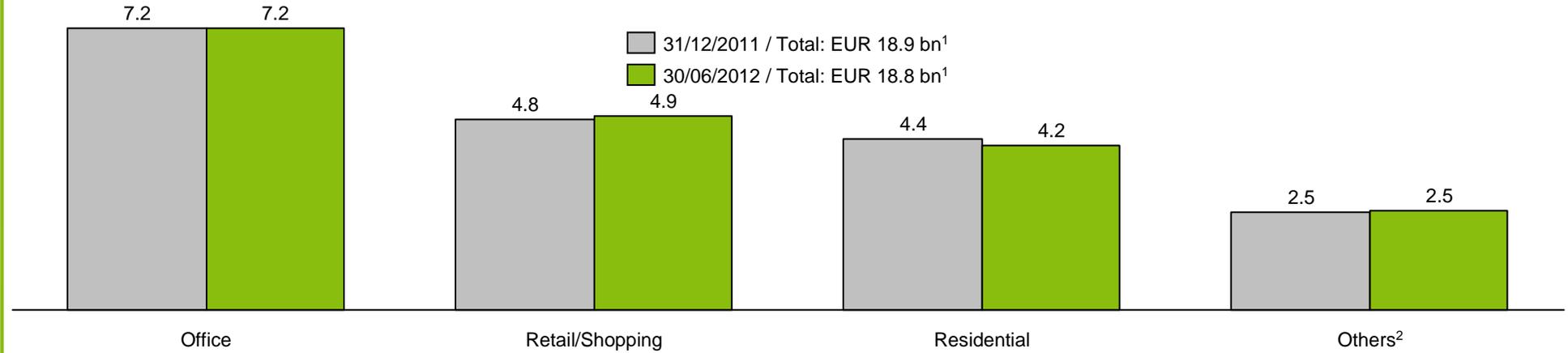
4 Review for downgrade

Mortgage cover pool (Nominal)	31/12/2011	30/06/2012
Pfandbriefe outstanding	EUR 14.7 bn	EUR 13.7 bn
Cover funds	EUR 21.5 bn	EUR 19.7 bn
<b>Over-collateralisation (Nominal/NPV)</b>	45.8% / 45.4%	44.2% / 41.0%
No. of loans <sup>2</sup>	7,121	6,578
No. of properties	10,742	10,128
Payments ≥90 days overdue	EUR 22.5 mio	EUR 16.1 mio
<b>Ratings</b>		
Fitch	AA+ <sup>3</sup>	
Moody's	Aa1 <sup>4</sup>	
S&P	AA+	

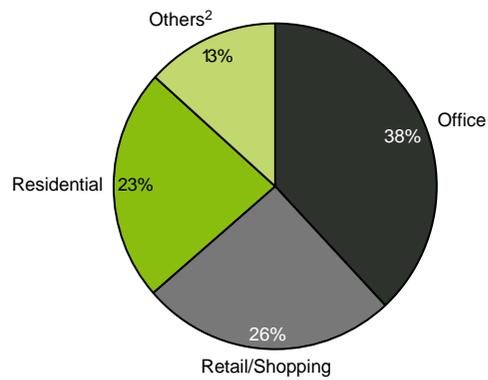
# Cover pools Mortgage cover pool

## Cover funds by property type

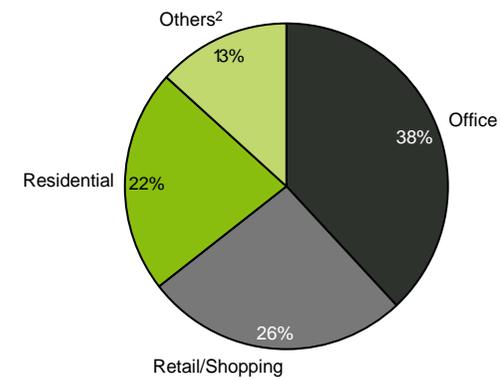
EUR billions (Nominal)



31/12/2011



30/06/2012



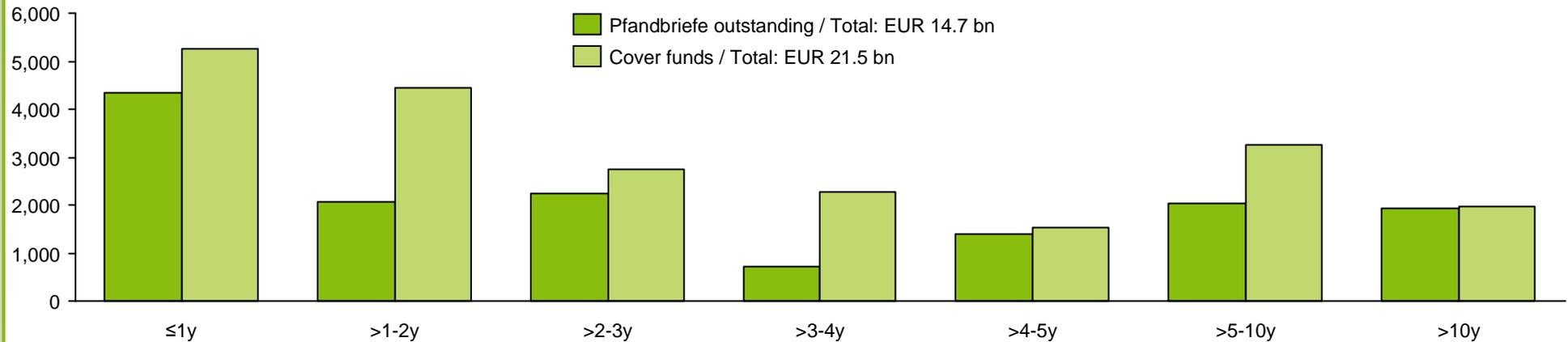
Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Incl. Industrial/Logistics

# Cover pools

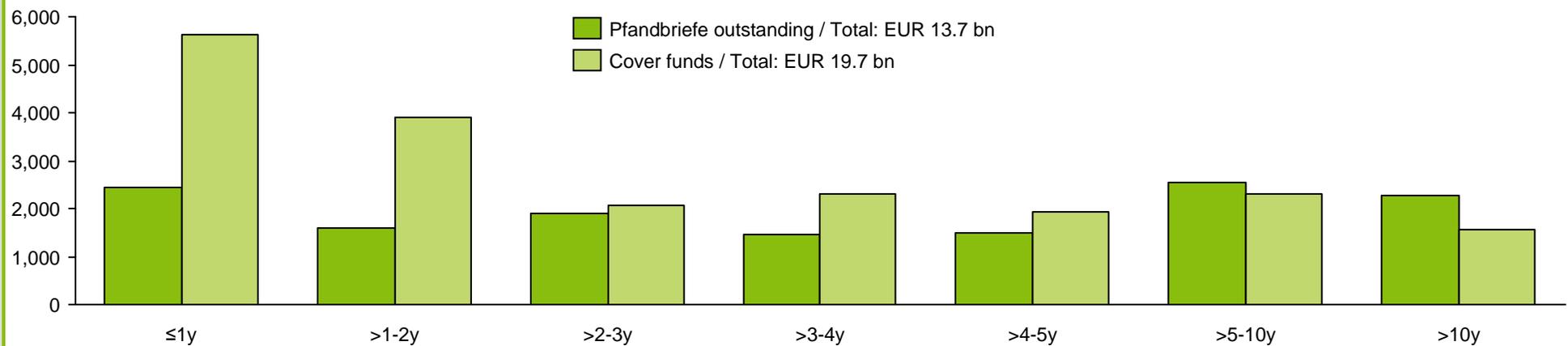
## Mortgage cover pool

### Maturity profile<sup>1,2</sup>

31/12/2011: EUR millions (Nominal)



30/06/2012: EUR millions (Nominal)



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

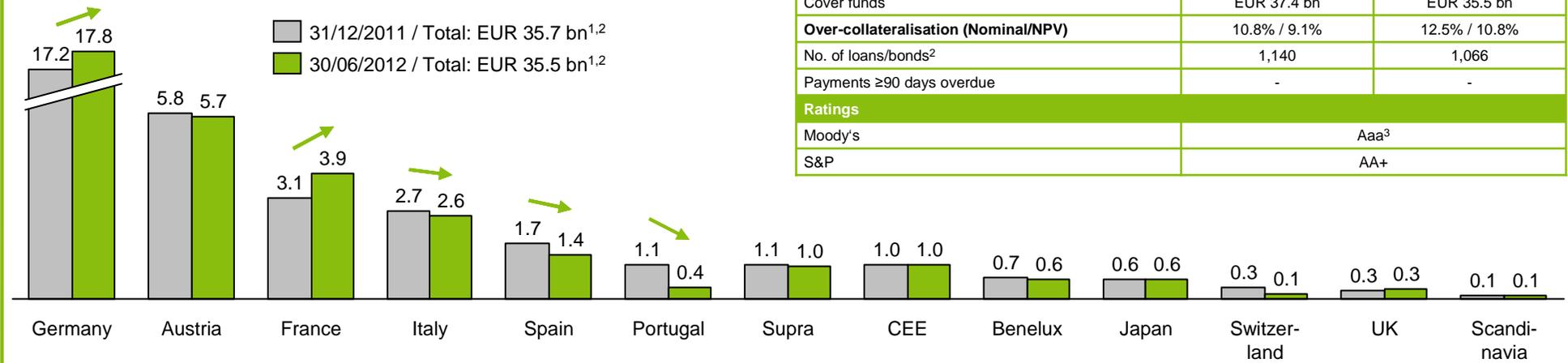
# Cover pools

## Public Sector cover pool: Cover pool quality considerably improved due to active cover pool management



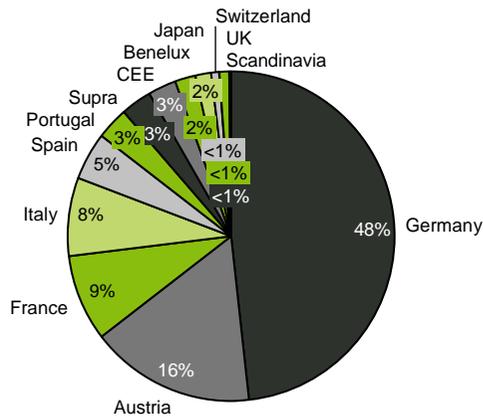
### Cover funds by region

EUR billions (Nominal)

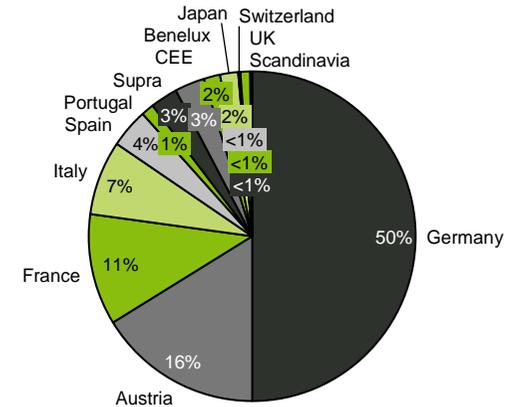


Public Sector cover pool (Nominal)	31/12/2011	30/06/2012
Pfandbriefe outstanding	EUR 33.7 bn	EUR 31.5 bn
Cover funds	EUR 37.4 bn	EUR 35.5 bn
<b>Over-collateralisation (Nominal/NPV)</b>	10.8% / 9.1%	12.5% / 10.8%
No. of loans/bonds <sup>2</sup>	1,140	1,066
Payments ≥90 days overdue	-	-
<b>Ratings</b>		
Moody's	Aaa <sup>3</sup>	
S&P	AA+	

31/12/2011



30/06/2012



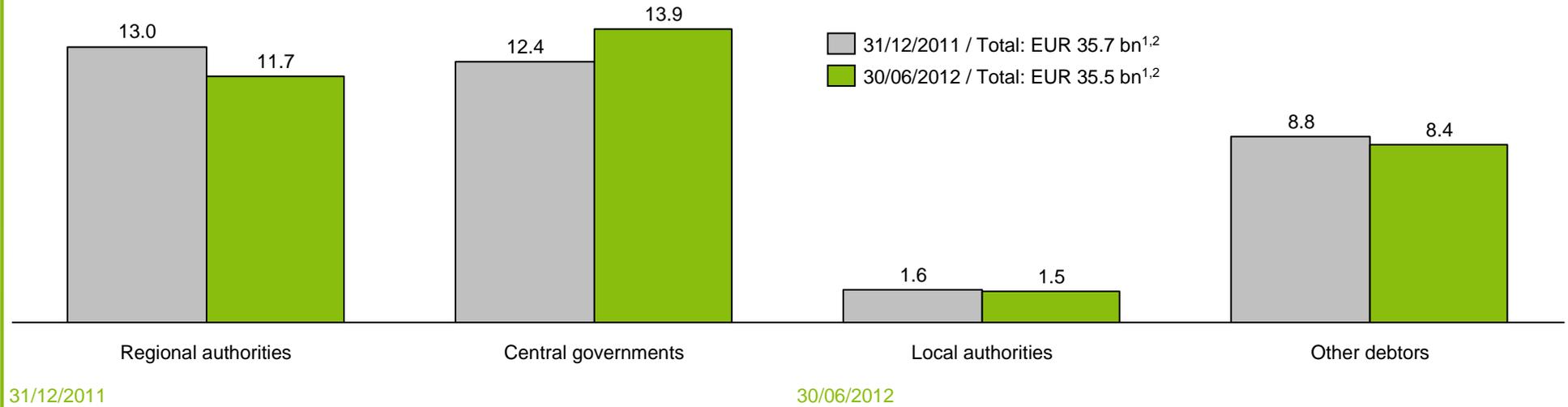
Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral) 2 Excl. derivatives 3 Review for downgrade

# Cover pools

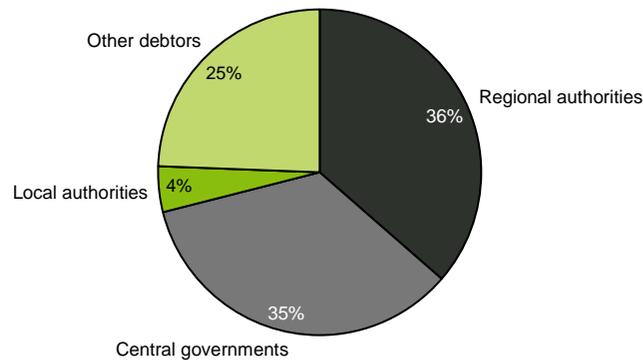
## Public Sector cover pool

### Cover funds by counterparty type

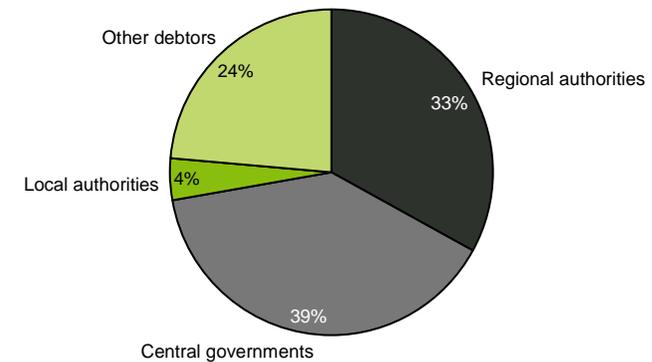
EUR billions (Nominal)



31/12/2011



30/06/2012



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

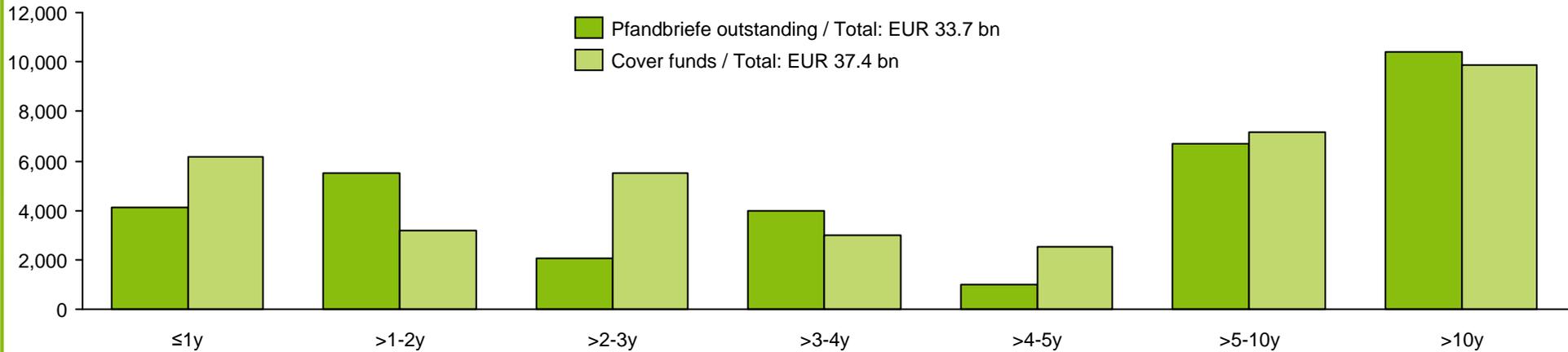
# Cover pools

## Public Sector cover pool

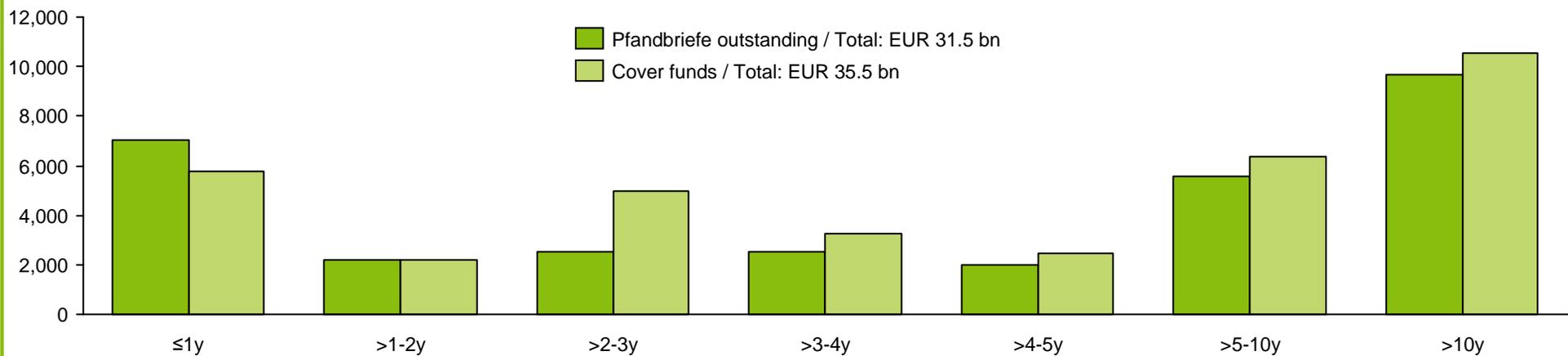


### Maturity profile<sup>1,2</sup>

31/12/2011: EUR millions (Nominal)



30/06/2012: EUR millions (Nominal)



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

## Contact details



## Communications

- **Walter Allwicher** +49 (0)89 2880 28787  
[walter.allwicher@pfandbriefbank.com](mailto:walter.allwicher@pfandbriefbank.com)

## Investor Relations

- **Frank Ertz** +49 (0)89 2880 28776  
[frank.ertz@pfandbriefbank.com](mailto:frank.ertz@pfandbriefbank.com)
- **Michael Heuber** +49 (0)89 2880 28778  
[michael.heuber@pfandbriefbank.com](mailto:michael.heuber@pfandbriefbank.com)
- **Website** [www.pfandbriefbank.com/investor-relations.html](http://www.pfandbriefbank.com/investor-relations.html)

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