

Press Release



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pbb expects strong Q1 2015 despite adjustments to provisions for the Heta-debt securities to 50% of the nominal value

- Valuation adjustment on Heta positions in first quarter 2015 of €79 million, making a total of approximately €200 million
- Despite extraordinary burden, pre-tax profit Q1 2015 is expected to be above € 45 million thus significantly exceeding Q1 2014
- New business increases significantly in first quarter 2015 to €2.8 billion

Munich, 15 April 2015 – Deutsche Pfandbriefbank AG (pbb) has, as a precaution, made further provisions of €79 million in the Q1 2015 results for its receivables portfolio against the wind-down entity Heta Asset Resolution AG (Heta). These receivables are covered by a letter of indemnity issued by the Austrian federal state of Carinthia. Together with provisions of €120 million made in the 2014 full year results, the provisioning was increased to 50 percent of the notional value of the receivables against Heta. This increase was made following recommendations made by the Financial Regulators.

pbb will pursue legal channels to satisfy its claims against Heta. A law suit against Heta is currently being prepared and should be filed in the course of the next few days.

On the basis of preliminary results for the first quarter 2015, pbb expects a pre-tax profit (IFRS, consolidated financial statement) of more than €45 million, which is significantly above that of the same quarter of the previous year (Q1/2014: €38 million). The extraordinary burden resulting from the valuation adjustment is counterbalanced by positive one-off effects.

pbb has again significantly increased new business and achieved a volume of €2.8 billion in the first quarter 2015 (including prolongations of more than 1 year). As a result, it exceeds the results of the same quarter in the previous year (Q1/2014: €1.6 billion) and remains on a growth course.

Publication of Q1 2015 results is scheduled for 19 May 2015.

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