

DEUTSCHE
PFANDBRIEFBANK**Detailed Financials**

Income Statement (IFRS, EUR mn)	2012	2013	2014	2014 (adjusted) ¹	Q1 2015	Mid-term target
Net interest and commission income	319	328	422	422	120	
Loan-loss provisions	4	(8)	(21)	(13)	4	
Other operating income/expenses	131	100	14	14	(11)	
General and administrative expenses	(341)	(312)	(251)	(251)	(48)	~220
Net result from trading, hedge accounting, fin. investments	17	54	(110)	2	(16)	
Pre-tax profit	124	165	54	174	51 ²	
Net income after tax	69	160	4	116	39 ²	

Balance Sheet (EUR bn)	2012	2013	2014	2014 (adjusted) ¹	Q1 2015	Mid-term target
Total assets	97.7 ³	74.6 ³	75.5	75.5	75.4	
Shareholder's equity	3.3	3.5	3.5	3.5	3.6	
thereof: FMS silent participation	1.0	1.0	1.0	1.0	1.0	

Ratios	2012	2013	2014	2014 (adjusted) ¹	Q1 2015	Mid-term target
Gross margin new business REF (bps)	>225	>225	>200	>200	>170	
Gross margin new business PIF (bps)	>140	>100	>75	>75	>100	
CIR	73.0%	64.7%	77.0%	57.3%	51.6%	<45%
RoE before tax ⁴	5.5%	7.2%	2.2%	7.1% ^{1,5}	8.3% ²	
RoE after tax ⁴	3.1%	7.0%	0.2%	4.7% ^{1,5}	6.3% ²	High single digit
Payout ratio	0%	0%	0%	0%	0%	40-50%

1 Adjusted for EUR -120 mn (2014) and EUR -82 mn (Q1/15) extraordinary effects from value adjustments on HETA exposure

2 Q1 2015 adjusted pre-tax profit amounted to EUR 133 mn, net income to EUR 112 mn, RoE before tax to 21.6% and RoE after tax 18.2%

3 Revised pursuant IFRS 8.42

4 Return on equity calculated based on average monthly IFRS equity excluding revaluation reserve; shareholder's equity for RoE calculation defined as ordinary shareholder's equity (reported shareholder's equity excluding EUR 1 bn silent participation of FMS, which is expected to be repaid prior to pbb's re-privatisation)

5 Return on equity before tax (post tax) calculation based on pre-tax profit of EUR 54 mn plus adjustment for HETA provisions of EUR 120 mn (net income of EUR 4 mn plus adjustment for HETA EUR 112 mn) divided by average monthly IFRS equity for the year excluding the revaluation reserve (EUR 3,451 mn), adjusted for the silent participation (EUR - 999 mn) and the HETA post-tax provisions (EUR 112 mn in December)

Capitalisation

	2013	2014	Q1 2015	Mid-term target
Basel III fully loaded capital ratios (%)^{1,2}				
CET1-ratio (fully loaded)	11.0%	13.5%	14.8%	>12.5%
Tier 1-ratio (fully loaded)	n/a	13.5% ³	14.8% ⁶	>16%
Own funds (fully loaded)	n/a	15.6% ⁴	16.9% ⁷	16-18%
Leverage ratio (fully loaded)	2.8%	3.1% ⁵	3.2% ⁸	>3.5%
Basel III fully loaded RWA (EUR bn)¹	18.1	15.5	14.8	
Basel III fully loaded capital (EUR bn)^{1,2}	2.4	2.4	2.5	
thereof: CET 1	2.0	2.1	2.2	
thereof: Tier 2	0.5	0.3	0.3	
Basel III fully loaded leverage exposure (EUR bn)	69.9	67.2	69.1	

1 No transitional rules to be applied; Basel III rules applied for 2013 as well

2 Excluding silent participation

3 Tier 1 capital of EUR 3.1 bn fully loaded less silent participation of EUR 1.0 bn in percentage of RWA of EUR 15.5 bn

4 Own funds of EUR 3.4 bn fully loaded less silent participation of EUR 1.0 bn in percentage of RWA of EUR 15.5 bn

5 Tier 1 capital of EUR 3.1 bn fully loaded less silent participation of EUR 1.0 bn in percentage of leverage exposure of EUR 67.2 bn

6 Tier 1 capital of EUR 3.2 bn fully loaded less silent participation of EUR 1.0 bn in percentage of RWA of EUR 14.8 bn

7 Own funds of EUR 3.5 bn fully loaded less silent participation of EUR 1.0 bn in percentage of RWA of EUR 14.8 bn

8 Tier 1 capital of EUR 3.2 bn fully loaded less silent participation of EUR 1.0 bn in percentage of leverage exposure of EUR 69.1 bn

Portfolio

Financing volumes (EUR bn) ¹	2012	2013	2014	Q1 2015
Real Estate Finance (REF)	22.1	20.4	21.8	23.5
Public Investment Finance (PIF) ²	6.0	5.7	6.6	6.8
Value Portfolio (VP) ²	30.3	25.1	22.7	22.2
Total	58.4	51.2	51.1	52.5

1 Figures are taken from the Unaudited Interim Condensed Financial Statements of the Company as of and for the three-month period ended March 31, 2015. Figures for the financial years 2014, 2013 and 2012 have been revised in accordance with IFRS 8.29

2 Figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.3 bn financing volume) into VP (as of 01/01/15)

EaD (EUR bn) ¹	2012	2013 ^{2,3}	2014 ⁴	Q1 2015 ⁵
Real Estate Finance (REF)	n/a	22.2	24.3	25.6
Public Investment Finance (PIF)	n/a	6.8 ⁷	7.8 ⁷	7.9
Value Portfolio (VP)	n/a	26.6 ⁷	26.2 ⁷	25.9
Total ⁶	n/a	68.6	65.2	66.5

1 Excl FMS-WM guaranteed exposure; Figures restated. Figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.5 bn EaD) into VP (as of 01/01/15)

2 In addition €0.6 bn EaD with regard to the counterparty FMS-WM including guaranteed positions of €0.6 bn (C&A: €0.01 bn; VP: €0.6 bn)

3 Simulated Basel 3 figure based on IFRS carrying amounts

4 In addition €0.3 bn EaD with regard to the counterparty FMS-WM including guaranteed positions of €0.3 bn (VP: €0.3 bn)

5 In addition €0.3 bn EaD with regard to the counterparty FMS-WM including guaranteed positions of €0.3 bn (VP: €0.3 bn)

6 Includes Consolidation & Adjustments

7 Figures restated. Figures retrospectively adjusted for transfer of Italian PIF portfolio (€1.5 billion EaD) into VP (as of January 1, 2015)

New business (EUR bn)	2012	2013	2014	Q1 2015
Real Estate Finance (REF)	4.9	7.0	9.0	2.7
Public Investment Finance (PIF)	0.7	1.2	1.2	0.2

Contractual run-off (EUR bn) ¹	2014	2017E	2019E
Public Investment Finance (PIF), financing volume	6.7	4.6	3.4
Value Portfolio (VP), financing volume	22.3	14.9	13.0

Note: Figures restated. Above figures retrospectively adjusted for change in segmental equity allocation (as of 01/01/15)

¹ Figures restated. Figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.3 bn financing volume) into VP (as of 01/01/15)

Problem loans (EUR mn) ^{1,2}	2012	2013	2014
Workout ³	11	6	9
Restructuring ⁴	1,079	935	1,134
thereof: HETA	–	–	314
Coverage ratio	32%	32%	30%
Problem loans ratio²			
Total portfolio	1.4%	1.4%	1.8%
Real Estate Finance	4.6%	4.2%	3.4%
HETA	–	–	0.5%

¹ In addition Consolidation & Adjustments amount to EUR 1 mn EaD in 2014, EUR 6 mn EaD in 2013 and EUR 6 mn EaD in 2012

² 2012 based on Basel II, 2013 based on revised Basel III, 2014 based on Basel III

³ PD class 28+29: Non-performing loans where the restructuring strategy should be carried out

⁴ PD class 30: Impairment and foreclosure measures, default acc. CRR Art. 178. Restructuring and workout loans constitute problem loans

Top 20 exposures

Real Estate Finance							
Top REF	Main Country of Risk	Number of Properties	Weighted Ø EL Class ¹	Weighted Ø LTV	Type of use	EaD in EUR mn	EaD in % of total
1	Germany	300	7	62%	Industrial/logistic	340	1.4%
2	Sweden	63	5	55%	Office	279	1.2%
3	Switzerland	53	3	71%	Retail	265	1.1%
4	Germany	1	5	82%	Office	226	0.9%
5	Germany	52	5	78%	Residential	223	0.9%
6	Germany	2	2	49%	Retail	214	0.9%
7	Hungary	1	8	42%	Mixed use	214	0.9%
8	Germany	31	6	85%	Retail	202	0.8%
9	France	1	3	52%	Office	188	0.8%
10	Germany	10	1	62%	Office	186	0.8%
11	Poland	21	9	77%	Industrial/logistic	169	0.7%
12	France	1	2	50%	Office	166	0.7%
13 ²	Germany	1	1	48%	Development	164	0.7%
14 ³	France	1	2	59%	Office	161	0.7%
15	Germany	33	6	77%	Office	157	0.6%
16	Sweden	20	3	53%	Residential	150	0.6%
17	Poland	28	6	61%	Retail	149	0.6%
18	Germany	35	1	62%	Office	148	0.6%
19	Sweden	1	7	71%	Office	142	0.6%
20	Germany	70	7	90%	Retail	142	0.6%
Total Top 20						3,887	15.9%

¹ Based on internal ratings: EL classes 1 – 8 = investment grade; EL classes 9 – 18 = non-investment grade (EL classes 1-5 would be similar to AAA+ - A-; 6-8 would be similar to BBB+ to BBB-; 9-11 would be similar to BB+ to BB-; 12-14 would be similar to B+ to B-; 15-18 would be similar to CCC+ and below)

² Development loan

³ Exposure fully repaid in 2015

Public Investment Finance ¹						
Top PIF	Borrower classification	Country of Risk	Weighted Ø EL Class ²	Weighted Ø loan maturity	EaD in EUR mn	EaD in % total
1	Sovereign	Germany	1	9.4	369	4.8%
2	Regional Government	Spain	5	3.1	259	3.3%
3	Regional Government (related)	Germany	1	2.9	244	3.1%
4	Regional Government (related)	Belgium	1	10.1	229	2.9%
5	Regional Government	Spain	6	6.5	216	2.8%
6	Regional Government	Spain	4	2.6	214	2.8%
7	Regional Government	Spain	3	8.6	210	2.7%
8	Sovereign (related)	Austria	1	21.9	193	2.5%
9	Public Sector Enterprise	France	1	10.5	175	2.3%
10	Public Sector Enterprise	Spain	2	8.9	169	2.2%
11	Regional Government	Spain	3	16.6	158	2.0%
12	Regional Government	Spain	3	3.4	154	2.0%
13	Public Sector Enterprise	Finland	1	9.0	145	1.9%
14	Regional Government (related)	Germany	1	21.1	138	1.8%
15	Regional Government	Spain	3	3.3	118	1.5%
16	Public Sector Enterprise	Germany	1	3.1	111	1.4%
17	Sovereign (related)	Germany	1	11.0	109	1.4%
18	Regional Government	Spain	3	2.8	108	1.4%
19	Regional Government (related)	France	1	5.2	100	1.3%
20	Regional Government	France	2	11.0	100	1.3%
Total Top 20					3,519	45.3%

¹ Figures restated. Figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.5 bn EaD) into VP (as of 01/01/15)

² Based on internal ratings: EL classes 1 – 8 = investment grade; EL classes 9 – 18 = non-investment grade (EL classes 1-5 would be similar to AAA+ - A-; 6-8 would be similar to BBB+ to BBB-; 9-11 would be similar to BB+ to BB-; 12-14 would be similar to B+ to B-; 15-18 would be similar to CCC+ and below)

Value Portfolio ¹						
Top VP	Borrower classification	Country of Risk	Weighted Ø EL Class ²	Weighted Ø loan maturity	EaD in EUR mn	EaD in % of total
1	Sovereign	Austria	1	20.1	5,155	19.6%
2	Sovereign	Italy	5	11.3	2,317	8.8%
3	Regional Government	Germany	1	11.6	1,082	4.1%
4	Sovereign (related)	Germany	1	13.6	832	3.2%
5	Sovereign	Poland	1	2.2	816	3.1%
6	Regional Government	Germany	1	7.2	776	3.0%
7	Regional Government (related)	Austria	1	34.4	692	2.6%
8	Regional Government	Germany	1	7.1	691	2.6%
9	Regional Government	Germany	1	11.1	608	2.3%
10	Regional Government	Germany	1	9.7	563	2.1%
11	Sovereign	France	1	9.8	534	2.0%
12	Supranational	Supranational	1	4.2	485	1.8%
13	Regional Government	Germany	1	16.8	485	1.8%
14	Sovereign	Hungary	7	2.6	389	1.5%
15	Financial Institution	Spain	6	10.7	374	1.4%
16	Regional Government	Germany	1	8.7	331	1.3%
17	Financial Institution	Spain	4	12.3	323	1.2%
18	Sovereign (related)	Austria	1	14.7	322	1.2%
19	Regional Government (related)	Austria	2	2.8	314	1.2%
20	Regional Government	Italy	5	10.7	314	1.2%
Total Top 20					17,403	66.3%

¹ Figures restated. Figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.5 bn EaD) into VP (as of 01/01/15)

² Based on internal ratings: EL classes 1 – 8 = investment grade; EL classes 9 – 18 = non-investment grade (EL classes 1-5 would be similar to AAA+ - A-; 6-8 would be similar to BBB+ to BBB-; 9-11 would be similar to BB+ to BB-; 12-14 would be similar to B+ to B-; 15-18 would be similar to CCC+ and below)

Top 10 REF problem loans

Top REF	Country	PD class Basel III property class ¹		Status	EaD (EUR mn)	EaD (net of provision)	Weighted Ø EL Class ²	Payment of interest
1	United Kingdom	29	Retail	Restructuring	316	273	18	Yes
2 ³	Nordics	28	Office	Restructuring	133	133	16	Yes
3	Germany	28	Office	Restructuring	76	76	15	Yes
4	Hungary	29	Office	Restructuring	62	59	18	Yes
5	Spain	29	Retail	Restructuring	38	28	18	Yes
6	Spain	29	Retail	Restructuring	30	29	18	No
7	Germany	28	Office	Restructuring	26	26	13	Yes
8	Germany	28	Retail	Restructuring	22	22	17	Yes
9	Germany	29	Retail	Restructuring	17	12	16	Yes
10	Germany	29	Retail	Restructuring	14	10	17	No
Sum					734	668		
Total REF problem loans (EaD)					827			
Total REF portfolio (EaD)					24,270			

1 PD (probability of default) class 28 and 29: non-performing loans where the restructuring strategy should be carried out. PD class 30: impairment and foreclosure measures, default according to CRR Art. 178

2 According to internal ratings and based on the terminology of the rating agency Standard & Poor's: EL (expected loss) classes classes 1-5 would correspond to AAA+ - A-; 6-8 would correspond to BBB+ to BBB-; 9-11 would correspond to BB+ to BB-; 12-14 would correspond to B+ to B-; 15-18 would correspond to CCC+ and below

3 Restructuring has been completed by YE-2014 and final exit took place in Q1 2015

Funding

Funding instruments over time (EUR bn)	2012	2013	2014
Other Liabilities	2.9	1.9	1.1
FMS-WM Loans	7.5	–	–
Fair Value Adjustments	4.3	2.4	4.8
Derivative Fair Values	8.8	5.9	8.0
Repo	0.4	1.2	0.6
ECB	4.0	–	–
Mortgage Pfandbrief Issues (Nominal Amounts)	13.8	14.3	15.2
Public Pfandbrief Issues (Nominal Amounts)	28.9	23.2	20.8
Accrued interest	1.1	0.9	0.8
Collateral	2.4	1.5	2.0
Money Market, Loro	1.3	0.8	1.0
pbb direkt	–	0.6	1.5
Senior Unsecured (Nominal Amounts)	16.1	16.2	15.0
Equity, Hybrids & Sub-Debt	6.2 ²	5.7 ²	4.7
Total assets	97.7¹	74.6¹	75.5

1 Revised pursuant IFRS 8.42

2 Including EUR 0.9 bn DEPFA Finance N.V.

Pfandbrief – annual issuances	2012		2013		2014	
	Mortgage	Public	Mortgage	Public	Mortgage	Public
Spread over 3M EURIBOR (bps)	64	37	31	36	24	29
Tenor (years)	7.4	9.2	5.4	10.6	6.4	20.7
Mortgage Pfandbrief (EUR bn)	4.0		3.2		3.6	
thereof: Private placements	1.7		1.0		1.3	
thereof: Benchmark issues	2.3		2.3		2.3	
Public Pfandbrief (EUR bn)	0.2		1.2		0.3	
thereof: Private placements	0.2		0.5		0.3	
thereof: Benchmark issues	–		0.7		–	

Unsecured – annual issuances	2012		2013		2014	
Average ticket size (EUR mn)						
thereof: Benchmark issues	375		453		125	
thereof: Private Placements - Bearer	15		25		39	
thereof: Private Placements - Registered	6		5		7	
Spread over 3M EURIBOR (bps)	156		116		86	
thereof: Benchmark issues	210		139		84	
thereof: Private Placements - Bearer	115		85		96	
thereof: Private Placements - Registered	133		105		82	
Tenor (years)	4.5		5.2		6.2	
thereof: Benchmark issues	3.0		3.7		3.1	
thereof: Private Placements - Bearer	3.5		2.6		4.4	
thereof: Private Placements - Registered	5.8		7.4		7.7	
Annual issuances (EUR bn)	2.3		3.2		2.1	
thereof: Benchmark issues	0.8		1.4		0.3	
thereof: Private Placements - Bearer	0.3		0.4		0.6	
thereof: Private Placements - Registered	1.2		1.4		1.2	

Segmental performance

Real Estate Finance (EUR mn unless otherwise indicated) ¹	2012	2013	2014
Net interest income and similar income	249	258	294
Net commission income	25	10	2
Trading income	2	(21)	(13)
Income from financial investments	14	96 ²	14
Income from hedging	(3)	4	(2)
Other operating income	(3)	5	(13)
Operating income	284	352	282
Loan loss provisions	5	(1)	(14)
General and administrative expenses	(139)	(147)	(160) ³
Miscellaneous income	(3)	2	-
Profit before tax	147	206	108
CIR (%)	48.9	41.8 ²	56.7
RoE pre tax ⁴ (%)	29.3	40.0 ²	20.0
Allocated equity (EUR bn)	0.8	0.8	0.7
Financing volume (EUR bn)	22.1	20.4	21.8
New business volume (commitments, EUR bn)	4.9	7.0	9.0
Gross margin new business (bps)	>225	>225	>200
Risk weighted assets (EUR bn)	9.6 ⁵	7.4 ⁶	7.2

Note: Figures restated. Above figures retrospectively adjusted for change in segmental equity allocation (as of 01/01/15)

1 Revised pursuant to IFRS 8.29

2 Incl. EUR 92 mn one-off gain from sale of a restructured property

3 Personnel expenses: EUR 82 mn, direct administrative expenses: EUR 28 mn, allocated IT cost: EUR 40 mn, allocated office / operating costs: EUR 10 mn

4 Excluding silent participation

5 Basel II

6 Basel III simulation

Public Investment Finance (EUR mn unless otherwise indicated) ¹	2012	2013	2014
Net interest income and similar income	17	24	40
Net commission income	(1)	1	-
Trading income	1	(6)	(4)
Income from financial investments	-	(1)	3
Income from hedging	(1)	1	-
Other operating income	(2)	(2)	(4)
Operating income	14	17	35
Loan loss provisions	(4)	-	-
General and administrative expenses	(25)	(28)	(31) ²
Miscellaneous income	-	-	-
Profit before tax	(15)	(11)	4
CIR (%)	>100	>100	88.6
RoE pre tax ³ (%)	<0	<0	1.2
Allocated equity (EUR bn)	0.4	0.4	0.5
Financing volume (EUR bn)	6.0	5.7	6.6
New business volume (commitments, EUR bn)	0.7	1.2	1.2
Gross margin new business (bps)	>140	>100	>75
Risk weighted assets (EUR bn)	1.4 ⁴	1.4 ⁵	1.3

Note: Figures restated. Above figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.3 bn financing volume) into VP and change in equity allocation (as of 01/01/15)

1 Revised pursuant to IFRS 8.29

2 Personnel expenses: EUR 16 mn, direct administrative expenses: EUR 5 mn, allocated IT cost: EUR 8 mn, allocated office / operating costs: EUR 2 mn

3 Excluding silent participation

4 Basel II

5 Basel III simulation

Value Portfolio (EUR mn unless otherwise indicated) ¹	2012	2013	2014
Net interest income and similar income	24	30	79
Net commission income	(1)	(1)	(1)
Trading income	7	(24)	(13)
Income from financial investments	(1)	1	(94)
Income from hedging	(2)	4	(1)
Other operating income	137	95	31
Operating income	164	105	1
Loan loss provisions	3	(7)	(7)
General and administrative expenses	(176)	(136)	(60) ²
Miscellaneous income	(3)	1	-
Profit before tax	(12)	(37)	(66)
CIR (%)	>100	>100	>100
RoE pre tax (%) ³	<0	<0	<0
Allocated equity (EUR bn)	1.7	1.8	1.8
Financing volume (EUR bn)	30.3	25.1	22.7
Risk weighted assets (EUR bn)	3.8 ⁴	7.7 ⁵	5.5

Note: Figures restated. Above figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.3 bn financing volume) into VP and change in equity allocation (as of 01/01/15).

1 Revised pursuant to IFRS 8.29

2 Personnel expenses: EUR 12 mn, direct administrative expenses: EUR 7 mn, allocated IT cost: EUR 40 mn, allocated office / operating costs: EUR 1 mn

3 Excluding silent participation

4 Basel II

5 Basel III simulation

Consolidation & Adjustments (EUR mn unless otherwise indicated) ¹	2012	2013	2014
Net interest income and similar income	6	7	8
Net commission income	-	(1)	-
Trading income	-	-	-
Income from financial investments	-	-	-
Income from hedging	-	-	-
Other operating income	(1)	2	-
Operating income	5	8	8
Loan loss provisions	-	-	-
General and administrative expenses	(1)	(1)	-
Miscellaneous income	-	-	-
Profit before tax	4	7	8
Allocated equity (EUR bn)	0.4	0.4	0.4
Risk weighted assets (EUR bn)	0.5	1.6	1.5

Note: Figures restated. Above figures retrospectively adjusted for change in segmental equity allocation (as of 01/01/15)

¹ Revised pursuant to IFRS 8.29