

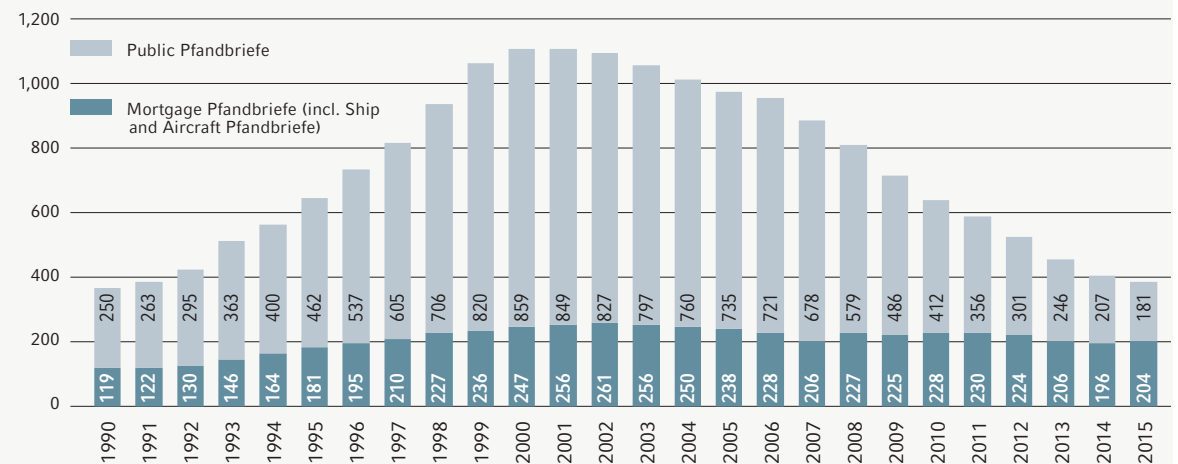
Facts and Figures 2015

Issuing activity vibrant in 2015

	NEW ISSUES		VOLUME OUTSTANDING	
	2015	2014	Ultimo 2015	Ultimo 2014
Pfandbriefe total	€ 58.1 billion	€ 45.8 billion	€ 384.4 billion	€ 402.2 billion
Public Pfandbriefe	€15.5 billion	€ 15.3 billion	€ 180.5 billion	€ 206.5 billion
Mortgage Pfandbriefe	€ 40.4 billion	€ 29.1 billion	€ 197.7 billion	€ 189.9 billion
Ship Pfandbriefe	€ 2.2 billion	€ 0.9 billion	€ 5.2 billion	€ 4.8 billion
Aircraft Pfandbriefe	€ 0.0 billion	€ 0.5 billion	€ 1.0 billion	€ 1.0 billion

Development of the volume of Pfandbriefe outstanding since 1990 (in € billion)

Public Pfandbriefe on consolidation path. Mortgage Pfandbriefe currently picking up.



Sources: Deutsche Bundesbank and vdp

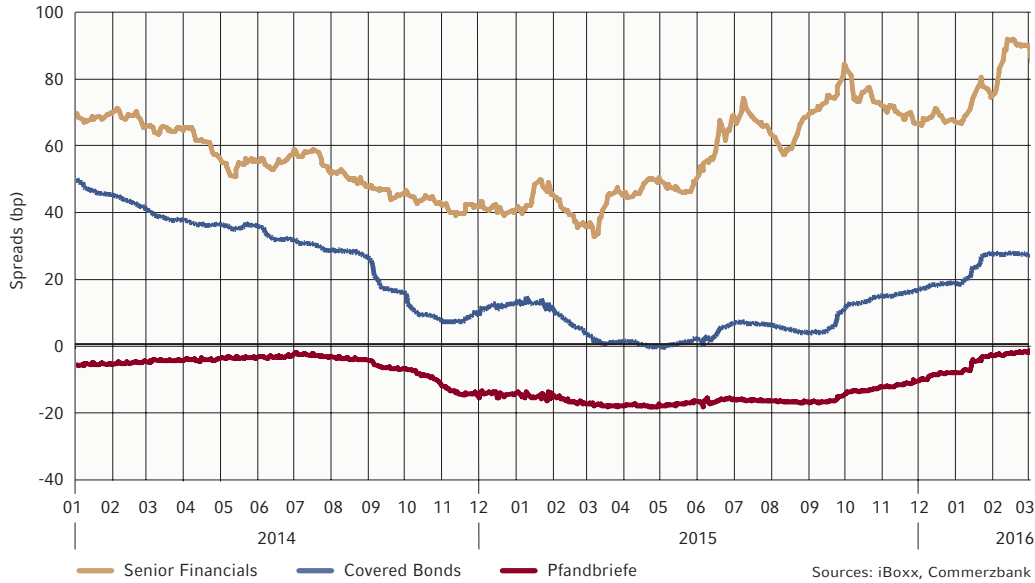
Benchmark Pfandbriefe: the most active primary market in Europe

	2015	2014
Number of issues	45	30
of which Jumbos	5	5
benchmark issues	40	25
Total (€ billion)	26.750	19.600
of which Mortgage Pfandbriefe	19.750	12.375
Ship Pfandbriefe	0,500	0,500
Aircraft Pfandbriefe	-	-
Public Pfandbriefe	6.500	6.725

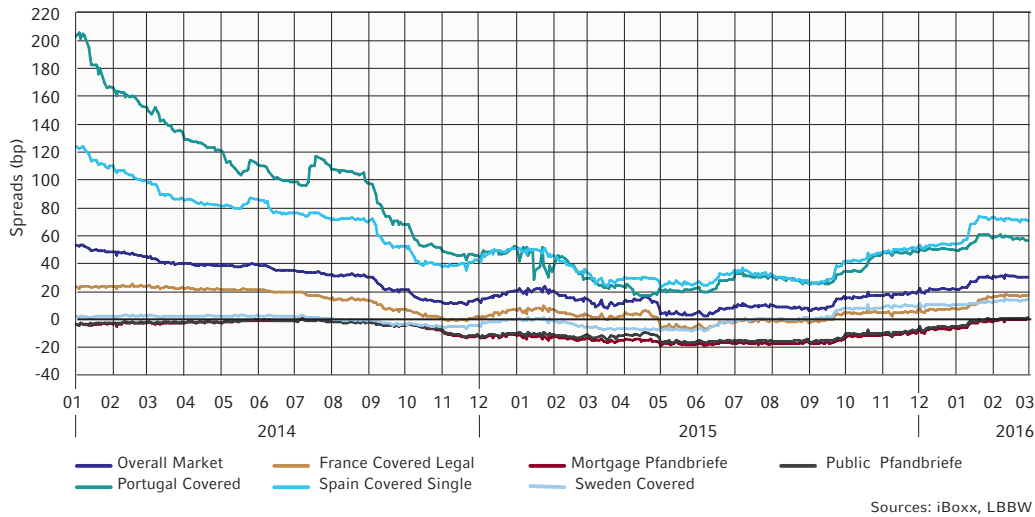
2015

Uncovered bank bonds compared to covered funding

Pfandbrief risk premiums low compared to uncovered funding and very stable over the course of 2015. Slight expansion in early 2016.



Development of Pfandbrief swap spreads compared to other covered bonds



Outlook Pfandbrief market 2016

The vdp member banks are projecting total Pfandbrief sales of € 57.4 billion for the current year. Of this total, new issues of Mortgage Pfandbriefe are expected to account for € 43.4 billion, Public Pfandbriefe for € 13 billion, Ship Pfandbriefe for € 0.6 billion and Aircraft Pfandbriefe for € 0.4 billion.

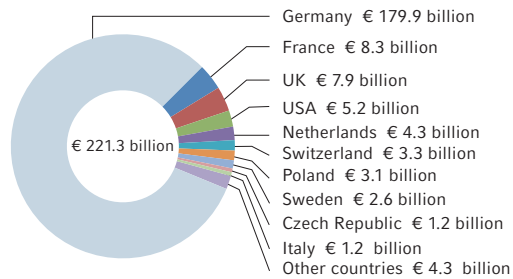
Maturities in 2016 (in € billion)	Mortgage Pfandbriefe	Public Pfandbriefe	Ship Pfandbriefe	Aircraft Pfandbriefe	Total
Pfandbriefe total	30.0	28.5	0.8	0.0	59.3
Jumbo-Pfandbriefe	8.3	8.9	0.0	0.0	17.2
benchmark issues of € 500 million and more	4.5	1.9	0.0	0.0	6.4
trad. bearer Pfandbriefe	11.7	8.2	0.6	0.0	20.5
registered Pfandbriefe	5.5	9.5	0.2	0.0	15.2

Planned new issues in 2016 (in € billion)	Mortgage Pfandbriefe	Public Pfandbriefe	Ship Pfandbriefe	Aircraft Pfandbriefe	Total
Pfandbriefe gesamt	43.4	13.0	0.6	0.4	57.4
Jumbo-Pfandbriefe	2.8	1.0	0.0	0.0	3.8
benchmark issues of € 500 million and more	21.5	4.5	0.5	0.0	26.5
trad. bearer Pfandbriefe	11.5	4.4	0.1	0.4	16.4
registered Pfandbriefe	7.6	3.1	0.0	0.0	10.7

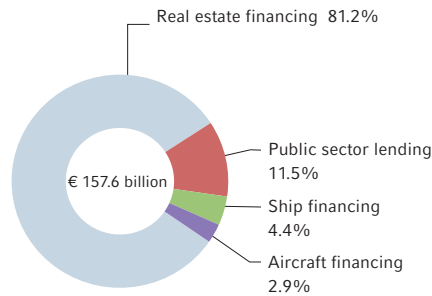
Expected new issues (net) in 2016 (in € billion)	Mortgage Pfandbriefe	Public Pfandbriefe	Ship Pfandbriefe	Aircraft Pfandbriefe	Total
Pfandbriefe gesamt	13.4	-15.5	-0.2	0.4	-1.9
Jumbo-Pfandbriefe	-5.5	-7.9	0.0	0.0	-13.4
benchmark issues of € 500 million and more	17.0	2.6	0.5	0.0	20.1
trad. bearer Pfandbriefe	-0.2	-3.8	-0.5	0.4	-4.1
registered Pfandbriefe	2.1	-6.4	-0.2	0.0	-4.5

Cover assets for Mortgage Pfandbriefe in 2015

by country



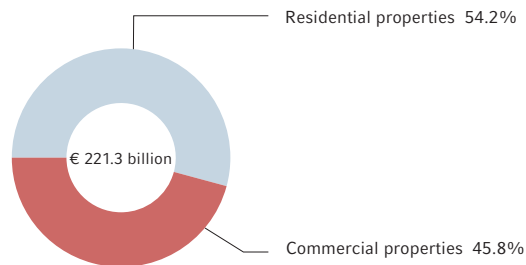
Loan commitments in 2015



LOAN COMMITMENTS	2014 in € million	2015 in € million	change in %
Real estate financing	108,225	128,018	18.3
<i>Residential property financing</i>	54,324	66,399	22.2
<i>Commercial property financing</i>	53,901	61,619	14.3
Public sector lending	18,758	18,058	-3.7
Ship financing	5,650	6,994	23.8
Aircraft financing	3,677	4,530	23.2
Loan commitments total	136,310	157,600	15.6

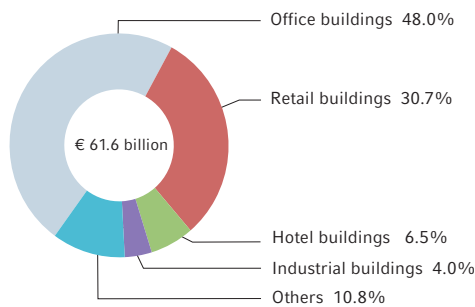
- Real estate financing dominates new lending business.
- Residential and commercial property financing both benefit from favorable macroeconomic setting.
- Decline in public sector lending continues.

by type of property

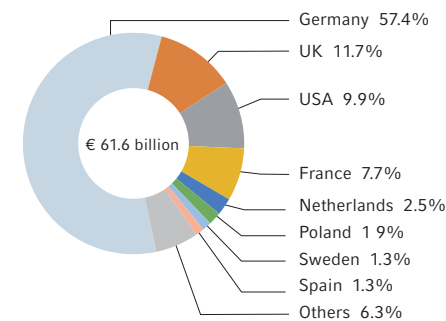


New business commercial properties in 2015

by type of property



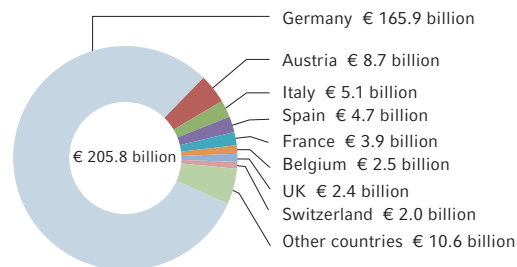
by country



- Offices and retail premises account for just under four-fifths of new commercial property lending in 2015.
- Germany remains the dominating market with a 57% share.
- United Kingdom, USA and France are the most important foreign markets.

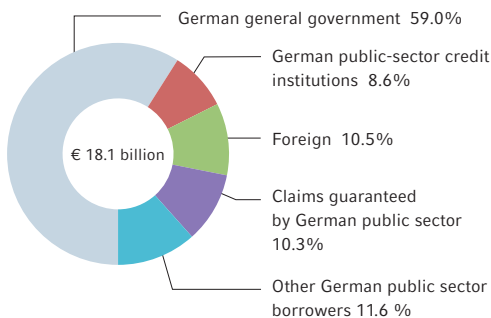
Cover assets for Public Pfandbriefe in 2015

by country

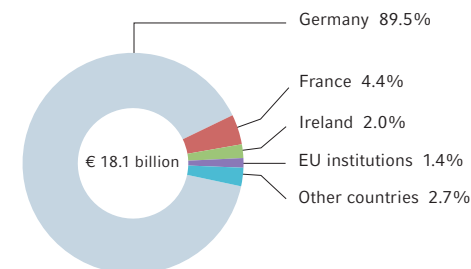


New business public sector lending in 2015

by borrower



by country



- Public sector lending clearly dominated by German business activities
- Pfandbrief Banks remain reliable partners for federal government, federal states and local authorities in Germany
- Conservative foreign exposures

Real estate financing – cover assets and loan portfolios in 2015

	Mortgage Pfandbriefe in € billion	Cover assets in € billion	Included in cover in %
Total	618.7	221.3	35.8
Germany	508.0	179.9	35.4
Foreign business	110.7	41.4	37.4
<i>(Share foreign business in %)</i>	<i>(17.9)</i>	<i>(18.7)</i>	<i>–</i>

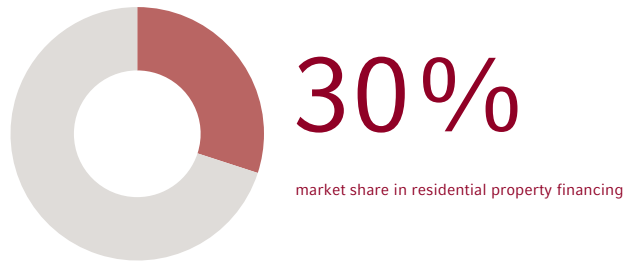
Of the total volume of mortgage loans amounting to € 618.7 billion, € 221.3 (35.8%) was used as cover for Mortgage Pfandbriefe. The percentage share of loans included in cover was roughly the same in domestic as in foreign business (35.4 % and 37.4 % respectively). The share of loans included in cover varies considerably across vdp member banks. It is significantly higher in the case of specialized Pfandbrief Banks, which mainly fund their activities through the Pfandbrief, than of institutions which have only begun to issue Pfandbriefe in the last few years.

Public sector lending – cover assets and loan portfolios in 2015

	Public sector loans in € billion	Cover assets in € billion	Included in cover in %
Total	399.3	205.8	51.5
Germany	313.4	165.9	52.9
Foreign business	85.9	39.9	46.4
<i>(Share foreign business in %)</i>	<i>(21.5)</i>	<i>(19.4)</i>	

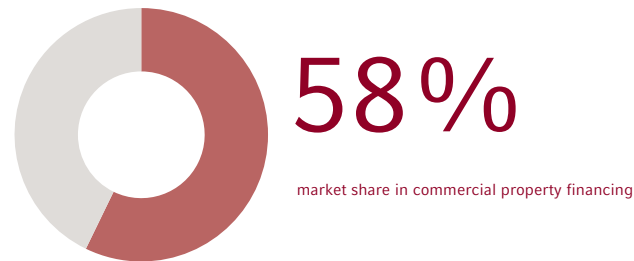
A share of 51.5 % (€ 205.8 billion) of total public sector loans amounting to € 399 billion served as cover for Public Pfandbriefe. Loans included in cover as a percentage of total public sector lending was higher in Germany (at 53 % than abroad (at 46 %). The cover assets located abroad are widely spread; the percentage shares in Austria, Spain, Italy, France, Switzerland, Belgium and the United Kingdom are the most noteworthy.

Pfandbrief Banks' market shares in Germany in 2015



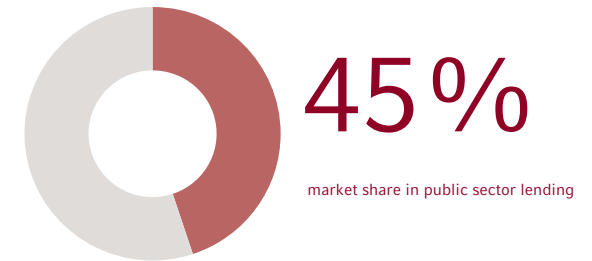
| Pfandbrief Banks' market share in residential property financing |

The total volume of residential property loans to borrowers in Germany as at the end of 2015 was € 1.230 billion according to Deutsche Bundesbank figures. Of this amount, the Pfandbrief Banks belonging to the vdp accounted for € 367 billion; this is equivalent to a market share of around 30 %.



| Pfandbrief Banks the leading group in commercial property financing |

The vdp member banks together make up by far the most important group of commercial property finance providers in Germany. As at end-2015, their overall loan portfolio totaled € 141 billion. According to the Deutsche Bundesbank, the total volume of commercial property loans granted in Germany came to € 243 billion. Of this, the Pfandbrief Banks belonging to the vdp took a market share of 58 %.



| Pfandbrief Banks' public sector lending in Germany |

As at 31 December 2015, the member banks of the vdp posted total loans to German general government (excluding securities) of € 146 billion. Figures published by the Deutsche Bundesbank show that total lending to German general government as at end-2015 amounted to € 325 billion, thus giving the vdp member banks a 45 % share of the market.

