

Annual Press Briefing

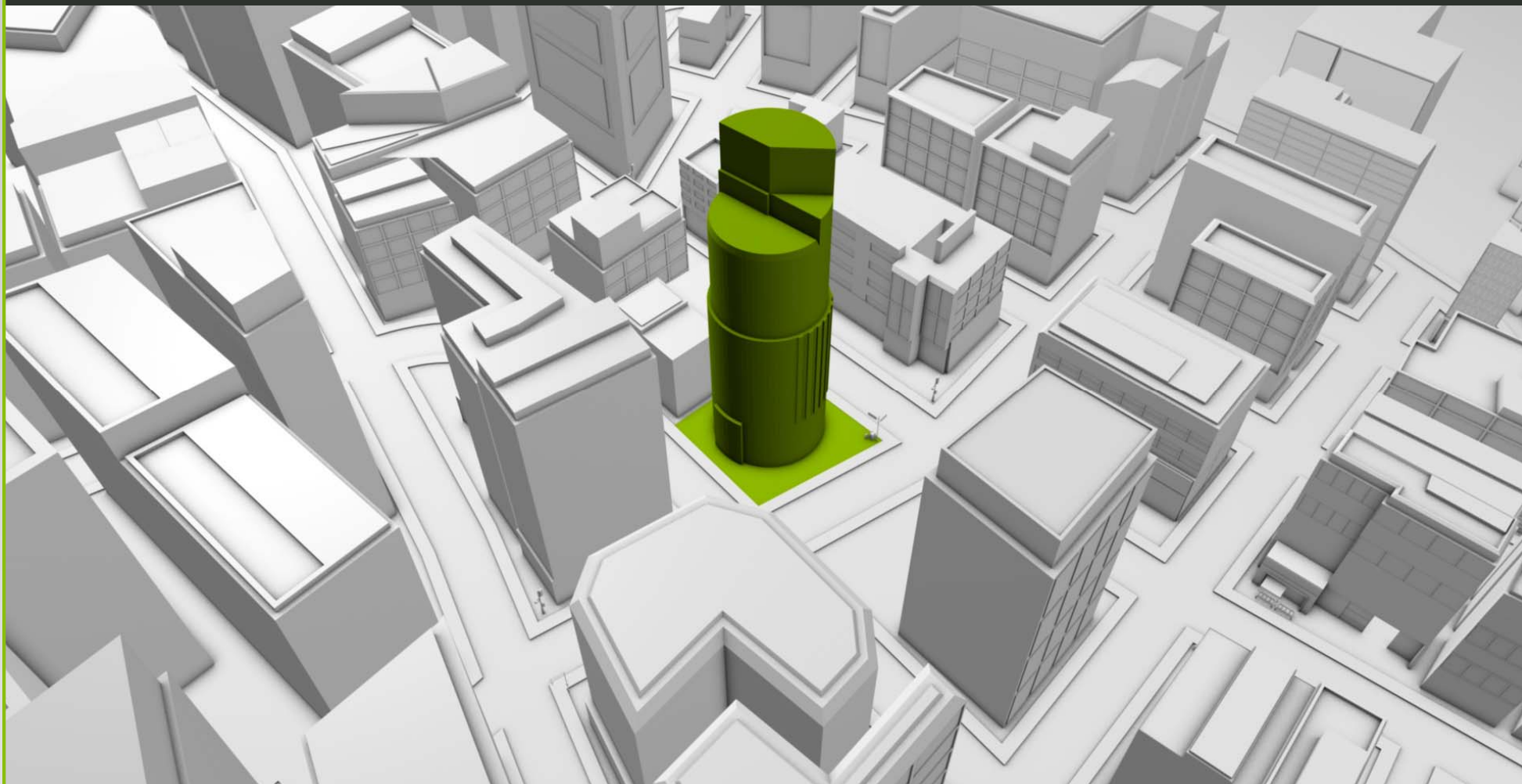
Munich, 07 March 2013

PRELIMINARY/UNAUDITED FIGURES

PUBLIC SECTOR FINANCE
REAL ESTATE FINANCE

pbb

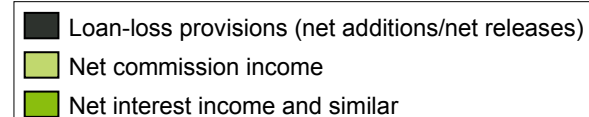
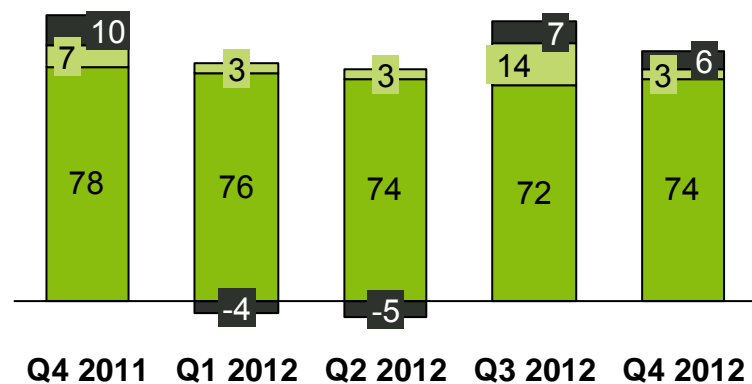
DEUTSCHE
PFANDBRIEFBANK



- ➔ At € 124 million pre-tax profit is fully within expectations
- ➔ New business volume at € 5.6 billion – proving origination power particularly during the fourth quarter (€ 2.7 billion)
- ➔ Funding volume and maturities exceed expectations

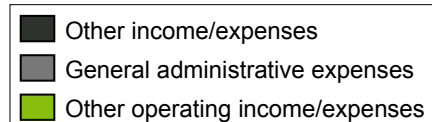
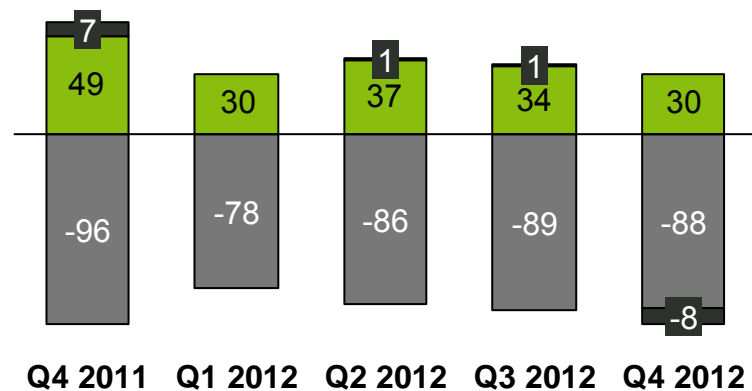
Results from the Loan Business (EUR millions)

| | FY 2011 | FY 2012 |
|---|---------|---------|
| Net interest and similar income | 371 | 296 |
| Net commission income | 32 | 23 |
| Provisions for losses on loans and advances | 12 | 4 |



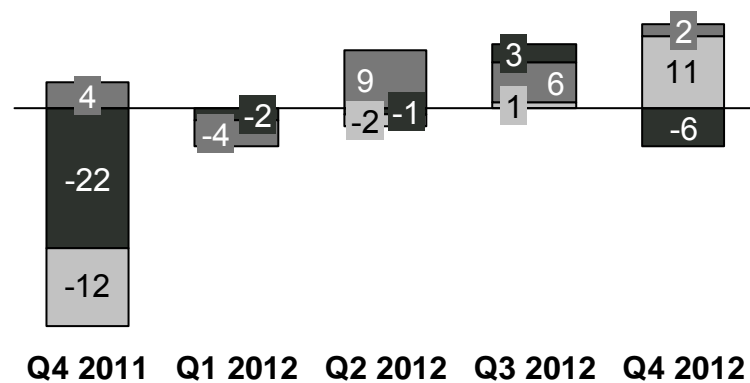
Further Result from Business Activities (EUR millions)

| | FY 2011 | FY 2012 |
|--|---------|---------|
| Balance of other operating income/expenses | 184 | 131 |
| <i>thereof: FMS-WM servicing</i> | 109 | 106 |
| <i>IT services for DEPFA Group</i> | 35 | 40 |
| <i>Bank levy</i> | -2 | -24 |
| General administrative expenses | -357 | -341 |
| Balance of other income/expenses | 7 | -6 |



Results from Financial Instruments (EUR millions)

| | FY 2011 | FY 2012 |
|---------------------------------------|---------|---------|
| Net trading income | -8 | 10 |
| Net income from financial investments | 3 | 13 |
| Net income from hedge relationships | -56 | -6 |

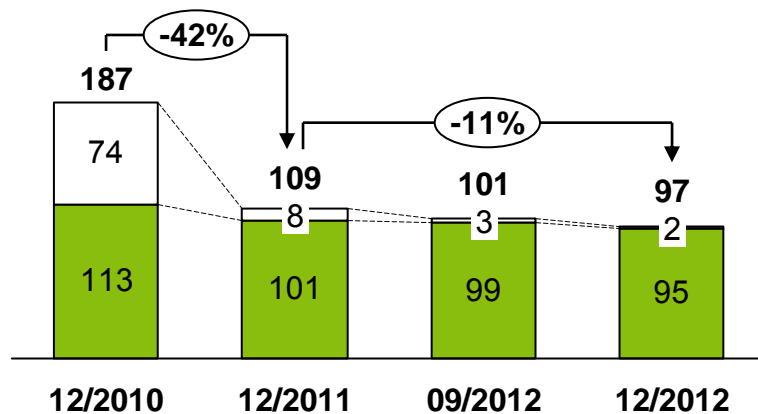


Net income from hedge relationships
 Net income from financial investments
 Net trading income

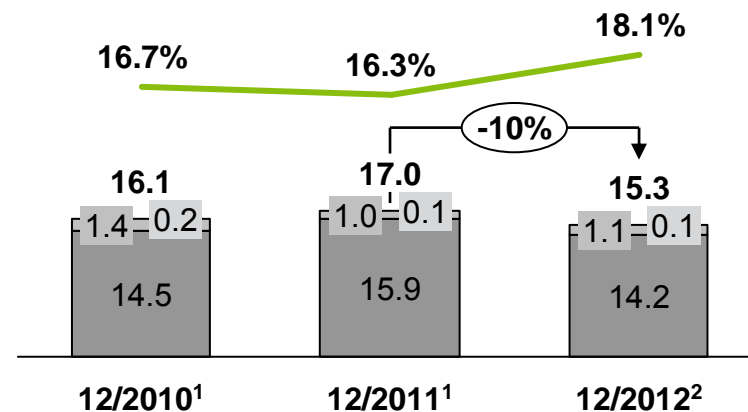
Total balance sheet down to EUR 97 bn – pbb well capitalised

Total Assets (IFRS)

EUR billions



□ FMS-WM counter-effects
■ Operating balance sheet



— Tier I ratio³
■ Market risk
■ Operational risk
■ Counterparty risk

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.

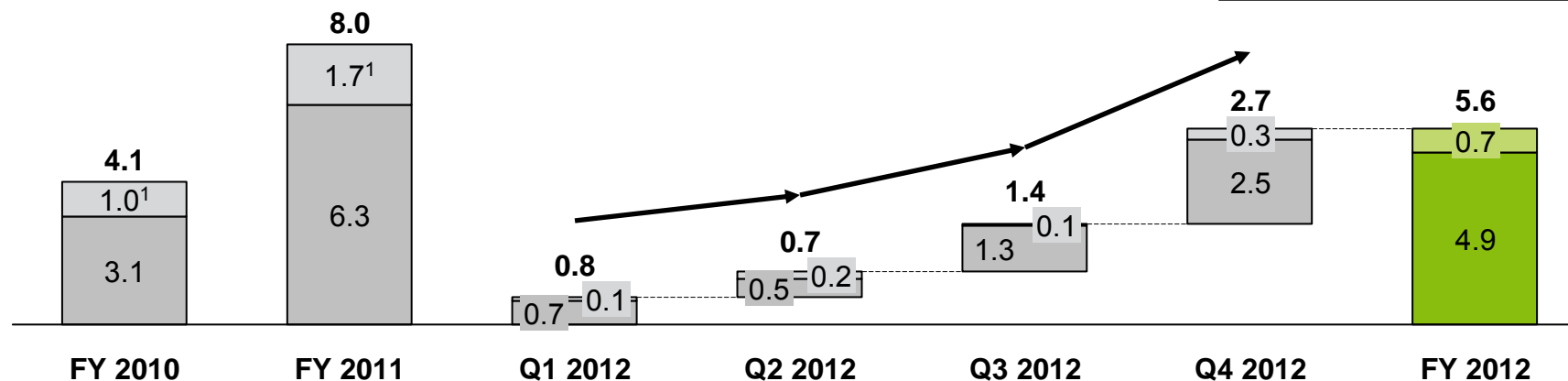
Note: Figures may not add up due to rounding

New business gained momentum in H2/2012

New Business (incl. extensions >1 yr)

EUR billions

Public Investment Finance (PIF)
Real Estate Finance (REF)



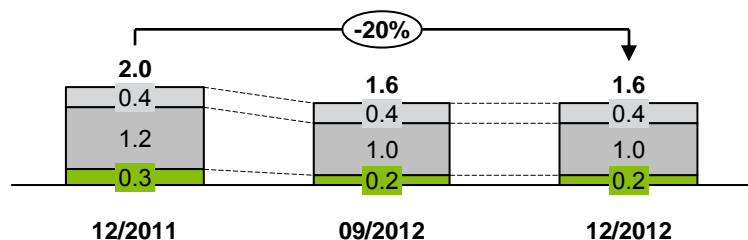
| Real Estate Finance (REF) | FY 2010 | FY 2011 | FY 2012 | Public Investment Finance (PIF) | FY 2010 ² | FY 2011 | FY 2012 |
|--|----------|----------|----------|---------------------------------|----------------------|-----------|----------|
| Total volume | € 3.1 bn | € 6.3 bn | € 4.9 bn | Total volume | € 1.0 bn | € 1.7 bn | € 0.7 bn |
| New commitments | € 1.4 bn | € 3.5 bn | € 2.9 bn | No. of deals | 51 | 42 | 42 |
| Extensions >1 year | € 1.7 bn | € 2.8 bn | € 2.0 bn | Average maturity | ~7.4 yrs | ~10.3 yrs | ~7.0 yrs |
| No. of deals | 65 | 88 | 79 | Average gross margin | >100 bp | >105 bp | >140 bp |
| Average maturity | ~3.9 yrs | ~4.2 yrs | ~4.5 yrs | | | | |
| Average LTV (New commitments) ¹ | 64% | 65% | 56% | | | | |
| Average gross margin | >200 bp | >205 bp | >225 bp | | | | |
| Share of development financing | 13.3% | 8.4% | 5.2% | | | | |

Note: Figures may not add up due to rounding

Non-REF: Exposure to peripheral southern-European countries considerably reduced

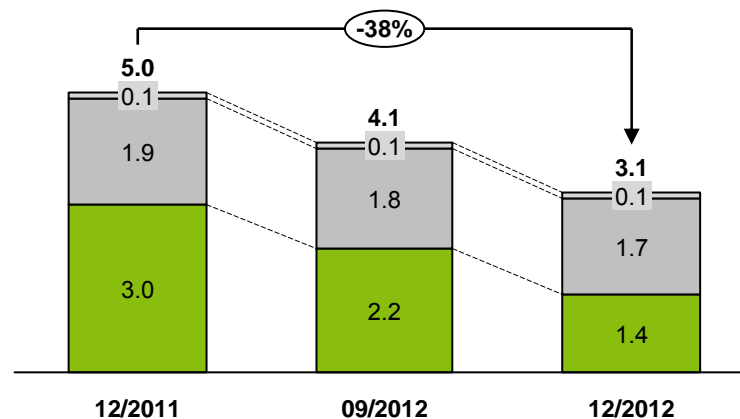
Non-REF: Exposure to Portugal

EUR billions (EaD)¹



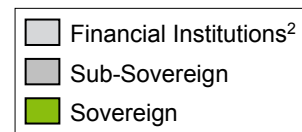
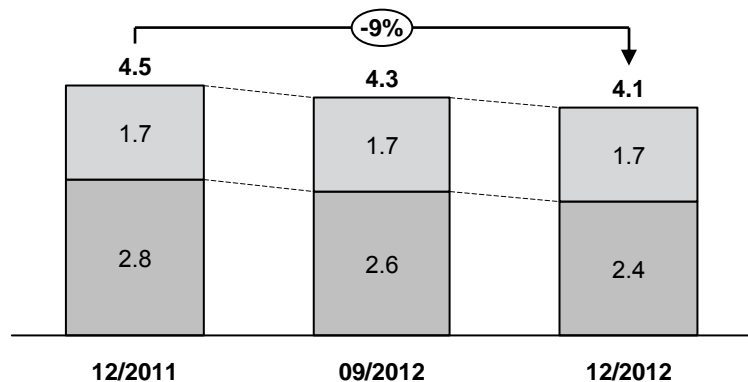
Non-REF: Exposure to Italy

EUR billions (EaD)¹



Non-REF: Exposure to Spain

EUR billions (EaD)¹



■ No exposure to Greece



■ No exposure to Cyprus



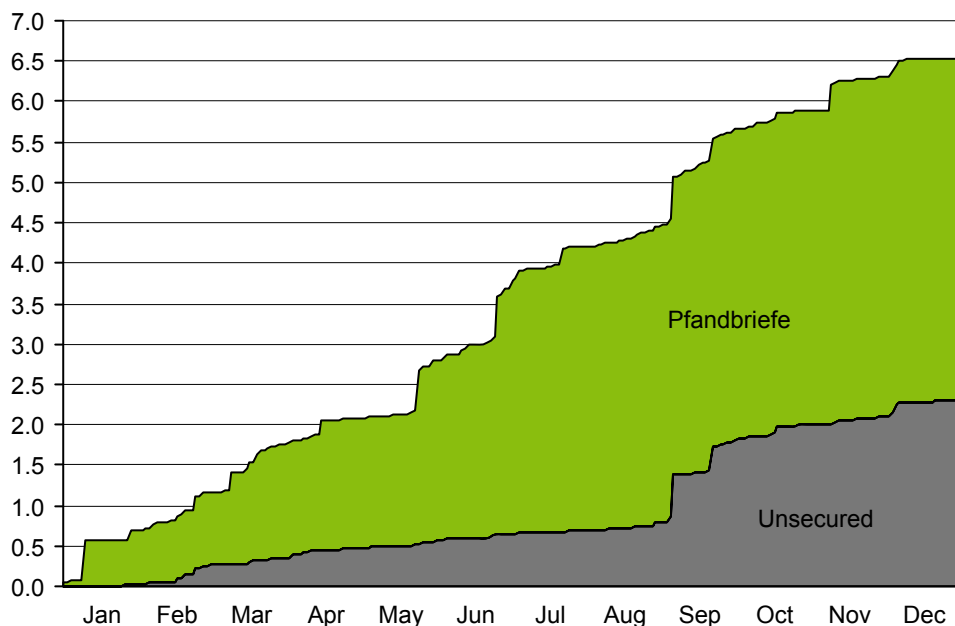
Note: Figures may not add up due to rounding ¹ Excl. FMS-WM guaranteed exposure, back-to-back derivatives and pass-through funding ² Predominantly mortgage covered bonds

Total long-term funding volume at EUR 6.5 billion

Long-term Funding 2012¹

EUR billions

| | Pfandbriefe | Unsecured | Total |
|-------------------------------|--------------------|--------------------|---------------------|
| Public issuances ² | 2.287 (35%) | 0.750 (11%) | 3.037 (46%) |
| Private placements | 1.953 (30%) | 1.551 (24%) | 3.504 (54%) |
| Total | 4.240 (65%) | 2.301 (35%) | 6.541 (100%) |
| Average maturity | 7.5 yrs | 4.5 yrs | 6.4 yrs |



1 Excl. money market and ECB repo transactions 2 Incl. taps

- Total long-term funding volume of EUR 6.5 bn
 - Three EUR Mortgage Pfandbriefe in benchmark format issued and three successfully tapped
 - GBP Mortgage Pfandbrief issued in Nov 2012 – last GBP benchmark issue in the market dates back to summer 2007
 - Successful re-entry into the unsecured funding market in benchmark format
- Successful start into 2013 with two new benchmarks, one tap and strong private placements
 - EUR 500 mn Mortgage Pfandbrief
 - EUR 500 mn Senior Unsecured + EUR 360 mn tap
- LTRO fully repaid

- ➔ Transfer of servicing is an obligation imposed by the EU Commission and a strategic necessity for pbb to focus on its core business
- ➔ Separation of IT systems final technical step
- ➔ Transfer of pbb staff to FMS Service company allows for continuity in managing the portfolio and opens up employment opportunities

- ➔ Specialist Bank with broad market presence in Europe
- ➔ Comprehensive range of products and services
- ➔ Boosting market penetration in 2013
 - Expand market-facing teams
 - Strengthen local presences
 - Further develop processes – fulfilling client needs

- ➔ Deposit-taking business provides opportunity for broadening the funding base
- ➔ Using the funds in our loan business allows to offer competitive rates for retail investors
- ➔ No material change to competitive environment by pbb's market entry