

# Results 2009

## APPENDIX

**Investor Relations Presentation**

March 26, 2010

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### Financials

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## Balance sheet (IFRS)

Assets EUR millions	31.12. 2009	31.12. 2008	Change	
			EUR mio	%
Cash reserve	1,824	1,713	111	6.5
Trading assets	10,749	17,287	-6,538	-37.8
Loans and advances to other banks	37,521	49,409	-11,888	-24.1
Loans and advances to customers	198,344	222,048	-23,704	-10.7
Allowances for losses on loans and advances	-3,898	-2,277	-1,621	-71.2
Financial investments	94,808	108,740	-13,932	-12.8
Property, plant and equipment	15	32	-17	-53.1
Intangible assets	44	40	4	10.0
Other assets	15,399	17,396	-1,997	-11.5
Income tax assets	4,870	5,266	-396	-7.5
<b>Total assets</b>	<b>359,676</b>	<b>419,654</b>	<b>-59,978</b>	<b>-14.3</b>

Equity and liabilities EUR millions	31.12. 2009	31.12. 2008	Change	
			EUR mio	%
Liabilities to other banks	137,349	146,878	-9,529	-6.5
Liabilities to customers	13,259	15,936	-2,677	-16.8
Liabilities evidenced by certificates	156,376	197,978	-41,602	-21.0
Trading liabilities	11,391	17,236	-5,845	-33.9
Provisions	249	352	-103	-29.3
Other liabilities	29,250	33,835	-4,585	-13.6
Income tax liabilities	3,976	4,163	-187	-4.5
Subordinated capital	3,217	4,784	-1,567	-32.8
<b>Liabilities</b>	<b>355,067</b>	<b>421,162</b>	<b>-66,095</b>	<b>-15.7</b>
Subscribed capital	3,649	633	3,016	>100.0
Hybrid capital instruments <sup>1</sup>	1,043	-	1,043	>100.0
Silent participation <sup>2</sup>	999	-	999	>100.0
Additional paid-in capital	8,351	6,352	1,999	31.5
Retained earnings	-4,368	1,085	-5,453	<-100.0
Revaluation reserve	-2,829	-4,117	1,288	31.3
Afs reserve	-2,267	-3,115	848	27.2
Cash flow hedge reserve	-562	-1,002	440	43.9
Consolidated loss 2008	-	-5,461	5,461	100.0
Consolidated loss 2009	-2,236	-	-2,236	<-100.0
<b>Equity</b>	<b>4,609</b>	<b>-1,508</b>	<b>6,117</b>	<b>&gt;100.0</b>
<b>Total equity and liabilities</b>	<b>359,676</b>	<b>419,654</b>	<b>-59,978</b>	<b>-14.3</b>

1 Hybrid capital instruments of the subsidiary DEPFA Bank plc which had to be reclassified according to IAS 32 under equity instead of under subordinated capital (non-controlling interest)

2 Silent participation of SoFFin to the subsidiary Deutsche Pfandbriefbank AG (non-controlling interest)

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# Significantly increased problem loans

## Problem and watchlist loans<sup>1</sup>

EUR millions

	12/2008	09/2009	12/2009
<b>Total problem loans</b>	<b>4,979</b>	<b>8,422</b>	<b>10,346</b>
<b>Workout loans</b>	<b>754</b>	<b>627</b>	<b>995</b>
<b>CRE</b>	<b>495</b>	<b>526</b>	<b>918</b>
Germany	379	289	332
US	48	48	194
UK	0	0	203
Spain	0	152	151
Scandinavia	68	37	38
<b>PS&amp;IF</b>	<b>259</b>	<b>101</b>	<b>77</b>
Lehman Brothers	70	33	11
Icelandic Banks	59	19	34
<b>Restructuring loans</b>	<b>4,225</b>	<b>7,795</b>	<b>9,351</b>
<b>CRE</b>	<b>3,723</b>	<b>6,797</b>	<b>8,024</b>
Germany	1,167	2,103	2,222
US	509	1,828	2,105
UK	584	1,045	1,356
Spain	845	678	700
Scandinavia	173	288	293
<b>PS&amp;IF</b>	<b>502</b>	<b>998</b>	<b>1,327</b>
Student loans	376	322	327
<b>Total watchlist loans</b>	<b>1,238</b>	<b>3,599</b>	<b>4,221</b>

- Only deals, which are in foreclosure
- Payments overdue >90 days or other criteria acc. to respective policy
- Payments overdue >60 days or other criteria acc. to respective policy

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# Mortgage Cover Pool

## § 28 Pfandbriefgesetz (German Pfandbrief Act) disclosure

- ▶ **“Total volume of Mortgage Pfandbriefe outstanding as well as of the corresponding cover pool in the amount of the nominal value, the net present value and the risk adjusted net present value stipulated in the statutory order in accordance with § 4 par. 6”**

EUR millions (12/2009)	Nominal Value (NV)	Net Present Value (NPV)	Risk adjusted NPV <sup>1</sup>
Liabilities (Pfandbriefe)	22,012.6	23,164.1	21,689.5
Mortgage Cover Pool Assets	24,786.5	26,567.4	24,876.1
Over-collateralisation (+)/ Under-collateralisation (-)	2,773.9	3,403.3	3,186.6
In % of NV	12.60%		
In % of NPV		14.69%	14.69%

<sup>1</sup> Dynamic stress-testing approach: Interest risk tested with 100 bp upward and downward shift; FX risk EU currencies 10%, EOCED countries 15%, USD 25% up- and down shift

- ▶ **“The share of derivatives included in the cover pools in accordance with § 19 par. 1 no. 4 sent. 3, also in conjunction with § 20 par. 2 no. 3 and § 26 par. 1 no. 4”**

EUR millions (12/2009)	NPV <sup>2</sup>	%
Ratio of derivatives with a positive NPV in % of the Pfandbrief Liabilities	64.3	0.28%
Ratio of derivatives with a positive NPV in % of the Mortgage Cover Pool Assets	403.6	1.52%

<sup>2</sup> Value of currency and interest rate derivatives in cover pool

- ▶ **“The total amount of payments on these claims that are at least 90 days in arrears and their regional distribution”**

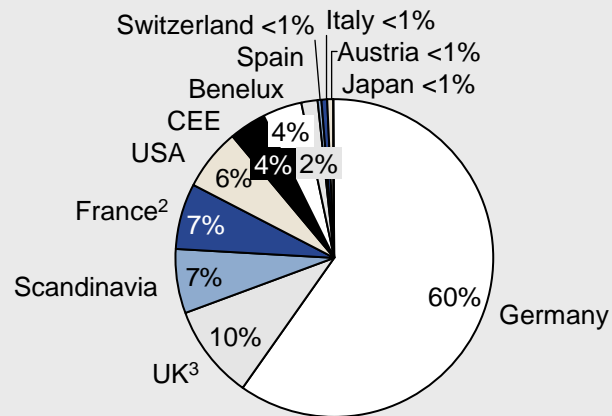
90 days overdue (12/2009)	EUR millions	%
Germany	17.5	0.07%
Italy	1.9	0.01%
France	1.7	0.01%
<b>Total</b>	<b>21.1</b>	<b>0.09%</b>

# Mortgage Cover Pool

§ 28 Pfandbriefgesetz (German Pfandbrief Act) disclosure (cont'd)

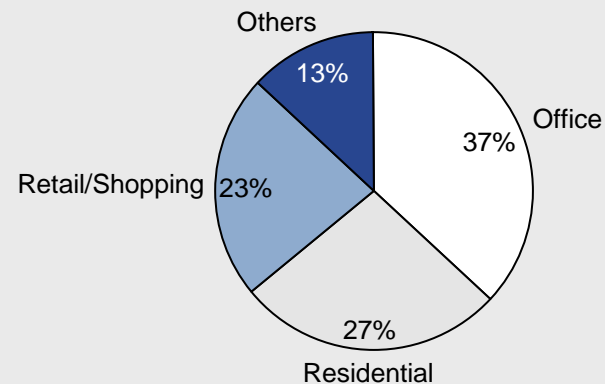
## Cover funds

12/2009: EUR 25 bn – by region<sup>1</sup>



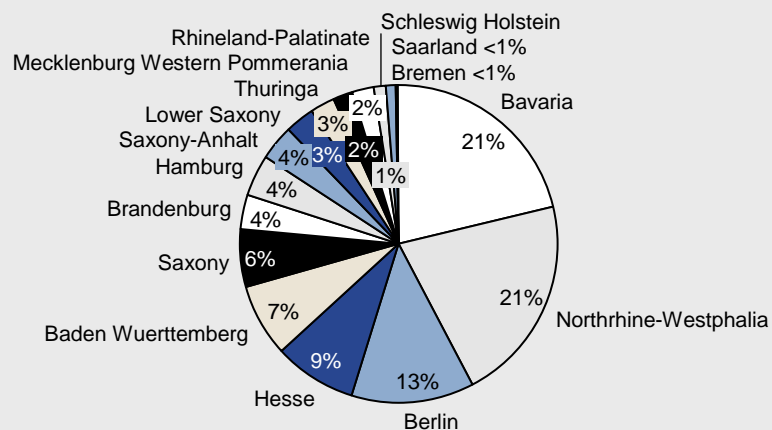
## Cover funds

12/2009: EUR 25 bn – by asset class<sup>1</sup>



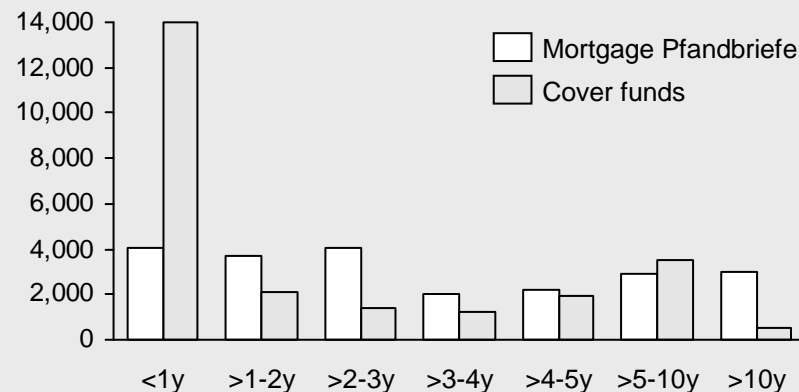
## Cover funds

12/2009: Germany – by region (12/2009)



## Mortgage Cover Pool

12/2009: Maturity profile<sup>4</sup>



1 Excl. EUR 2.5 bn substitute collateral

2 Incl. Monaco

3 Excl. Channel Islands

4 Assets to interest maturity; liabilities to legal maturity

# Mortgage Cover Pool

§ 28 Pfandbriefgesetz (German Pfandbrief Act) disclosure (cont'd)

Country	Asset class	Total <sup>1</sup> EUR millions (12/2009)	Residential % (12/2009)	Office % (12/2009)	Retail/Shopping % (12/2009)	Others % (12/2009)
Germany		13,268.2	40.4	27.4	20.6	11.6
Austria		91.3	0.5	64.5	34.9	
Belgium		15.3		100.0		
Czech Republic		244.1		41.1	44.9	14.0
Denmark		380.0	3.2	90.6	3.5	2.7
Finland		53.9		46.6	53.4	
France <sup>2</sup>		1,457.9	5.0	84.1	4.4	6.4
Hungary		184.2			100.0	
Italy		144.5	18.5	9.3	72.1	
Japan		26.4		100.0		
Luxembourg		8.3		100.0		
Netherlands		802.3	0.2	68.5	27.2	4.1
Norway		63.7			22.8	77.2
Poland		419.3		28.8	53.8	16.7
Slovakia		52.3			100.0	
Spain		354.7		40.1	44.9	15.0
Sweden		983.2	39.3	27.4	5.7	27.5
Switzerland		161.3		34.5	59.0	6.5
United Kingdom <sup>3</sup>		2,123.6	4.3	35.0	33.7	27.0
USA		1,403.6	10.0	62.9	14.0	13.1
<b>Total<sup>1</sup></b>		<b>22,238.1</b>	<b>27.4</b>	<b>36.9</b>	<b>22.5</b>	<b>13.1</b>

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## Public Sector Cover Pool

### § 28 Pfandbriefgesetz (German Pfandbrief Act) disclosure

- ▶ **“Total volume of Public Pfandbriefe outstanding as well as of the corresponding cover pool in the amount of the nominal value, the net present value and the risk adjusted net present value stipulated in the statutory order in accordance with § 4 par. 6”**

EUR millions (12/2009)	Nominal Value (NV)	Net Present Value (NPV)	Risk adjusted NPV <sup>1</sup>
Liabilities (Pfandbriefe)	53,159.8	56,661.6	48,159.8
Public Sector Cover Pool Assets	59,023.5	64,660.3	54,958.3
Over-collateralisation (+)/ Under-collateralisation (-)	5,863.7	7,998.7	6,798.5
In % of NV	11.03%		
In % of NPV		14.12%	14.12%

<sup>1</sup> Dynamic stress-testing approach: Interest risk tested with 100 bp upward and downward shift; FX risk EU currencies 10%, EOCED countries 15%, USD 25% up- and down shift

- ▶ **“The share of derivatives included in the cover pools in accordance with § 19 par. 1 no. 4 sent. 3, also in conjunction with § 20 par. 2 no. 3 and § 26 par. 1 no. 4”**

EUR millions (12/2009)	NPV <sup>2</sup>	%
Ratio of derivatives with a positive NPV in % of the Pfandbrief Liabilities	106.6	0.19%
Ratio of derivatives with a positive NPV in % of the Public Sector Cover Pool Assets	528.8	0.82%

<sup>2</sup> Value of currency and interest rate derivatives in cover pool

- ▶ **“The total amount of payments on these claims that are at least 90 days in arrears and their regional distribution”**

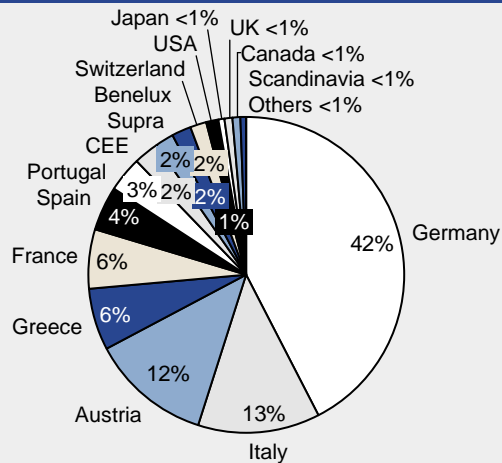
90 days overdue (12/2009)	EUR millions	%
<b>Total</b>	<b>0</b>	<b>0%</b>

# Public Sector Cover Pool

§ 28 Pfandbriefgesetz (German Pfandbrief Act) disclosure (cont'd)

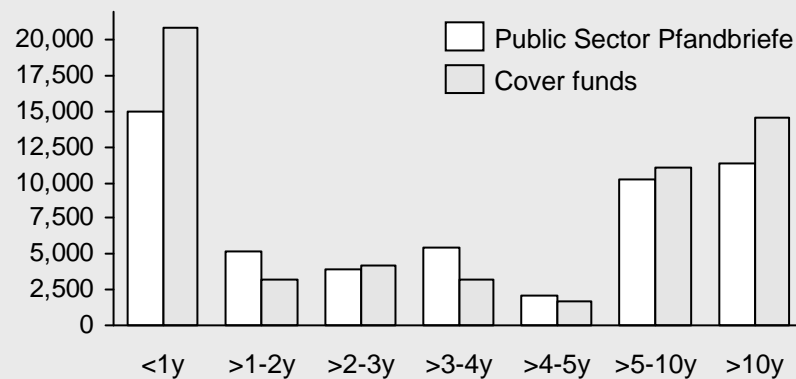
## Cover funds

12/2009: EUR 59 bn – by region<sup>1,2</sup>



## Public Sector Cover Pool

12/2009: Maturity profile<sup>3</sup>



# Public Sector Cover Pool

§ 28 Pfandbriefgesetz (German Pfandbrief Act) disclosure (cont'd)

Country	Counterparty	Total <sup>1,2</sup> EUR millions (12/2009)	Central government % (12/2009)	Regional authorities % (12/2009)	Local authorities % (12/2009)	Others % (12/2009)
Germany		24,156.2	3.5	52.6	0.9	43.1
Austria		6,952.3	57.2	12.7		30.1
Belgium		943.3	37.1	22.8	14.3	25.8
Canada		445.8		47.1	25.8	27.2
Czech Republic		135.0	29.6			70.4
Denmark		41.4				100.0
Finland		81.3	8.5		83.0	8.5
France		3,515.0	15.0	2.6		82.4
Greece		3,718.1	56.2			43.8
Hungary		316.3	100.0			
Iceland		63.3			61.6	38.4
Italy		7,194.4	65.4	24.4	6.0	4.2
Japan		477.3	43.2		12.6	44.2
Lithuania		35.5	100.0			
Netherlands		64.9	0.8		25.1	74.1
Portugal		1,979.7	26.0	21.7		52.3
Poland		648.1	100.0			
Slovakia		44.0	100.0			
Slovenia		262.0	93.5			6.5
Spain		2,495.9	11.5	69.3	5.4	13.8
Sweden		83.3	36.9			63.1
Switzerland		885.6		44.1	8.5	47.4
United Kingdom		469.5		1.8	50.2	48.0
USA		806.1		18.4	69.4	12.2
Internat. Organis.		1,224.7				100.0
<b>Total<sup>1,2</sup></b>		<b>57,038.5</b>	<b>26.0</b>	<b>32.5</b>	<b>3.6</b>	<b>37.8</b>

12 Note: Figures may not add up due to rounding

1 Excl. derivatives

2 Cover funds, excl. EUR 2.5 bn substitute collateral

Results 2009, March 26, 2010

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## Ratings

# Current ratings

	Deutsche Pfandbriefbank AG <sup>(1)</sup>	DEPFA Bank plc	DEPFA ACS Bank	Hypo Pfandbrief Bank International	Hypo Public Finance Bank
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## S&P

Public Sector Covered Bonds	AAA <sup>(2)</sup>		AAA <sup>(2)</sup>	AAA <sup>(2)</sup>	
Mortgage Covered Bonds	AAA <sup>(2)</sup>				
Outlook	Credit Watch Positive	Credit Watch Positive	Credit Watch Positive	Credit Watch Positive	Credit Watch Positive
Long Term	BBB	BBB	BBB	BBB	BBB
Short Term	A-2	A-2	A-2	A-2	A-2
Subordinated Debt (Lower Tier 2)	BBB-	BBB-	BBB-	BBB-	BBB-

## Moody's

Public Sector Covered Bonds	Aaa		Aa2 <sup>(2)</sup>		
Mortgage Covered Bonds	Aa3				
Outlook	Negative	Negative	Negative		Negative
Long Term	A3	A3	A3		A3
Short Term	P-1	P-1	P-1		P-1
Financial Strength	E+	E+	E+		
Subordinated Debt (Lower Tier 2)	Baa1	Baa1	Baa1		Baa1

## Fitch

Public Sector Covered Bonds	AAA <sup>(2)</sup>		AAA		
Mortgage Covered Bonds	AA+ <sup>(2)</sup>				
Outlook	Stable	Stable	Stable		Stable
Long Term	A-	A-	A-		A-
Short Term	F1+	F1+	F1+		F1+
Individual Rating		F			
Subordinated Debt (Lower Tier 2)	BBB+	BBB+	BBB+		BBB+

## Notes:

The above list does not include all ratings.

**Fitch** also assigned an **A- Long-term** rating with **Stable** Outlook, an **F1+ Short-term** rating and an **F Individual** rating to **Hypo Real Estate Holding AG**.

1. Former Hypo Real Estate Bank AG. Merger of DEPFA Deutsche Pfandbriefbank AG into Hypo Real Estate Bank AG completed.
2. Credit Watch negative / On review for downgrade / Rating Watch Negative

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