

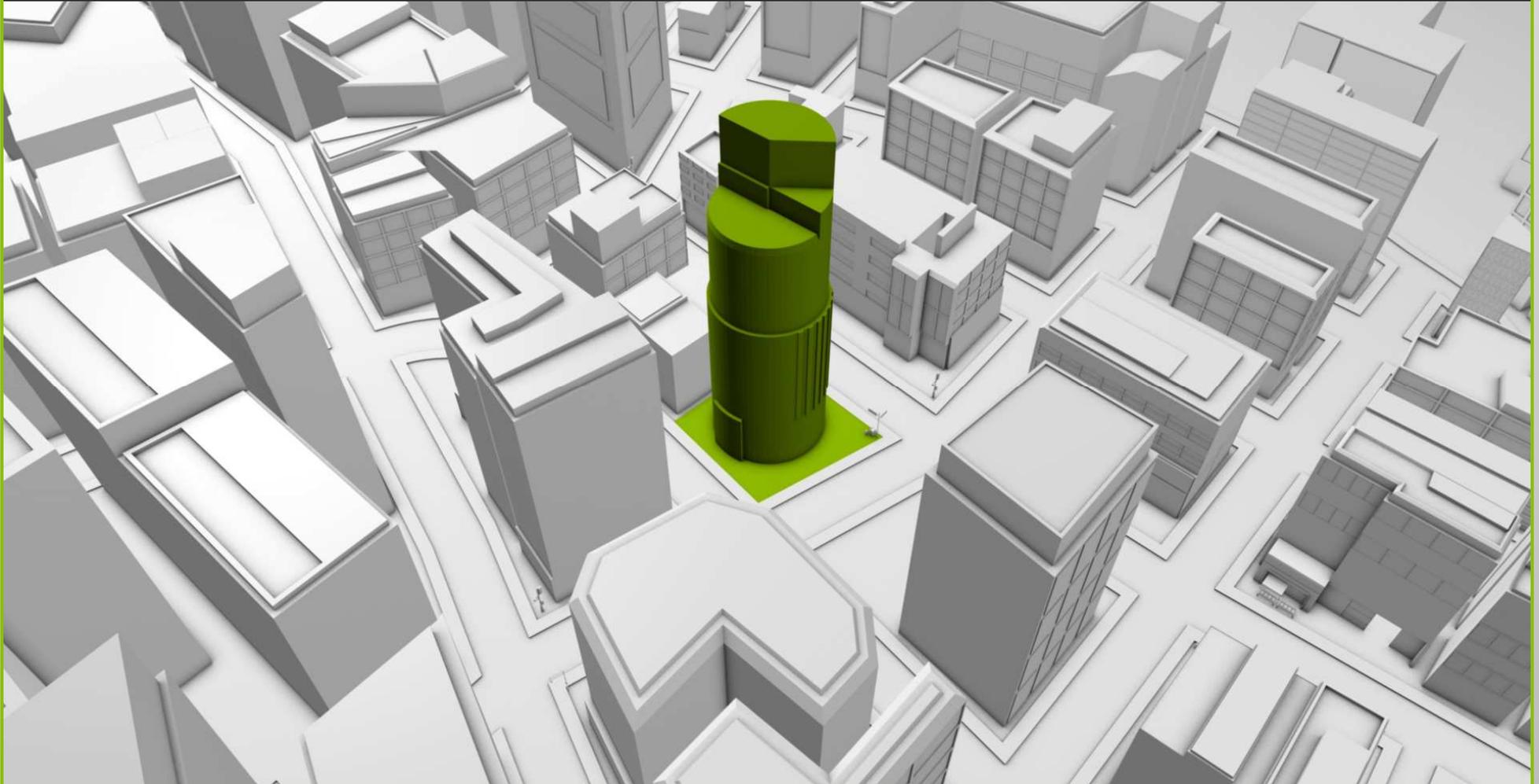
# Results Q3 2013 (unaudited): Well ahead of initial full-year target with pre-tax profit of EUR 122 mn already after nine months

*Alexander von Uslar, CFO – 12 November 2013*

PUBLIC SECTOR FINANCE  
REAL ESTATE FINANCE

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- ✓ **Pre-tax profit** of EUR 62 mn marks best quarter within last two years (Q2/13: EUR 31 mn; Q3/12: EUR 49 mn)

After nine months, pre-tax profit of EUR 122 mn already at full-year level 2012 (FY/12: EUR 124 mn; 9M/12: EUR 100 mn) and well ahead of initial full-year target 2013 → **full-year target raised from EUR >100 mn to EUR >150 mn**

- ✓ Strong capitalisation with further increased **Tier I ratio** (pro-forma) of 21.6% (06/13: 20.1%; 09/12: 17.4%), not yet including year-to-date result

- ✓ **New business** further up to EUR 2.1 bn (+20% q-o-q; +50% y-o-y) – after nine months, total volume at EUR 5.5 bn (+90% y-o-y) and thus already at full-year level 2012

- ✓ EUR 7.0 bn **new long-term funding** after nine months (Q3/13: EUR 2.4 bn; FY/12: EUR 6.5 bn; 9M/12: EUR 5.7 bn) provides comfortable basis for expected strong new business in Q4

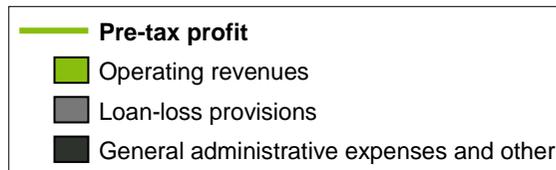
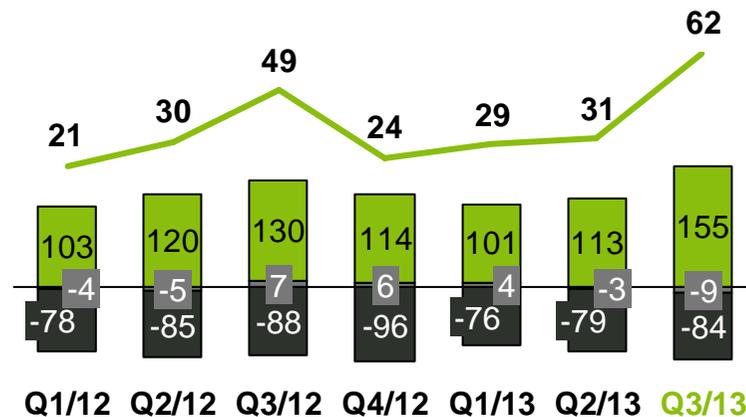
- ✓ **FMS-WM servicing** successfully handed over to FMS-WM's servicing entity by end of September

## Income Statement

Q3/2013: Pre-tax profit of EUR 62 mn marks best quarter within last two years

### Pre-tax Profit (IFRS)

EUR millions



### Key drivers Q3/13:

- Operating revenues positively driven by a EUR 92 mn gain from sale of a restructured property, which more than compensated for
  - EUR 55 mn negative one-off effects from derivative valuation
  - EUR 3 mn lower income from FMS-WM servicing (EUR 5 mn lower vs. Q1/13)
- Additions (net) to loan-loss provisions remain on moderate level
- General administrative expenses include extra costs relating to the termination of the FMS-WM servicing

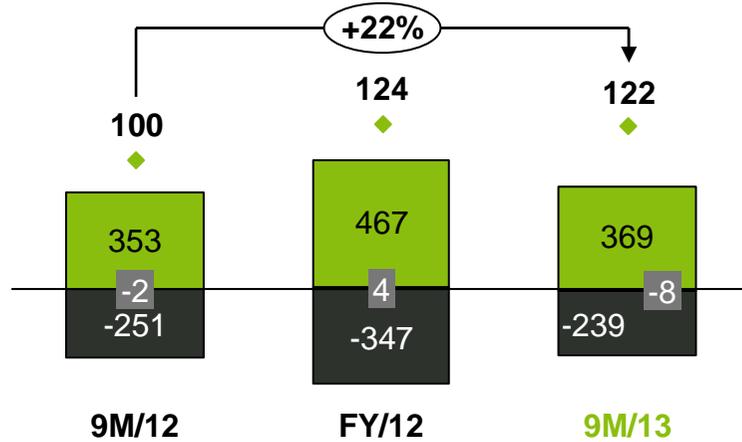
# Income Statement

9M/2013: Pre-tax profit of EUR 122 mn already at full-year level 2012 and well ahead of initial full-year target 2013

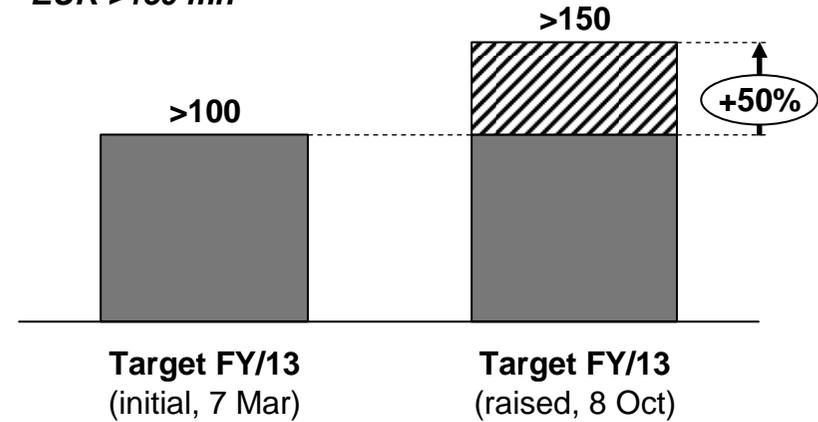


## Pre-tax Profit (IFRS)

EUR millions



Full-year pre-tax profit target raised from EUR >100 mn to EUR >150 mn



- ◆ Pre-tax profit
- Operating revenues
- Loan-loss provisions
- General administrative expenses and other

# Income Statement (IFRS)

## Result from loan business with strong net interest income

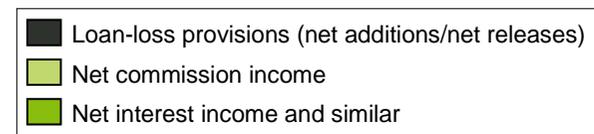
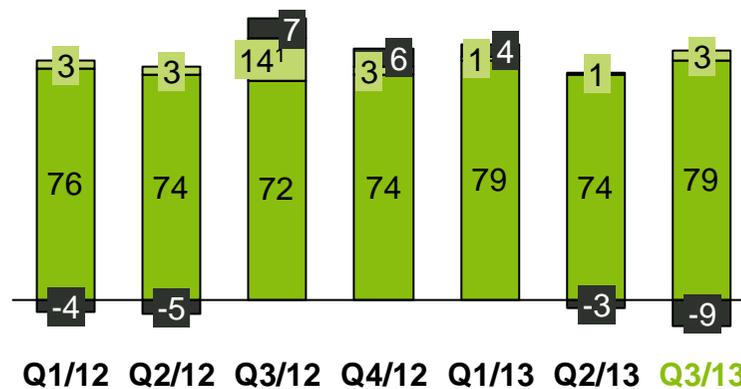
### Result from Loan Business

EUR millions

	Q1/13	Q2/13	Q3/13
Net interest and similar income	79	74	79
<i>thereof: one-off effects</i>	10	5	3
Net commission income	1	1	3
Provisions for losses on loans and advances	4	-3	-9

#### Key drivers Q3/13:

- NII starts to benefit from increasing profitability in the portfolio
- Higher arrangement fees (one-off effect)
- LLPs required for only a few individual cases



<sup>1</sup> Incl. EUR 10 mn back-end/exit fees

# Income Statement (IFRS)

## Further result from business activities dominated by FMS-WM servicing related effects



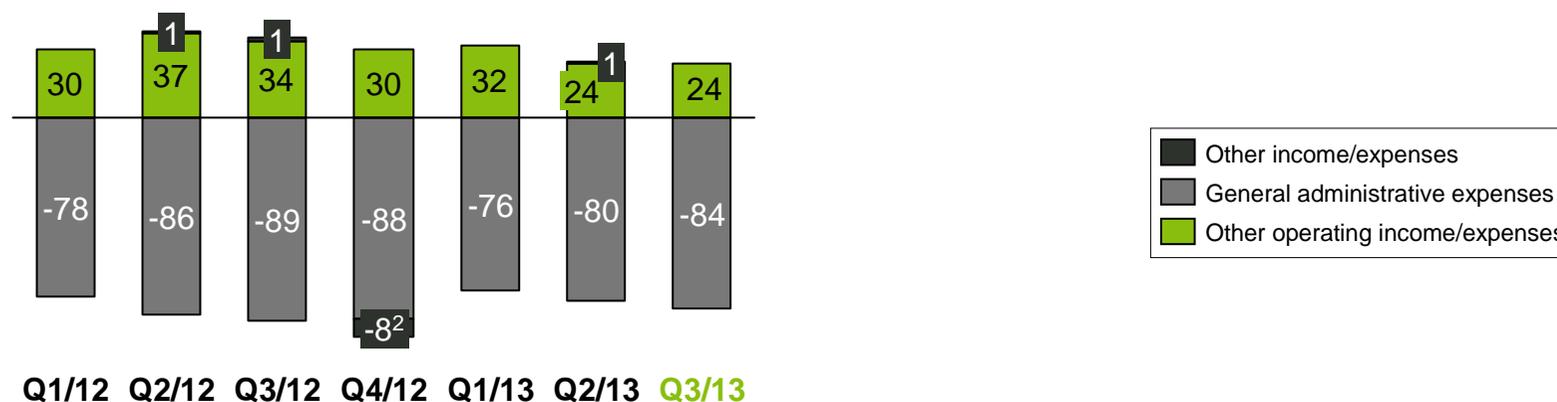
### Further Result from Business Activities

EUR millions

	Q1/13	Q2/13	Q3/13
Balance of other operating income/expenses <sup>1</sup>	32	24	24
General administrative expenses	-76	-80	-84
Balance of other income/expenses	0	1	0

#### Key drivers Q3/13:

- EUR 3 mn lower income from FMS-WM servicing due to run-down of the serviced portfolio (EUR 5 mn lower vs. Q1/13)
- Extra costs (e.g. IT, professional services) relating to the termination of the FMS-WM servicing
- Positive impact from strict cost management on a y-o-y basis
- No major effects



<sup>1</sup> Incl. FMS-WM servicing related income/expenses, income from IT services for DEPFA, bank levy    <sup>2</sup> Incl. additions to restructuring provisions

- ✓ FMS-WM **servicing function** handed over to FMS-WM's servicing entity (FMS Wertmanagement Service GmbH) by end of September, successfully completing a joint two-year migration project
- ✓ Simultaneously, approx. **250 employees** were transferred from pbb and DEPFA (~½ each) into the servicing entity
- ➔ **Implications:**
  - **FMS-WM servicing fee** will almost completely fall away (other operating income)
  - Reduction of FMS-WM servicing related **general administrative expenses** (e.g. salaries, personnel add-on costs, outsourcing contracts, office rent, IT, professional services)
  - However, full reduction will not become effective immediately due to **fixed costs and dis-synergies**
  - Further **cost saving potential** due to reduced complexity and strict cost management

## Income Statement (IFRS)

Result from financial instruments driven by gain from sale of a restructured property, which more than compensated for negative one-off effects from derivative valuation

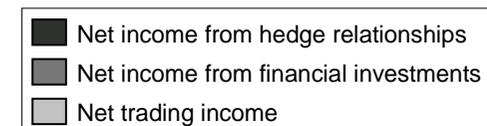
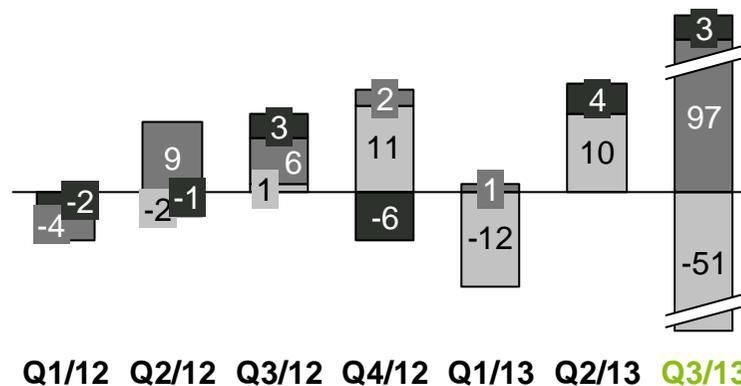
### Result from Financial Instruments

EUR millions

	Q1/13	Q2/13	Q3/13
Net trading income	-12	10	-51
Net income from financial investments	1	0	97
Net income from hedge relationships	0	4	3

#### Key drivers Q3/13:

- EUR 55 mn negative one-off effect from change to Overnight Index Swaps (OIS) and termination of a derivative
- EUR 92 mn gain from sale of a restructured UK office building, which had been taken over in 2010
- Slightly positive result from hedge-inefficiencies

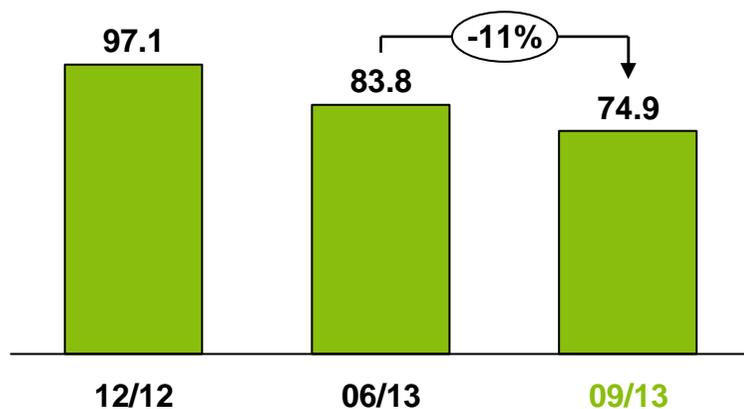


## Balance Sheet (IFRS)

Reduction primarily reflects termination of FMS-WM's 'limping' sub-participation in mortgage cover pool loans in August

### Total Assets

EUR billions



#### Key drivers Q3/13:

- Termination of FMS-WM's 'limping' sub-participation ('hinkende Unterbeteiligung') in mortgage cover pool loans as a further step in the disentanglement from FMS-WM (EUR -6.4 bn)<sup>1</sup>
- Market-related effects (EUR -1.1 bn)

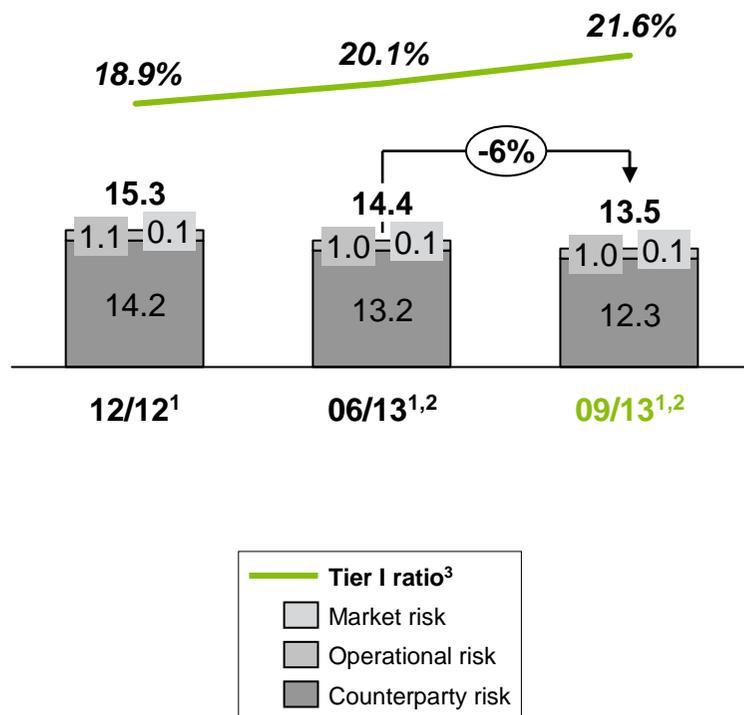
Note: Figures may not add up due to rounding <sup>1</sup> For further details, please see appendix

## Capitalisation

Strong capitalisation with further increased Tier I ratio (pro-forma) of 21.6%, not yet including year-to-date result

### RWA/Tier I ratio

EUR billions (SolvV, German GAAP/HGB)



The regulatory capital ratios stated are calculated on an unaudited pro-forma basis. According to the 'Waiver Rule' regulated in Sec. 2a KWG (German Banking Act), Deutsche Pfandbriefbank AG is exempt from calculating the equity capital ratio and the core capital ratio on a sub-group level.

### Key drivers Q3/13:

- Tier I ratio further up on the basis of reduced RWA and stable Tier I capital (not yet including year-to-date result) of EUR 2.9 bn
- RWA reduction primarily due to LGD-changes – repayments more than offset by new business

Note: Figures may not add up due to rounding

1 Incl. full-year result 2012

2 Year-to-date result 2013 not yet included

3 Incl. SoFFin silent participation (EUR 129 mn) and hybrid capital (EUR 350 mn)

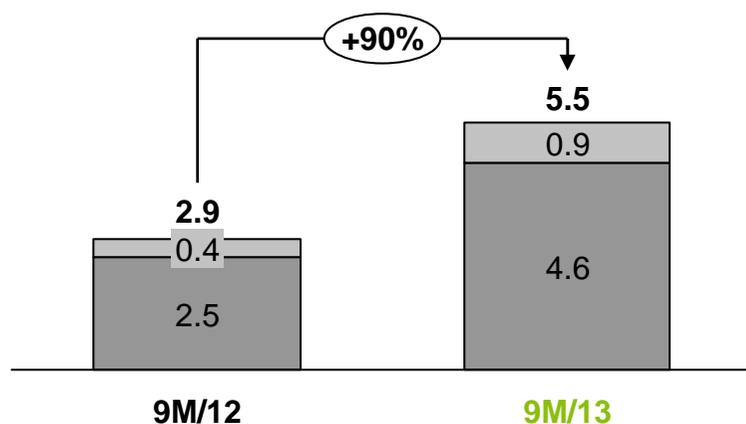
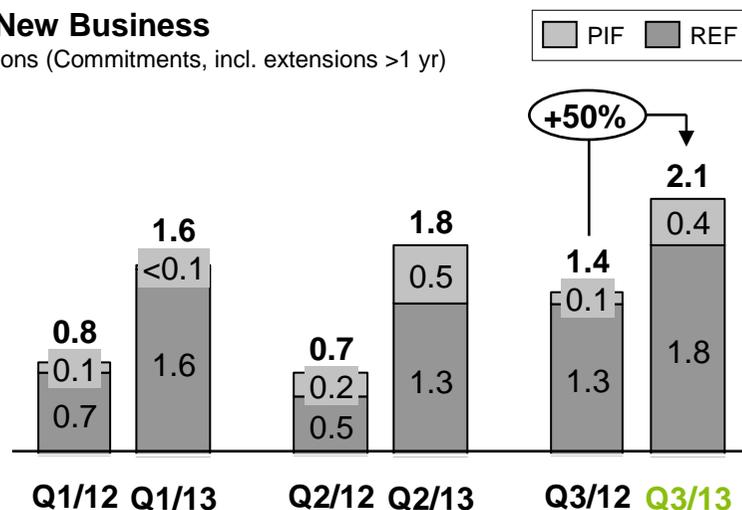
## New Business

After nine months, total new business volume at EUR 5.5 bn and thus already at full-year level 2012 – strong new business expected for Q4



### Total New Business

EUR billions (Commitments, incl. extensions >1 yr)



REF	FY/12	9M/13
Total volume	€ 4.9 bn	€ 4.6 bn
New commitments	€ 2.9 bn	€ 3.3 bn
Extensions >1 year	€ 2.0 bn	€ 1.3 bn
No. of deals	79	85
Average maturity	~4.5 yrs	~4.2 yrs
Average LTV (New commitments) <sup>1</sup>	56%	62%
Average gross margin	>225 bp	>225bp

- Avg. LTV (commitments) of 62% in 9M/13 on normal level; lower avg. LTV of 56% in FY/12 reflects very selective new business approach in the light of strained funding markets in H1/12

PIF	FY/12	9M/13
Total volume	€ 0.7 bn	€ 0.9 bn
No. of deals	42	22
Average maturity	~7.0 yrs	~8.2 yrs
Average gross margin	>140 bp	>100 bp

- Lower avg. gross margin of >100 bp in 9M/13 reflects high share of Germany (38%) and Nordic countries (22%); FY/12: 77% France

Note: Figures may not add up due to rounding 1 Avg. LTV (extensions): 76% (9M/13); 70% (FY/12)

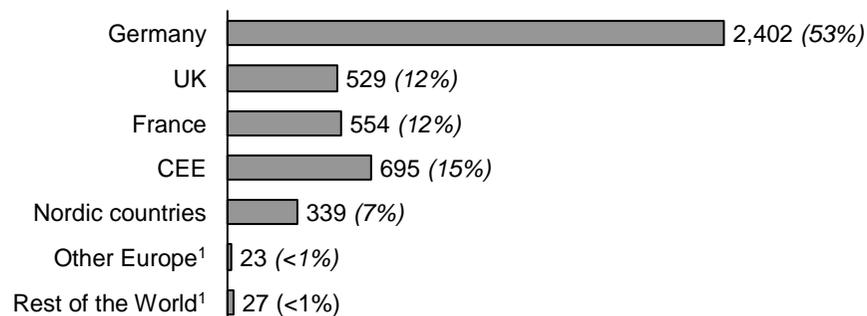
## New Business

### Real Estate Finance (REF): New business focus on Germany and other selective European countries



#### New Business: Regions

9M/13: EUR 4,570 mn (Commitments, incl. extensions >1 yr)



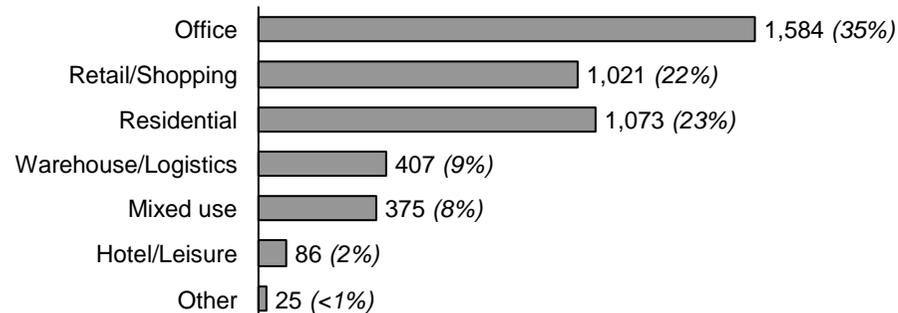
#### Total Portfolio: Regions

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

	12/12		09/13	
	Value	%	Value	%
Germany	12.1	51%	12.2	52%
UK	3.4	14%	3.3	14%
France	2.2	9%	2.3	10%
CEE	2.2	9%	2.1	9%
Nordic countries	1.6	7%	1.5	7%
Other Europe	1.6	7%	1.4	6%
Rest of the World	0.6	2%	0.4	2%
<b>Total</b>	<b>23.7</b>	<b>100%</b>	<b>23.2</b>	<b>100%</b>

#### New Business: Property Types

9M/13: EUR 4,570 mn (Commitments, incl. extensions >1 yr)



#### Total Portfolio: Property Types

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

	12/12 <sup>3</sup>		09/13	
	Value	%	Value	%
Office	7.5	32%	7.9	34%
Retail/Shopping	6.1	26%	6.1	26%
Residential	5.0	21%	4.9	21%
Warehouse/Logistics	2.8	12%	1.8	8%
Mixed use	1.0	4%	1.1	5%
Hotel/Leisure	0.3	1%	0.3	2%
Other	1.0	4%	1.1	5%
<b>Total</b>	<b>23.7</b>	<b>100%</b>	<b>23.2</b>	<b>100%</b>

Note: Figures may not add up due to rounding

<sup>1</sup> Only extensions (IT: EUR 16 mn; NL: EUR 4 mn; ES: EUR 2 mn; JPN: EUR 27 mn)

<sup>2</sup> Excl. FMS-WM guaranteed exposure and back-to-back derivatives

<sup>3</sup> restated; new property type 'Mixed use'

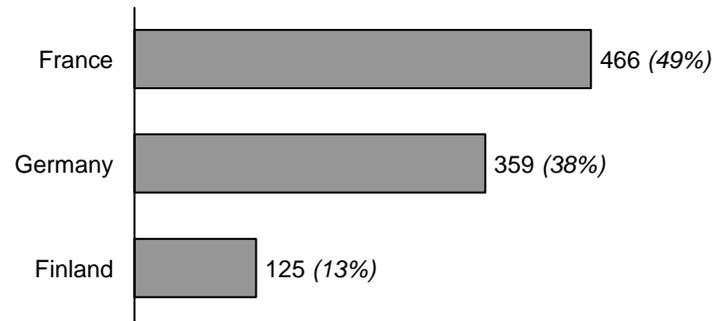
## New Business

### Public Investment Finance (PIF): New business with focus on Germany, France and Nordic countries



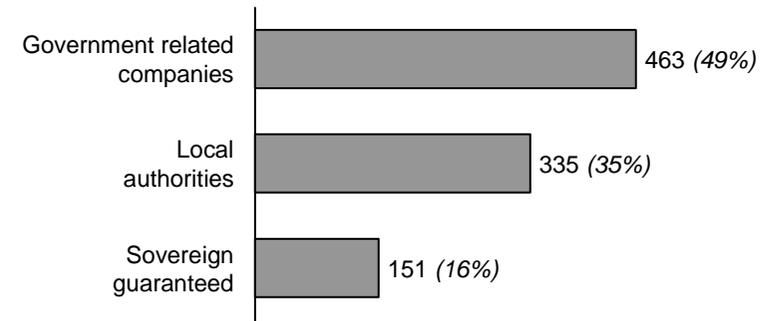
#### New Business: Regions

9M/13: EUR 949 mn (Commitments, incl. extensions >1 yr)



#### New Business: Counterparty Types

9M/13: EUR 949 mn (Commitments, incl. extensions >1 yr)



Note: Figures may not add up due to rounding

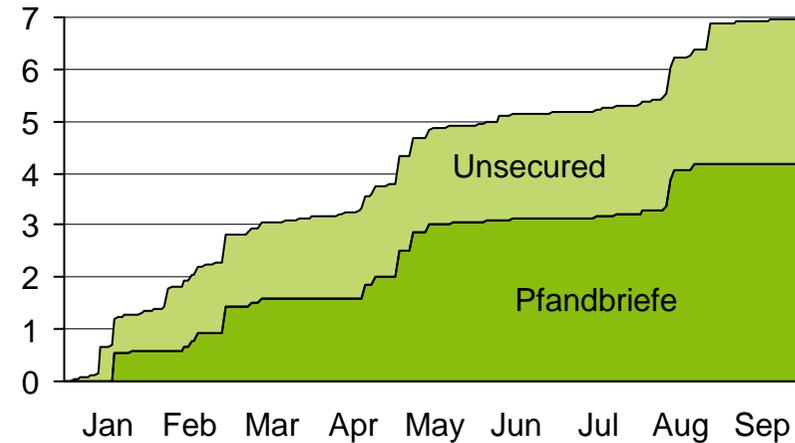
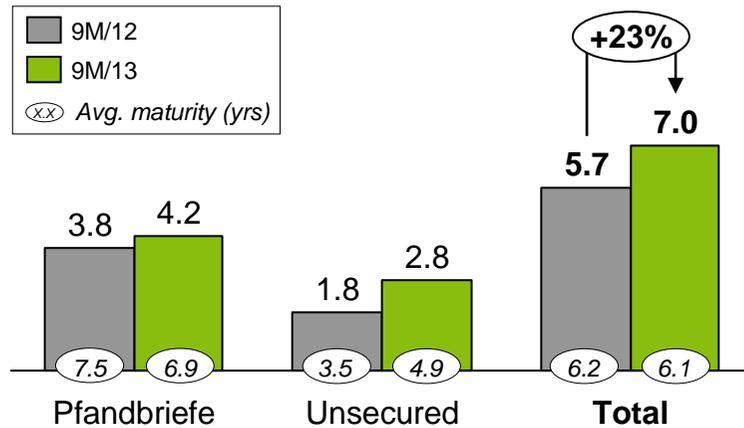
# Funding

EUR 7.0 bn new long-term funding after nine months provides comfortable basis for expected strong new business for Q4

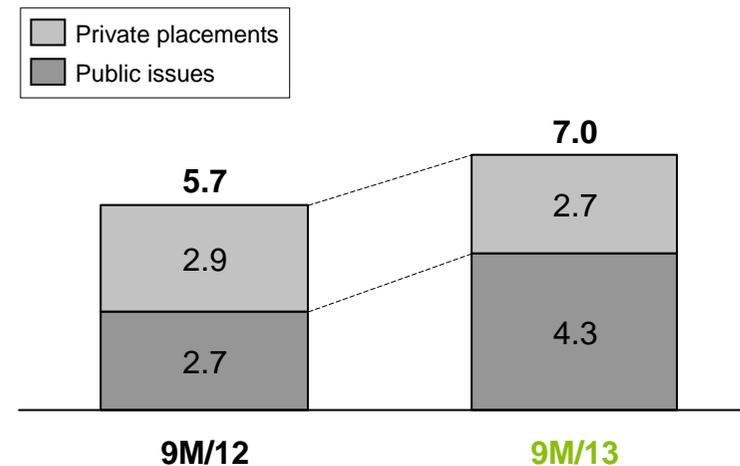


## New Long-term Funding<sup>1</sup>

EUR billions



<b>Mortgage Pfandbrief</b>	<ul style="list-style-type: none"> <li>Three EUR-benchmarks with 4-, 5- and 7-yr maturities at significantly decreased spread levels vs. 2012 + one tap</li> <li>Leading issuer of GBP with one GBP-benchmark + two taps (GPB 375 mn)</li> <li>Currently only issuer of SEK with strong private placements (SEK 1.55 bn)</li> </ul>
<b>Public Sector Pfandbrief</b>	<ul style="list-style-type: none"> <li>First public sector benchmark with 15-yr maturity since 2003 + one tap</li> </ul>
<b>Senior Unsecured</b>	<ul style="list-style-type: none"> <li>Two benchmarks with maturities 07/16 and 09/17 + one tap</li> <li>Strong private placements of promissory notes (EUR 1.1 bn) with avg. maturity of 6.8 yrs</li> </ul>



Note: Figures may not add up due to rounding 1 Excl. money market and ECB repo transactions

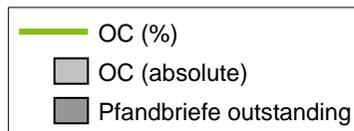
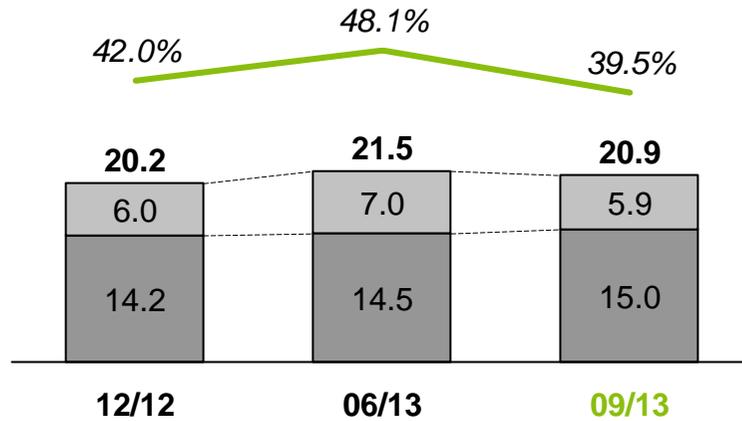
## Cover Pools

Over-collateralisation remains comfortable in both cover pools following the termination of FMS-WM's 'limping' sub-participation in August<sup>1</sup>



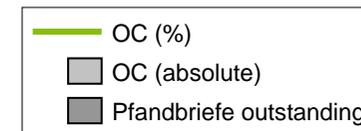
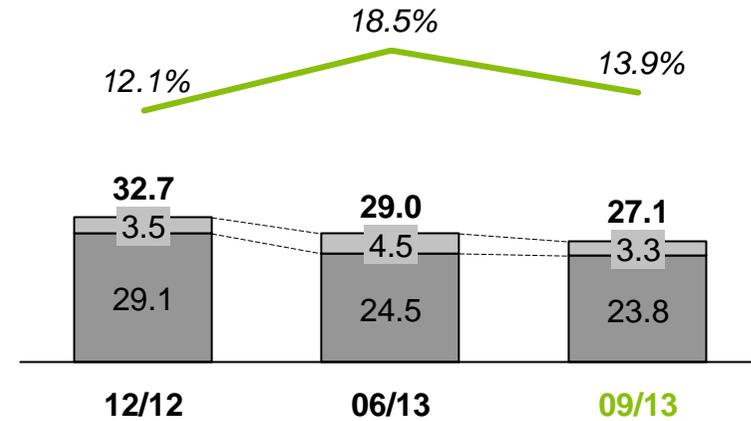
### Mortgage Cover Pool: Total Cover Funds

EUR billions (nominal)



### Public Sector Cover Pool: Total Cover Funds

EUR billions (nominal)



Note: Figures may not add up due to rounding <sup>1</sup> For further details, please see appendix

# Portfolio

Only slight reduction due to maturities – strategic REF-portfolio even a little up in Q3



Financials

New Business

Funding

Cover Pools

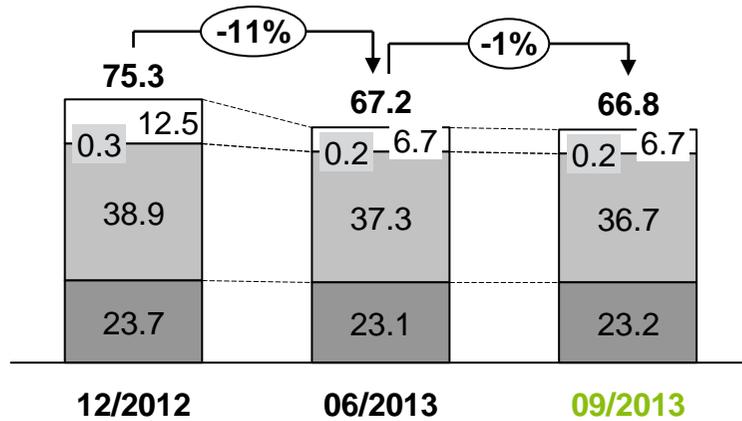
Portfolio

Summary & Outlook

Appendix

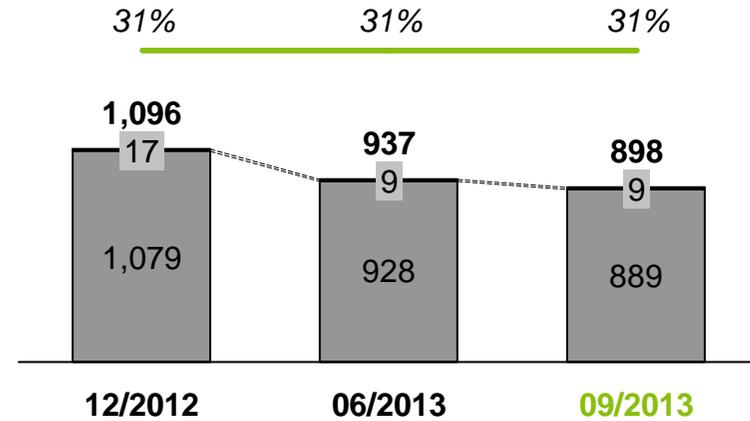
## Total Portfolio

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



## Total Problem Loans

EUR millions (EaD)



Note: Figures may not add up due to rounding  
 1 Excl. FMS-WM guaranteed exposure and back-to-back derivatives  
 2 Incl. all non-lending business exposure (e.g. assets for bank steering/ALM purposes)  
 3 Incl. non-strategic and some FMS-WM exposures

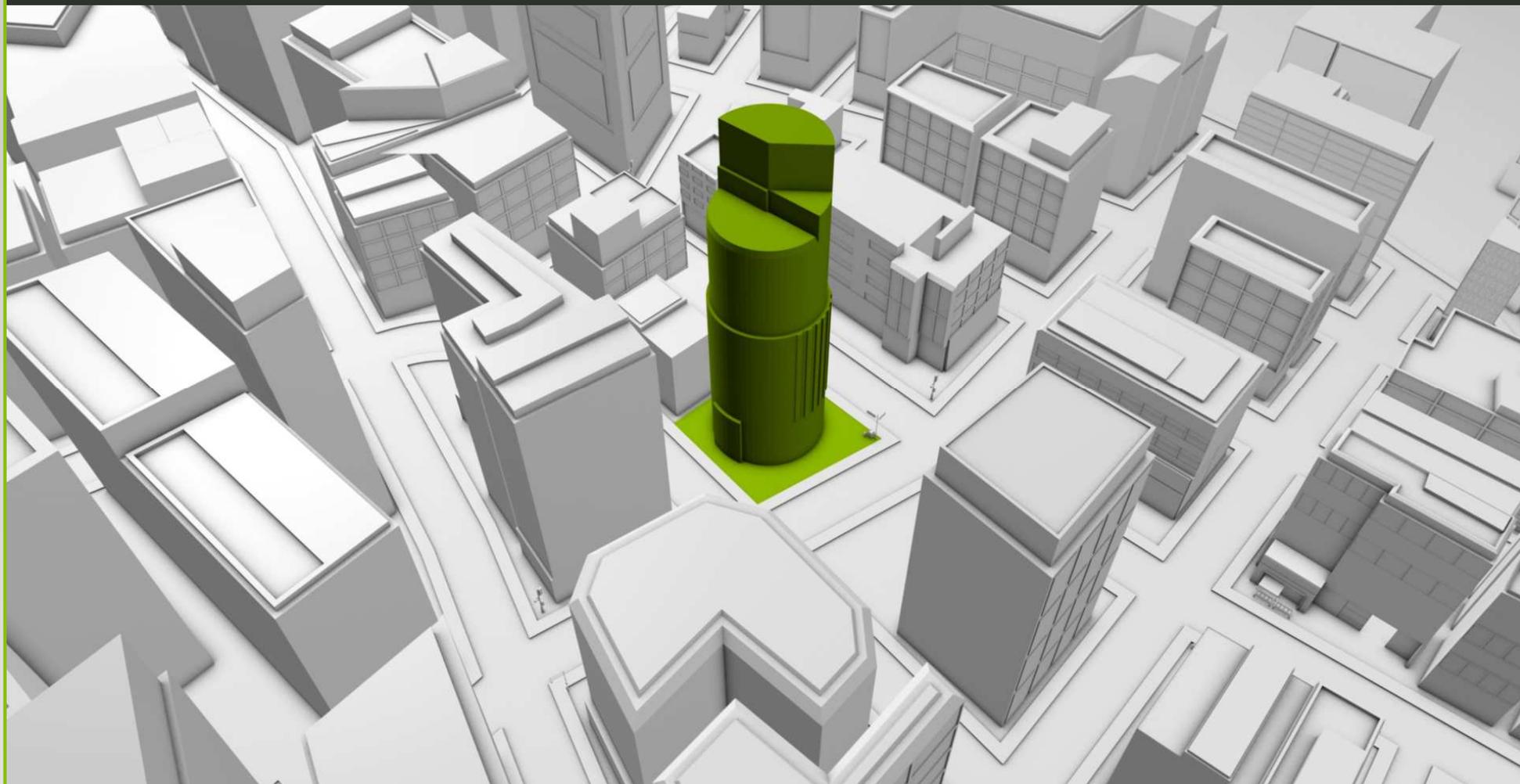
<h2>Earnings</h2>	<ul style="list-style-type: none"> <li>■ <b>Pre-tax profit</b> after nine months already at full-year level 2012 and well ahead of initial full-year target 2013 → <b>full-year target raised to EUR &gt;150 mn</b> <ul style="list-style-type: none"> <li>– Q3 positively driven by (net) one-off effects</li> <li>– Strong net interest income in Q3</li> <li>– Additions to loan-loss provisions remain on moderate level</li> <li>– Strict cost management with positive impact on general administrative expenses</li> <li>– Effects from derivative valuation remain volatile</li> </ul> </li> </ul>
<h2>Capital</h2>	<ul style="list-style-type: none"> <li>■ <b>Strong Tier I ratio</b> (pro-forma) of 21.6%, not yet including year-to-date result</li> </ul>
<h2>New business</h2>	<ul style="list-style-type: none"> <li>■ After nine months, total new business volume at EUR 5.5 bn and thus already at full-year level 2012 → <b>strong new business expected for Q4</b></li> </ul>
<h2>Funding</h2>	<ul style="list-style-type: none"> <li>■ EUR 7.0 bn new long-term funding after nine months provides comfortable <b>basis for expected strong new business for Q4</b></li> </ul>
<h2>Portfolio</h2>	<ul style="list-style-type: none"> <li>■ Only slight reduction due to maturities – <b>strategic REF-portfolio even a little up in Q3</b></li> <li>■ Total <b>problem loans further reduced</b> and adequately covered – hardly any workout loans</li> </ul>
<h2>FMS-WM servicing</h2>	<ul style="list-style-type: none"> <li>■ FMS-WM servicing <b>successfully handed over</b> to FMS-WM's servicing entity by end of September             <ul style="list-style-type: none"> <li>– FMS-WM servicing fee will fall away, but related general administrative expenses will also largely be reduced</li> <li>– Further cost saving potential due to reduced complexity and strict cost management</li> </ul> </li> </ul>

# Appendix

PUBLIC SECTOR FINANCE  
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## Financials Income Statement



### Income Statement (IFRS)

EUR millions

	FY 2010	FY 2011	Q1 2012	Q2 2012	Q3 2012	9M 2012	Q4 2012	FY 2012	Q1 2013	Q2 2013	Q3 2013	9M 2013
<b>Operating revenues</b>	<b>652</b>	<b>526</b>	<b>103</b>	<b>120</b>	<b>130</b>	<b>353</b>	<b>114</b>	<b>467</b>	<b>101</b>	<b>113</b>	<b>155</b>	<b>369</b>
<i>Net interest and similar income</i>	600	371	76	74	72	222	74	296	79	74	79	232
<i>Net commission income</i>	-10	32	3	3	14	20	3	23	1	1	3	5
<i>Net trading income</i>	77	-8	0	-2	1	-1	11	10	-12	10	-51	-53
<i>Net income from financial investments</i>	-17	3	-4	9	6	11	2	13	1	0	97	98
<i>Net income from hedge relationships</i>	-45	-56	-2	-1	3	0	-6	-6	0	4	3	7
<i>Balance of other operating income/expenses</i>	47	184	30	37	34	101	30	131	32	24	24	80
<b>Provisions for losses on loans and advances</b>	<b>-443</b>	<b>12</b>	<b>-4</b>	<b>-5</b>	<b>7</b>	<b>-2</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>-3</b>	<b>-9</b>	<b>-8</b>
<b>General administrative expenses</b>	<b>-352</b>	<b>-357</b>	<b>-78</b>	<b>-86</b>	<b>-89</b>	<b>-253</b>	<b>-88</b>	<b>-341</b>	<b>-76</b>	<b>-80</b>	<b>-84</b>	<b>-240</b>
<b>Balance of other income/expenses</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>-8</b>	<b>-6</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Pre-tax profit/loss</b>	<b>-135</b>	<b>188</b>	<b>21</b>	<b>30</b>	<b>49</b>	<b>100</b>	<b>24</b>	<b>124</b>	<b>29</b>	<b>31</b>	<b>62</b>	<b>122</b>

Financials

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Cover Pools

Portfolio

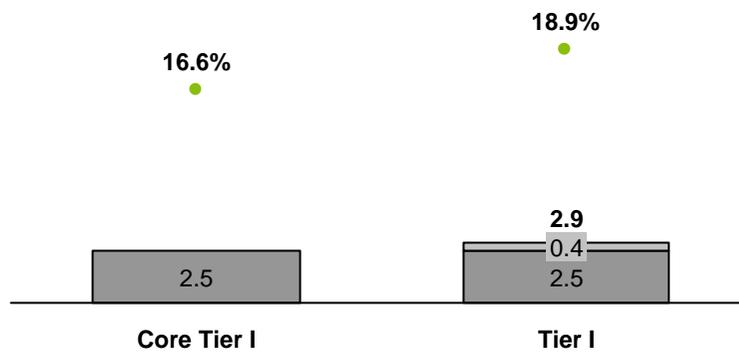
Summary & Outlook

Appendix

**31/12/2012: Basel II (actual)<sup>1</sup>**

EUR billions (SolvV, German GAAP/HGB)

RWA: € 15.3 bn



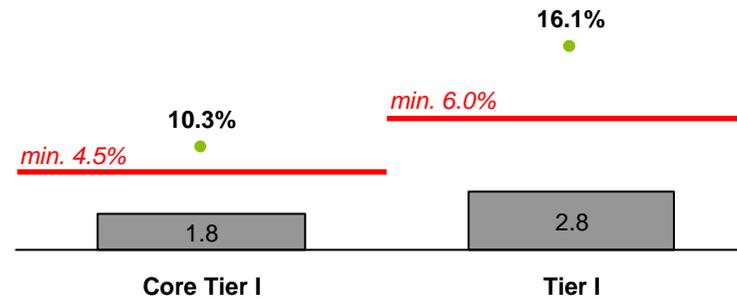
● Capital ratios  
 ■ Hybrid capital  
 ■ Core capital<sup>2</sup>

- pbb with solid capital ratios, even under Basel III assumptions (fully phased-in)
- Estimated RWA increase under Basel III primarily reflects CVA effects which do not apply under Basel II
- All Basel III liquidity requirements expected to be fulfilled in time

**31/12/2012: Basel III (simulation – fully phased-in)<sup>1,3</sup>**

EUR billions (IFRS)

RWA: € 17 bn



● Capital ratios  
 ■ Capital ratios (minimum requirement)  
 ■ Core capital

<b>Leverage Ratio</b>	min. 3.0% <sup>4</sup>	<b>3.1%</b>
<b>Liquidity Coverage Ratio (LCR)</b>	min. 100%	<b>369%</b>
<b>Net Stable Funding Ratio (NSFR)</b>	min. 100%	<b>94%</b>

1 Incl. full-year result 2012    2 Incl. SoFFin silent participation    3 Actual figures may vary significantly from simulation    4 not finally defined

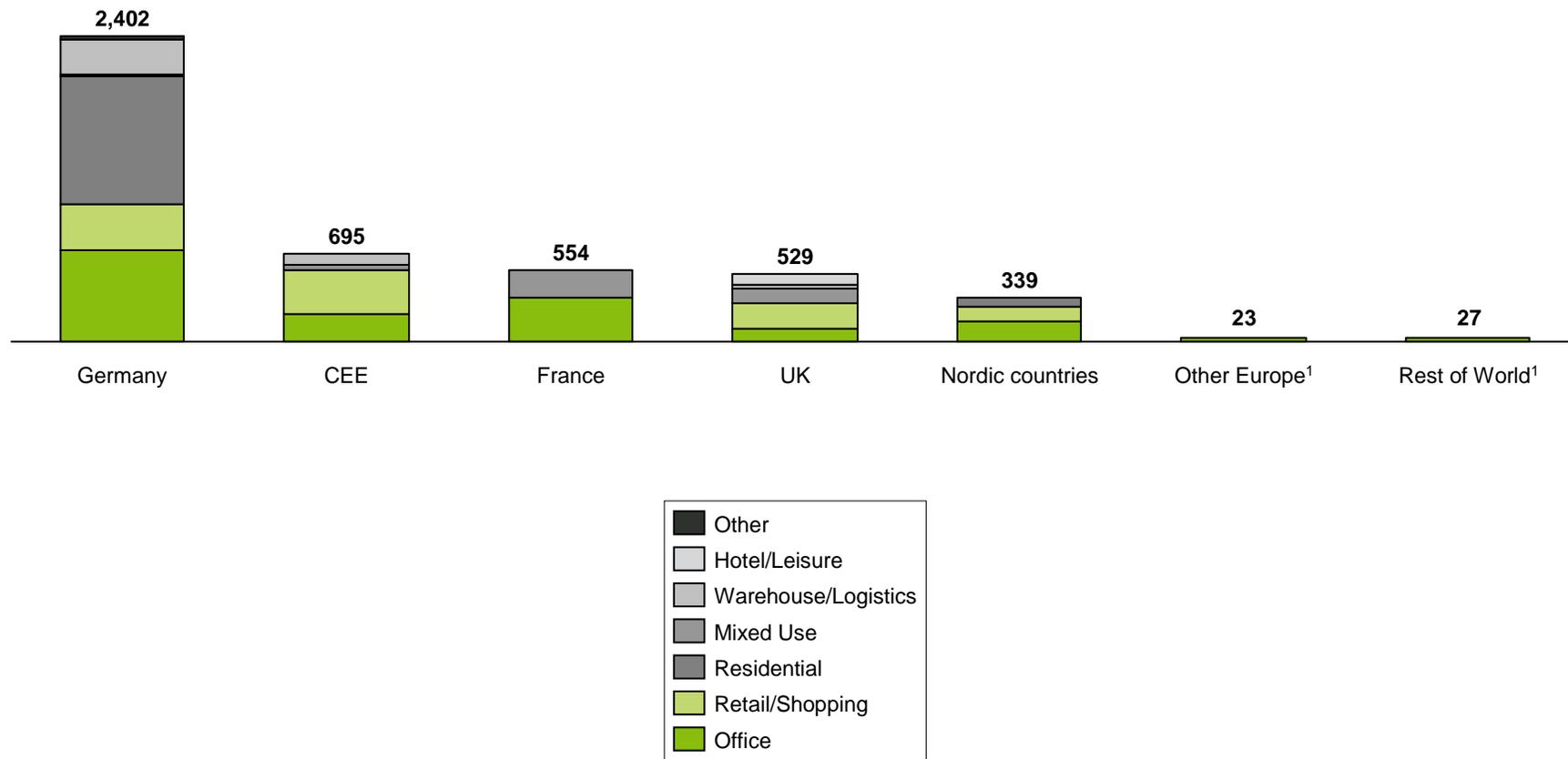
## New Business

### Real Estate Finance (REF): New business well diversified by regions and property types



#### REF: New Business by Regions and Property Types

9M 2013: EUR millions (Commitments, incl. extensions >1 yr)



Note: Figures may not add up due to rounding    1 Only extensions (IT: EUR 16 mn; NL: EUR 4 mn; ES: EUR 2 mn; JPN: EUR 27 mn)

## New Business

# Public Investment Finance (PIF): New business with focus on Germany, France and Nordic countries



Financials

New Business

Funding

Cover Pools

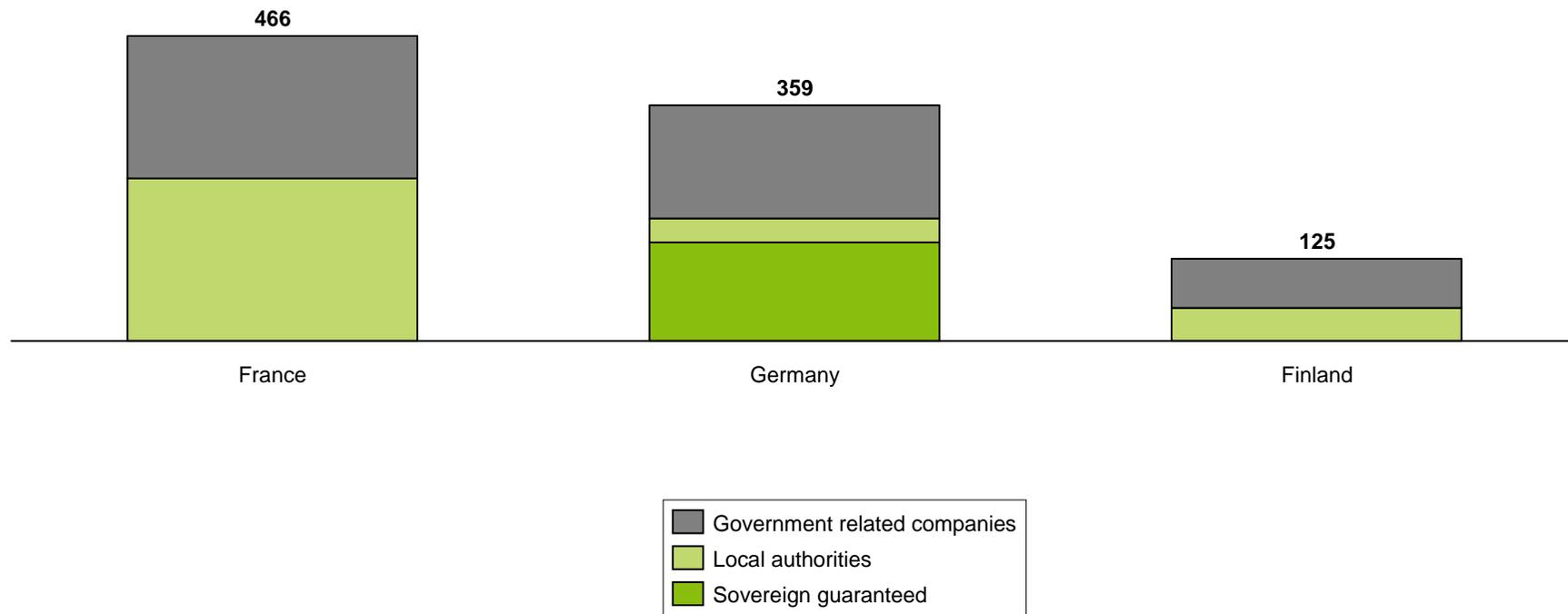
Portfolio

Summary & Outlook

Appendix

### PIF: New Business by Regions and Counterparty Types

9M 2013: EUR millions (Commitments, incl. extensions >1 yr)



Note: Figures may not add up due to rounding

# Funding Public Benchmark Issuances 2012-2013



Type	WKN	Launch Date	Maturity Date	Size	Spread <sup>1</sup>	Coupon	Issue/Reoffer Price
<b>Mortgage Pfandbrief</b>	<b>A1K0RS</b>	<b>10.01.2012</b>	<b>18.01.2016</b>	<b>EUR 500 mn</b>	<b>+75bp</b>	<b>2.250%</b>	<b>99.970%</b>
<i>Mortgage Pfandbrief (1. Tap)<sup>2</sup></i>	<i>A1EWJU</i>	<i>22.02.2012</i>	<i>06.10.2016</i>	<i>EUR 100 mn</i>	<i>+57bp</i>	<i>2.625%</i>	<i>102.579%</i>
<i>Mortgage Pfandbrief (1. Tap)</i>	<i>A1K0RS</i>	<i>07.03.2012</i>	<i>18.01.2016</i>	<i>EUR 175 mn</i>	<i>+48bp</i>	<i>2.250%</i>	<i>101.904%</i>
<b>Mortgage Pfandbrief</b>	<b>A1MLUW</b>	<b>24.05.2012</b>	<b>03.06.2019</b>	<b>EUR 500 mn</b>	<b>+60bp</b>	<b>2.125%</b>	<b>99.800%</b>
<b>Mortgage Pfandbrief</b>	<b>A1PGTJ</b>	<b>27.06.2012</b>	<b>04.07.2017</b>	<b>EUR 500 mn</b>	<b>+38bp</b>	<b>1.625%</b>	<b>99.433%</b>
<i>Mortgage Pfandbrief (1. Tap)</i>	<i>A1MLUW</i>	<i>23.07.2012</i>	<i>03.06.2019</i>	<i>EUR 200 mn</i>	<i>+40bp</i>	<i>2.125%</i>	<i>102.806%</i>
<b>Senior Unsecured</b>	<b>A1PG3A</b>	<b>04.09.2012</b>	<b>11.09.2015</b>	<b>EUR 500 mn</b>	<b>+195bp</b>	<b>2.500%</b>	<b>99.852%</b>
<i>Senior Unsecured (1. Tap)</i>	<i>A1PG3A</i>	<i>19.09.2012</i>	<i>11.09.2015</i>	<i>EUR 250 mn</i>	<i>+168bp</i>	<i>2.500%</i>	<i>100.603%</i>
<b>Mortgage Pfandbrief</b>	<b>A1PG3M</b>	<b>06.11.2012</b>	<b>20.12.2019</b>	<b>GBP 250 mn</b>	<b>+90bp<sup>3</sup></b>	<b>1.875%</b>	<b>99.641%</b>
<b>Senior Unsecured</b>	<b>A1RFBU</b>	<b>17.01.2013</b>	<b>19.07.2016</b>	<b>EUR 500 mn</b>	<b>+138bp</b>	<b>2.000%</b>	<b>99.587%</b>
<b>Mortgage Pfandbrief</b>	<b>A1RFBY</b>	<b>23.01.2013</b>	<b>30.01.2017</b>	<b>EUR 500 mn</b>	<b>+8bp</b>	<b>0.875%</b>	<b>99.585%</b>
<i>Senior Unsecured (1. Tap)</i>	<i>A1RFBU</i>	<i>14.02.2013</i>	<i>19.07.2016</i>	<i>EUR 360 mn</i>	<i>+109bp</i>	<i>2.000%</i>	<i>100.382%</i>
<b>Mortgage Pfandbrief</b>	<b>A1R052</b>	<b>11.03.2013</b>	<b>18.03.2020</b>	<b>EUR 500 mn</b>	<b>+25bp</b>	<b>1.500%</b>	<b>99.487%</b>
<b>Mortgage Pfandbrief</b>	<b>A1R058</b>	<b>08.05.2013</b>	<b>16.05.2016</b>	<b>GBP 200 mn</b>	<b>+50bp<sup>4</sup></b>	<b>3mL+45bp</b>	<b>99.852%</b>
<b>Public Sector Pfandbrief</b>	<b>A1R06C</b>	<b>22.05.2013</b>	<b>29.05.2028</b>	<b>EUR 500 mn</b>	<b>+40bp</b>	<b>2.375%</b>	<b>98.612%</b>
<i>Mortgage Pfandbrief (1. Tap)</i>	<i>A1R052</i>	<i>28.05.2013</i>	<i>18.03.2020</i>	<i>EUR 250 mn</i>	<i>+16bp</i>	<i>1.500%</i>	<i>100.835%</i>
<i>Mortgage Pfandbrief (1. Tap)</i>	<i>A1PG3M</i>	<i>28.05.2013</i>	<i>20.12.2019</i>	<i>GBP 75 mn</i>	<i>+83bp<sup>3</sup></i>	<i>1.875%</i>	<i>99.589%</i>
<b>Mortgage Pfandbrief</b>	<b>A1X256</b>	<b>21.08.2013</b>	<b>28.08.2018</b>	<b>EUR 500 mn</b>	<b>+9bp</b>	<b>1.375%</b>	<b>99.803%</b>
<i>Pub. Sec. Pfandbrief (1. Tap)</i>	<i>A1R06C</i>	<i>22.08.2013</i>	<i>29.05.2028</i>	<i>EUR 200 mn</i>	<i>+25bp</i>	<i>2.375%</i>	<i>94.052%</i>
<i>Mortgage Pfandbrief (2. Tap)</i>	<i>A1PG3M</i>	<i>30.08.2013</i>	<i>20.12.2019</i>	<i>GBP 50 mn</i>	<i>+90bp<sup>3</sup></i>	<i>1.875%</i>	<i>95.493%</i>
<b>Senior Unsecured</b>	<b>A1X26E</b>	<b>12.09.2013</b>	<b>11.09.2017</b>	<b>EUR 500 mn</b>	<b>+115bp</b>	<b>2.25%</b>	<b>99.799%</b>

1 vs. mid-swap    2 Tap of an initially EUR 500 mn issue from 06.10.2011    3 vs. UK Gilts    4 vs. 3mGBP-Libor

## Cover Pools

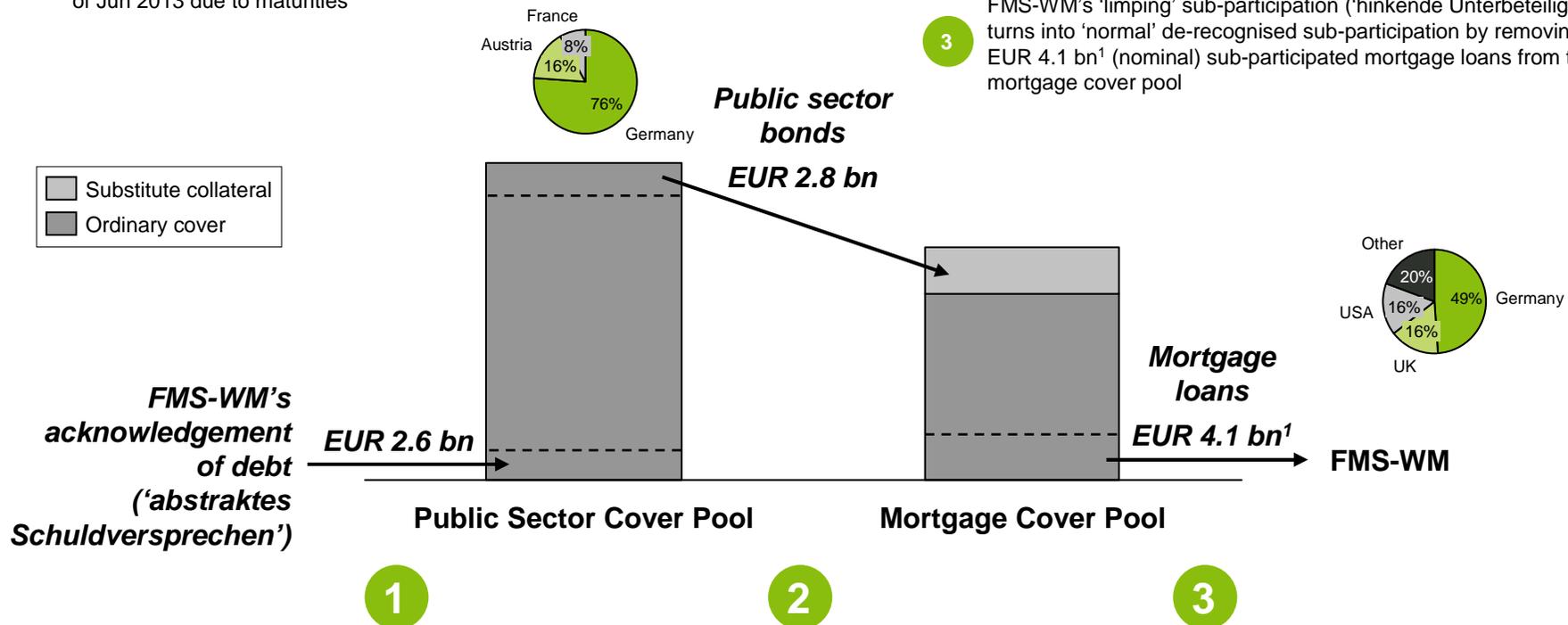
# Termination of FMS-WM's 'limping' sub-participation in August as a further step in the disentanglement from FMS-WM

### Transfer of assets to FMS-WM as of 1 Oct 2010

- Transfer of EUR ~42 bn non-strategic assets and risk positions from pbb to FMS-WM as of 1 Oct 2010
- Thereof, EUR ~8 bn transferred synthetically out of mortgage cover pool by way of 'limping' sub-participation ('hinkende Unterbeteiligung'), i.e. assets remained within the cover pool and on pbb's balance sheet
- These cover pool assets declined to approx. EUR 4.1 bn by end of Jun 2013 due to maturities

### Termination of FMS-WM's 'limping' sub-participation in Aug 2013

- 1 Inclusion of an EUR 2.6 bn acknowledgement of debt ('abstraktes Schuldversprechen') in the public sector cover pool granted by FMS-WM to pbb
- 2 Transfer of EUR 2.8 bn public sector bonds from the public sector cover pool to the mortgage cover pool (substitute collateral)
- 3 FMS-WM's 'limping' sub-participation ('hinkende Unterbeteiligung') turns into 'normal' de-recognised sub-participation by removing EUR 4.1 bn<sup>1</sup> (nominal) sub-participated mortgage loans from the mortgage cover pool



<sup>1</sup> Incl. non-cover pool share, total loan amount EUR 6.4 bn (book value)

# Portfolio Total Portfolio



Financials

New Business

Funding

Cover Pools

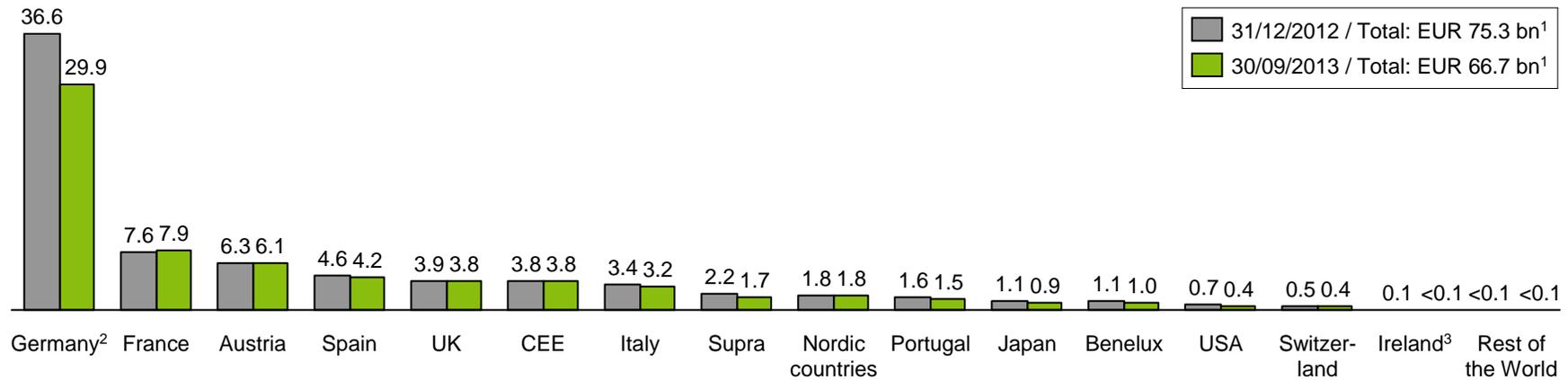
Portfolio

Summary & Outlook

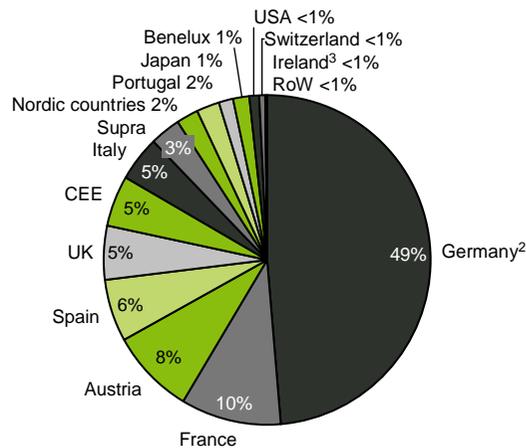
Appendix

## Total Portfolio by Regions

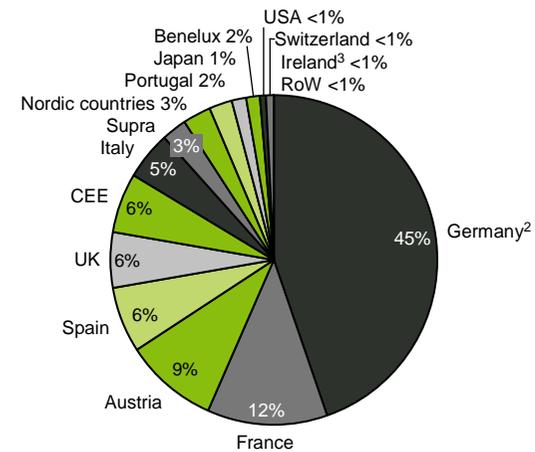
EUR billions (EaD)<sup>1</sup>



31/12/2012



30/09/2013



Note: Figures may not add up due to rounding  
 1 Excl. FMS-WM guaranteed exposure and back-to-back derivatives

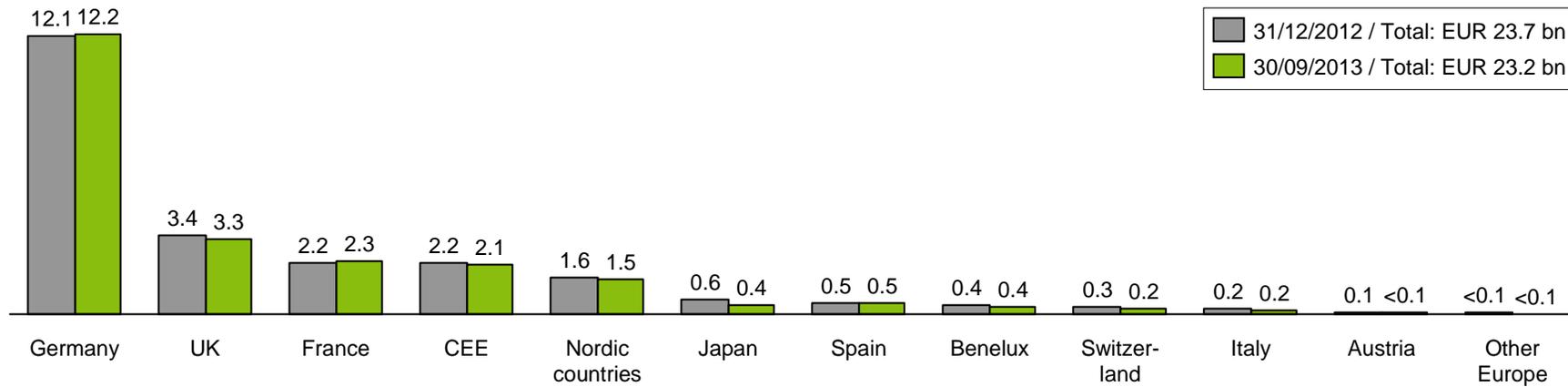
2 Incl. accounts with German Central Bank (31/12/12: EUR 4.5 bn; 30/09/13: EUR 1.4 bn)  
 3 Only exposure to other entities of HRE Group

# Portfolio Real Estate Finance (REF)



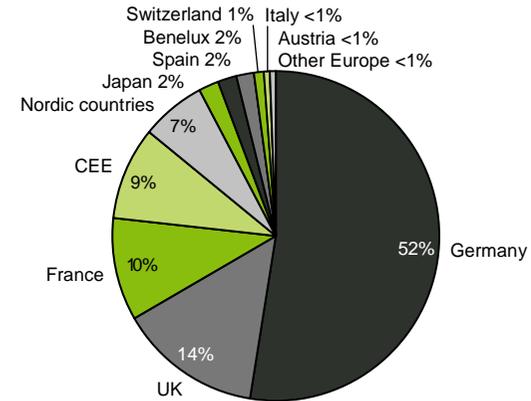
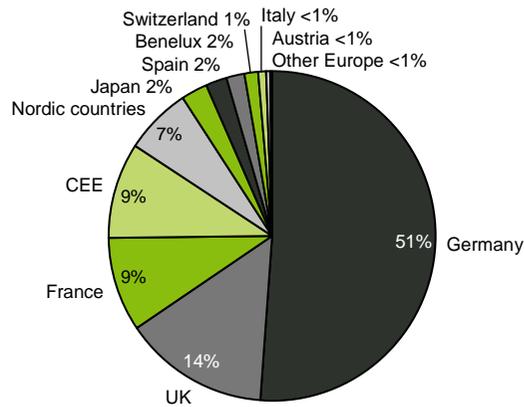
## REF: Portfolio by Regions

EUR billions (EaD)



31/12/2012

30/09/2013



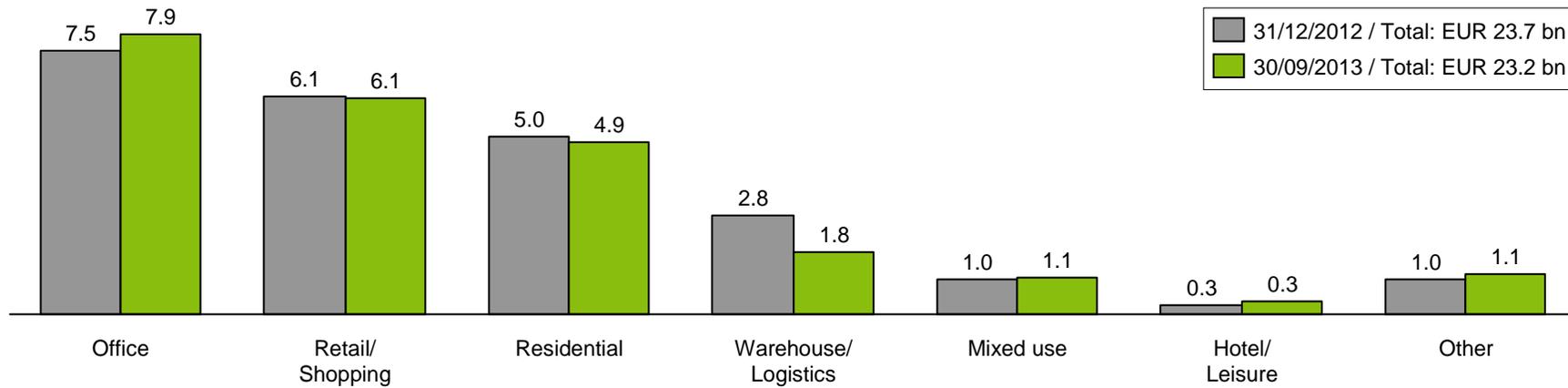
Note: Figures may not add up due to rounding

# Portfolio Real Estate Finance (REF)



## REF: Portfolio by Property Types<sup>1</sup>

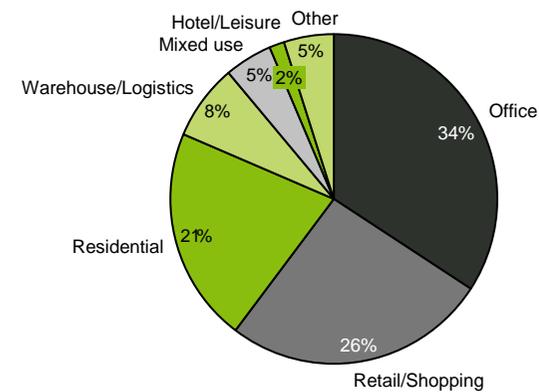
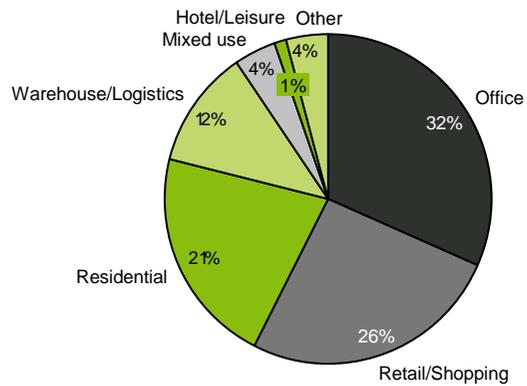
EUR billions (EaD)



■ 31/12/2012 / Total: EUR 23.7 bn  
■ 30/09/2013 / Total: EUR 23.2 bn

31/12/2012

30/09/2013



Note: Figures may not add up due to rounding 1 31/12/2012 restated; new property type 'Mixed use'

# Portfolio Real Estate Finance (REF)



Financials

New Business

Funding

Cover Pools

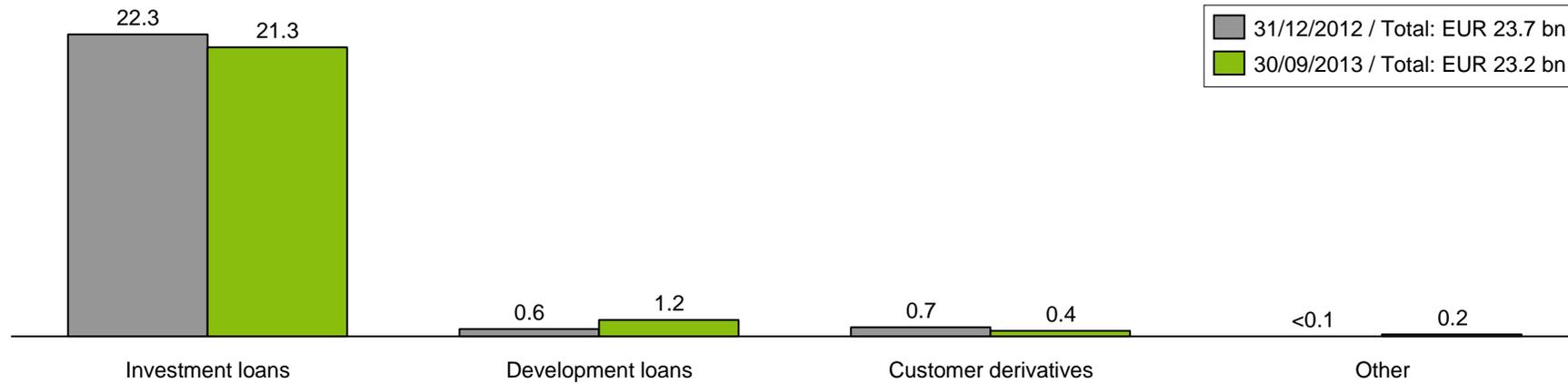
Portfolio

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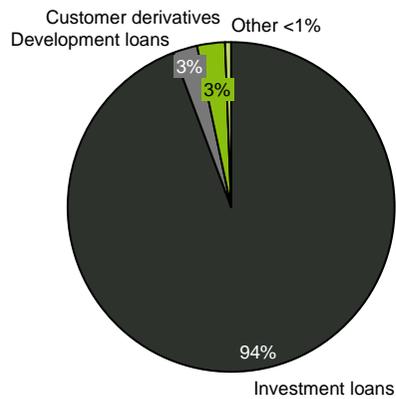
## REF: Portfolio by Loan Types

EUR billions (EaD)

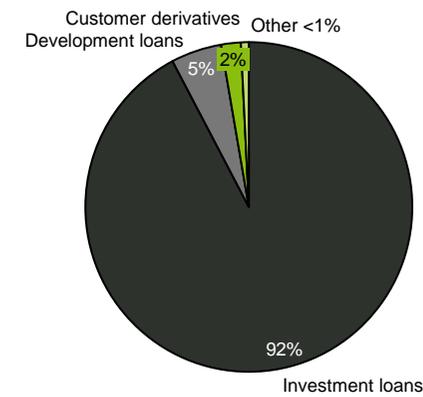


31/12/2012 / Total: EUR 23.7 bn  
 30/09/2013 / Total: EUR 23.2 bn

31/12/2012



30/09/2013



Note: Figures may not add up due to rounding

# Portfolio Real Estate Finance (REF)



Financials

New Business

Funding

Cover Pools

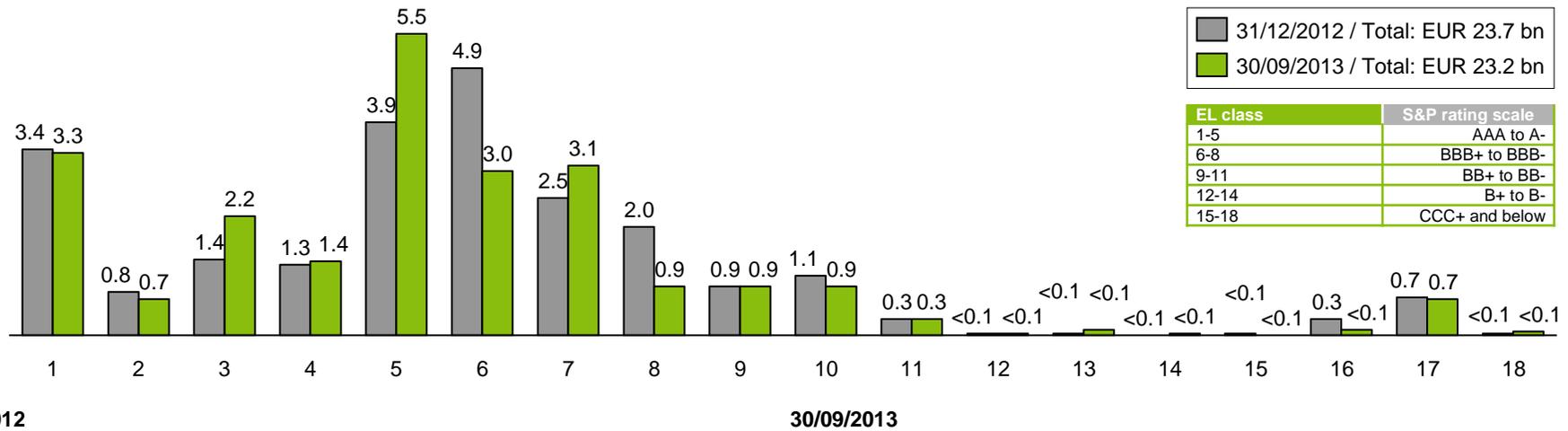
Portfolio

Summary & Outlook

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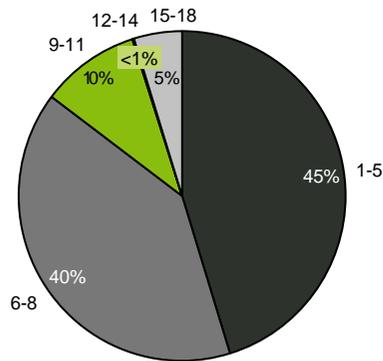
## REF: Portfolio by EL Classes

EUR billions (EaD)

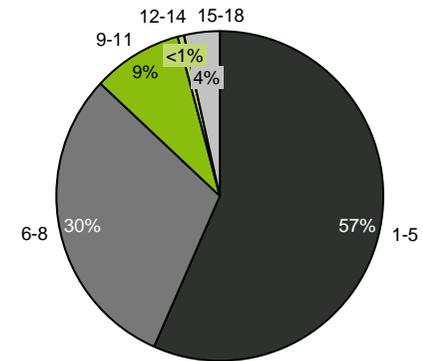


EL class	S&P rating scale
1-5	AAA to A-
6-8	BBB+ to BBB-
9-11	BB+ to BB-
12-14	B+ to B-
15-18	CCC+ and below

31/12/2012



30/09/2013



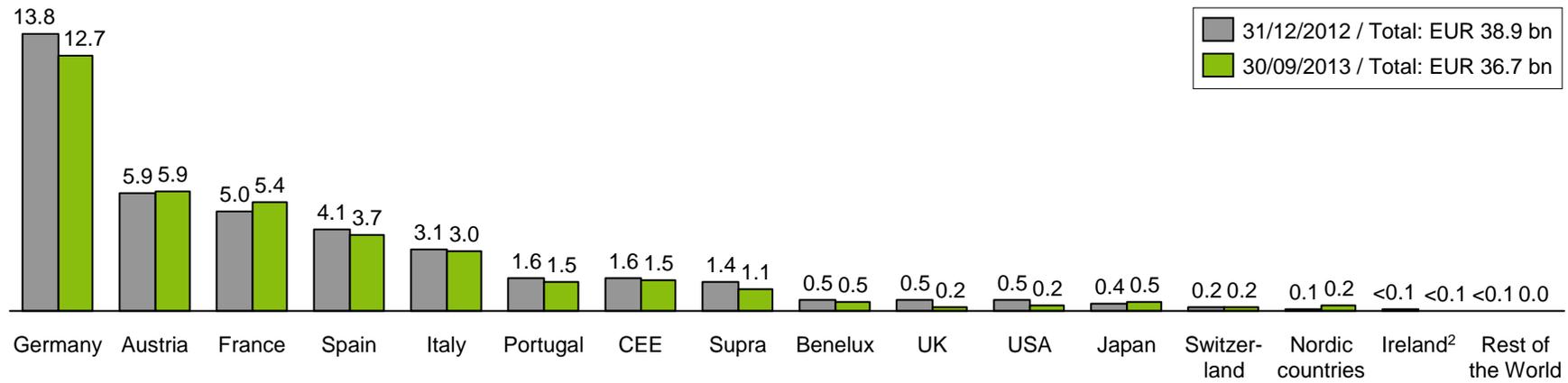
Note: Figures may not add up due to rounding

# Portfolio Public Sector Finance (PSF)

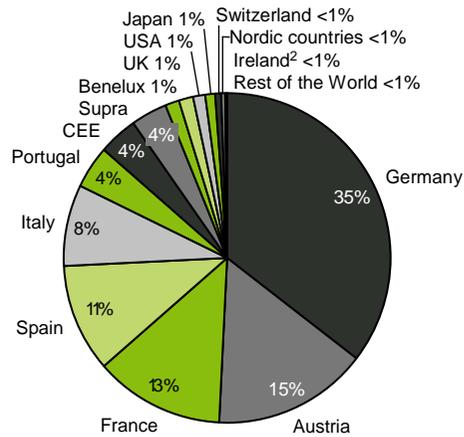


## PSF: Portfolio by Region

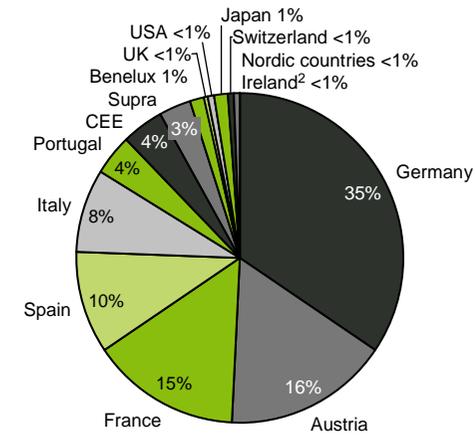
EUR billions (EaD)<sup>1</sup>



31/12/2012



30/09/2013

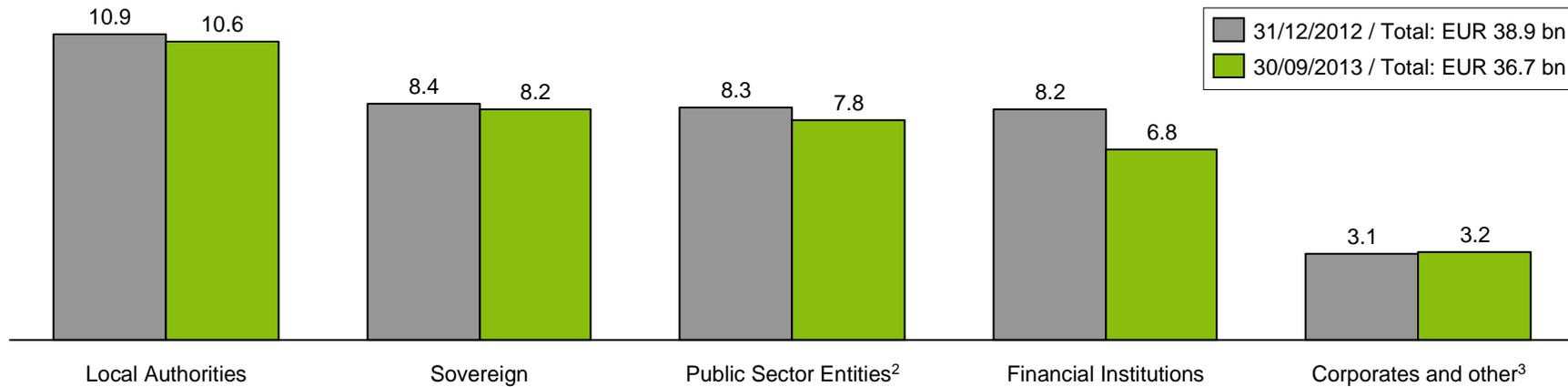


Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure and back-to-back derivatives 2 Only exposure to other entities of HRE Group

# Portfolio Public Sector Finance (PSF)

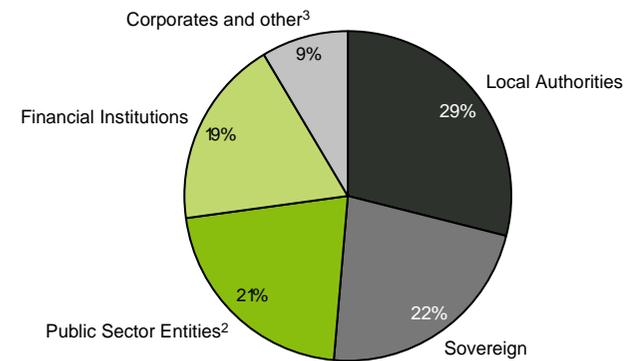
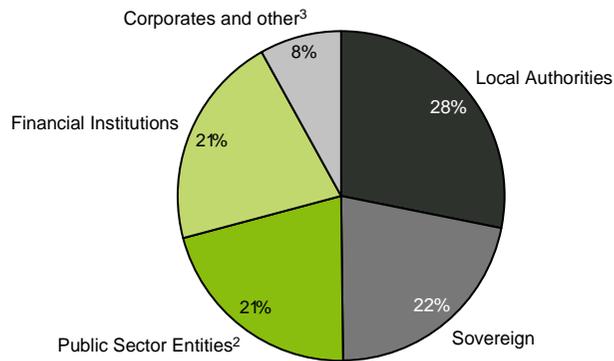
## PSF: Portfolio by Counterparty Type

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



31/12/2012

30/09/2013



Note: Figures may not add up due to rounding  
 1 Excl. FMS-WM guaranteed exposure and back-to-back derivatives

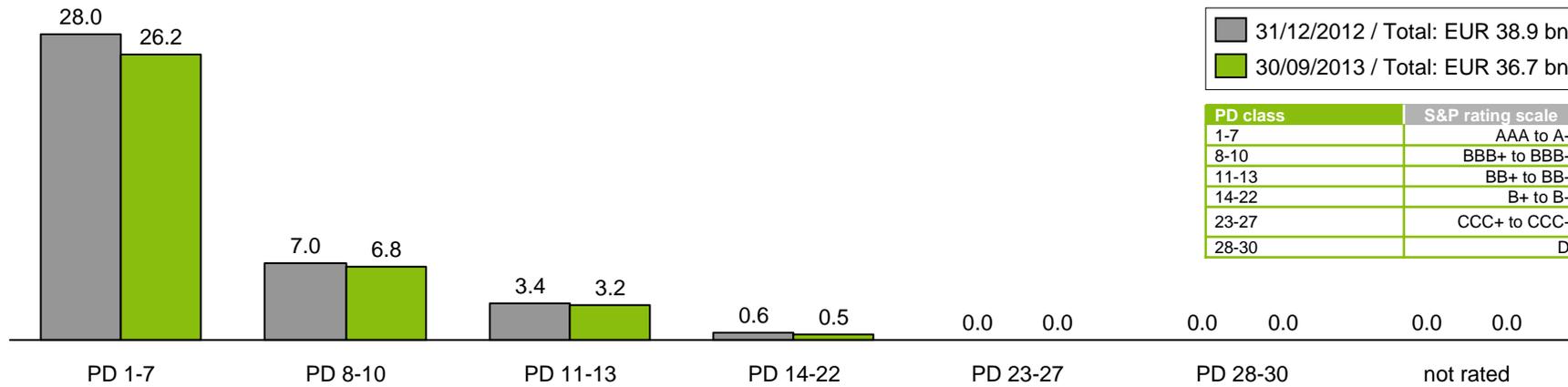
2 Entities with explicit or implicit financial support from a tax raising authority  
 3 >50% Sovereign/Regional Government related and/or guaranteed

# Portfolio Public Sector Finance (PSF)



## PSF: Portfolio by PD Class

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

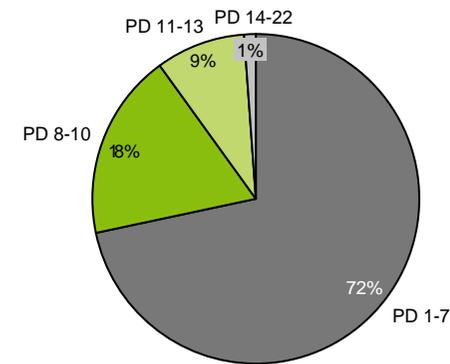
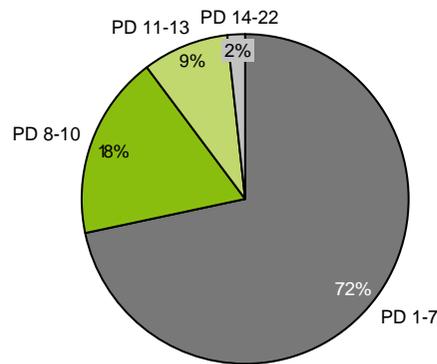


■ 31/12/2012 / Total: EUR 38.9 bn  
■ 30/09/2013 / Total: EUR 36.7 bn

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

31/12/2012

30/09/2013



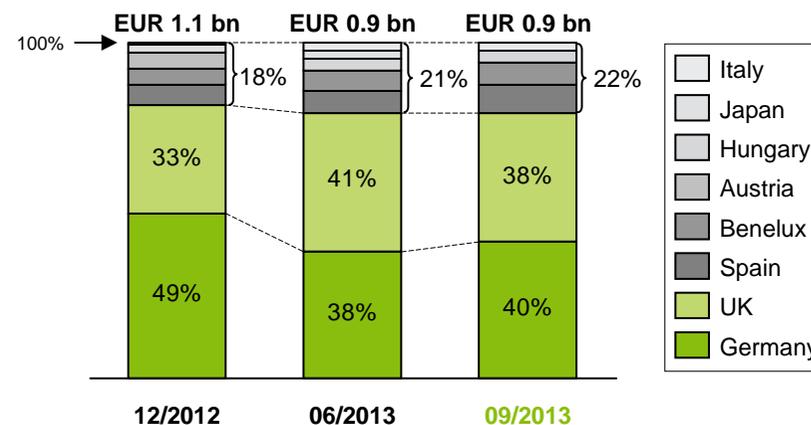
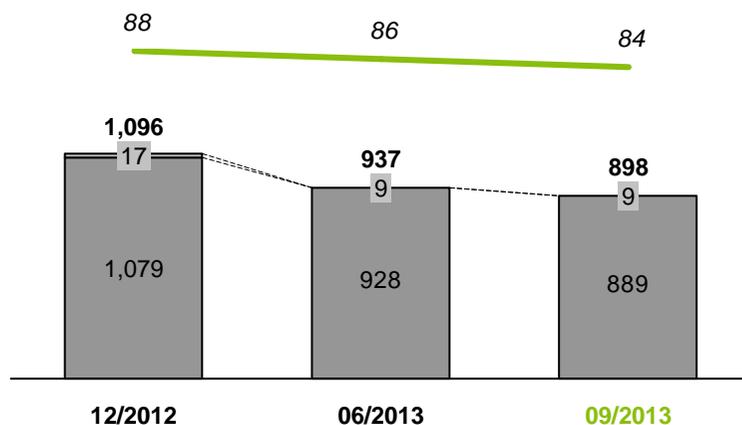
Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure and back-to-back derivatives

# Portfolio Total problem loans



## Total Problem Loans

EUR billions (EaD)



— No. of individual cases  
 ■ Workout loans<sup>1</sup>  
 ■ Restructuring loans<sup>2</sup>

Problem loans EUR millions (EaD)	31/12/2012				30/06/2013				30/09/2013			
	REF	PSF	VP	Total <sup>3</sup>	REF	PSF	VP	Total <sup>3</sup>	REF	PSF	VP	Total <sup>3</sup>
Workout loans <sup>1</sup>	11	-	-	11	9	-	-	9	9	-	-	9
Restructuring loans <sup>2</sup>	1,076	-	3	1,079	925	-	3	928	886	-	3	889
<b>Total<sup>3</sup></b>	<b>1,087</b>	<b>-</b>	<b>3</b>	<b>1,090</b>	<b>934</b>	<b>-</b>	<b>3</b>	<b>937</b>				
<b>Coverage ratios</b>	<b>30%</b>	<b>-</b>	<b>100%</b>	<b>31%</b>	<b>31%</b>	<b>-</b>	<b>100%</b>	<b>31%</b>	<b>31%</b>	<b>-</b>	<b>100%</b>	<b>31%</b>

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

3 In addition, EUR 6 mn in C&A

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