

Disclosure Report

In accordance with EU Regulation (EU) No. 575/2013
(CRR)

As of 30 June 2017

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1 Introduction

With the present Disclosure Report Deutsche Pfandbriefbank AG (pbb) constitutes the disclosure requirements during the year under Part 8 of Regulation (EU) No. 575/2013 (Capital Requirements Regulation; CRR) for pbb and its downstream affiliates as of 30 June 2017.

The disclosure requirements are set out in Articles 431 to 455 CRR, additional requirements can be found in Section 26a (1), sentence 1 of the German Banking Act (Kreditwesengesetz, "KWG"). pbb is the parent company of the regulatory group as defined in Section 10a of the German Banking Act (KWG) in conjunction with Article 11 et seq. CRR and is responsible for regulatory disclosure requirements.

In accordance with Article 433 CRR institutions have to consider whether it is necessary, more frequently than once a year to update and disclose the required disclosure information fully or partially. The indicators and criteria for a more frequent disclosure than annually are regulated in the Guidelines of EBA / GL / 2014/14 of the European Banking Authority (EBA) of 23 December 2014, modified by the Guidelines EBA / GL / 2016/11 published on 14 December 2016. The publication of the semi-annual disclosure report as at 30 June 2017 is under this directive. The pbb Group meets the criterion "the consolidated balance sheet of the institution exceeds € 30 bn" according to title V, number 18 letter b of the EBA Guidelines and hence discloses semiannually every 30 June and 31 December of each fiscal year. The total assets according to IFRS of pbb group amounted € 60.7 bn as of 30 June 2017 (31 December 2016: € 62.2 bn).

The present Disclosure Report contains quantitative information on:

- Own funds and Capital ratios
- Risk weighted risk positions and capital requirements
- Leverage ratio
- Risk positions according to the advanced IRB Approach for Credit risks

According to Article 13 (1) CRR, the Disclosure Report is based on the consolidated situation of pbb Group. The basis is the regulatory scope of consolidation according to Articles 18 to 24 CRR. There are no significant subsidiaries as defined in Article 13 (1) CRR. According to Article 13 CRR, pbb as parent company of the Group is not required to provide a disclosure at institution level.

Since 15 December 2016, Deutsche Pfandbriefbank AG (pbb) makes use of the so-called Waiver scheme pursuant to Article 7 (3) CRR on the basis of an approvingly decision of the European Central Bank (ECB). With this decision, pbb, as the supervising parent company of the Group (pbb Group), was permitted at their request to take certain control requirements into account only on a consolidated Group basis and not in addition to the individual institution level.

According to Article 434 (1) CRR, the Disclosure Report is publicised as an independent report on the website of pbb (www.pfandbriefbank.com) under Investor Relations / Mandatory Publications; there you can also find the previous Disclosure Reports. European Central Bank (ECB), Deutsche Bundesbank and BaFin are informed of the time and the medium of the publication. Deutsche Pfandbriefbank AG is directly supervised by the ECB

Note:

Numbers provided in the Disclosure Report are commercially rounded to millions. Thus the sums shown in the tables may slightly differ from the arithmetic total of the individual amounts shown.

There are still some interpretation uncertainties with regard to CRR/CRD 4 rules and some of the related binding Technical Standards are not yet available in their final version. Thus, we will continue to refine our assumptions and models in line with evolution of our as well as the industry's understanding and interpretation of the rules. Against this background, current CRR/CRD 4 measures may not be comparable to previous expectations. Also, our CRR/CRD 4 measures may not be comparable with similarly labeled measures used by our competitors as our competitors' assumptions and estimates regarding such implementation may differ from ours.

2 Own Funds

Regulatory own funds are decisive for the compliance with regulatory capital requirements and thus for capital requirements for credit risks, market risks, operational risks, settlement risks as well as CVA risks, and they are determined according to Part 2 of CRR. Regulatory own funds are composed of Common Equity Tier 1 (CET1) capital, additional Tier 1 (AT1) capital as well as Tier 2 (T2) capital.

When calculating its own funds, pbb Group considers the requirements for a prudent valuation according to Article 105 CRR in conjunction with Article 34 CRR. pbb Group applies the Simplified Approach in accordance with Article 4 et seq. of the Delegated Regulation (EU) 2016/101 of 26 October 2015. The sum of the absolute value of the pbb Group's fair value assets and liabilities is below the threshold of € 15 billion.

The following paragraphs deal with own funds for pbb Group on a consolidated basis according to Article 437 CRR in conjunction with the transitional provisions of Article 492 CRR.

According to Article 437 (1), Point (d) CRR in conjunction with Article 492 (3) and (4) CRR, the following Table showing the structure of own funds displays the type and amount of own funds of pbb Group, taking into account the transitional provisions as at the reporting date 30 June 2017 (31 December 2016). Own funds are calculated according to CRR. The amounts shown are based on the IFRS consolidated financial statement of pbb Group including regulatory adjustments. pbb is the direct or indirect main shareholder of shareholdings which are part of the consolidation scope.

Table 1: Structure of Own Funds

All figures in € million, unless otherwise stated

Nr.	Capital instruments pbb Group	30.06.2017	31.12.2016
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	2,655	2,658
28	Regulatory adjustments	-127	-105
29	Common Equity Tier 1 (CET1) capital	2,528	2,553
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	210
43	Regulatory adjustments	-	-24
44	Additional Tier 1 (AT1) capital	-	186
45	Tier 1 capital (T1 = CET1 + AT1)	2,528	2,739
51	Tier 2 (T2) capital before regulatory adjustments	702	379
57	Regulatory adjustments	-5	-14
58	Tier 2 (T2) capital	697	366
59	Total capital (TC = T1 + T2)	3,225	3,105
61	Common Equity Tier 1 Ratio	19.6%	19.5%
62	Tier 1 Ratio	19.6%	20.9%
63	Own Funds Ratio	24.9%	23.7%

Own funds as shown in the Table are based on COREP reporting of Own Funds and Own Funds Requirements of pbb Group as at the reporting date 30 June 2017 (not including the net profit from 1 January to 30 June 2017).

Tier 1 capital

Tier 1 capital as per CRR generally consists of Common Equity Tier 1 (CET1) capital and Additional Tier 1 (AT1) capital. Common equity Tier 1 capital consists of equity according to the IFRS financial statements adjusted for regulatory adjustments. The composition of the balance sheet equity according to IFRS is described in the Interims Report 2017 of pbb Group.

Common Equity Tier 1 capital

As of 30 June 2017, the conditions for Common Equity Tier 1 capital according to Articles 26 to 50 CRR were applicable.

The subscribed capital (share capital) of pbb as of 30 June 2017 still amounted to € 380 million and was divided into 134,475,308 no-par value ordinary bearer shares with a computed share in the subscribed capital (share capital) of € 2.83 per share.

Common Equity Tier 1 capital is based on the components of the IFRS balance sheet equity amounting € 2,740 million which includes the subscribed capital, capital reserve, retained earnings and other reserves, reduced by the net profit as of 30 June 2017 of € 85 million. The Common Equity Tier 1 capital before regulatory amounted to € 2,655 million. A total of € 127 million is deducted as prescribed in the CRR, in particular for value adjustments based on the requirements for a Prudent Valuation, intangible assets, cash flow hedge reserves and the value adjustment deficit from existing allowances in relation to the Expected Loss.

Overall, the Common Tier 1 capital of pbb Group amounted € 2,528 million as of 30 June 2017 (31 December 2016: € 2,553 million).

Additional Tier 1 capital

As of the reporting date 30 June 2017, pbb Group has no longer additional Tier 1 capital (AT1). For the issue of a hybrid capital instrument with a nominal value of € 350 million at the end of 2016 in the form of "preferred securities", pbb made use of its right of termination with effect as of 14 June 2017 and repaid them.

Tier 2 capital

Tier 2 capital of pbb Group consists of long-term subordinated loans less regulatory adjustments to Common Equity Tier 1 capital which have to be applied to the Tier 2 capital due to transitional provisions. These adjustments imply a 10 % deduction for the value adjustment deficit. The requirements for the recognition of long-term subordinated loans according to Article 63 CRR are complied with.

Tier 2 capital instruments are subject to interest in line with market rates. The subordinated loans consist of the following issues (listed according to maturity).

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Table 2: Tier 2 (T2) capital – Capital Instruments

No. 1)	Issuer	Year of issue	Type	Nominal amount in € million	Interest rate in %	Maturity
2	Deutsche Pfandbriefbank AG	2006	Registered Bond	10	4.050	2018
3	Deutsche Pfandbriefbank AG	2008	Registered Bond	10	variable	2018
4	Deutsche Pfandbriefbank AG	2008	Registered Bond	15	variable	2018
5	Deutsche Pfandbriefbank AG	2008	Registered Bond	1	variable	2018
6	Deutsche Pfandbriefbank AG	2008	Registered Bond	6	variable	2018
7	Deutsche Pfandbriefbank AG	2008	Registered Bond	8	variable	2018
8	Deutsche Pfandbriefbank AG	2008	Registered Bond	1	variable	2018
9	Deutsche Pfandbriefbank AG	2008	Registered Bond	20	variable	2018
10	Deutsche Pfandbriefbank AG	2008	Bearer bond	10	7.496	2018
11	Deutsche Pfandbriefbank AG	2008	Borrowers' note loan	10	7.515	2018
12	Deutsche Pfandbriefbank AG	2008	Bearer bond	25	8.000	2018
13	Deutsche Pfandbriefbank AG	2008	Registered Bond	5	8.000	2018
14	Deutsche Pfandbriefbank AG	2008	Registered Bond	10	8.000	2018
15	Deutsche Pfandbriefbank AG	2008	Registered Bond	30	8.000	2018
16	Deutsche Pfandbriefbank AG	2008	Registered Bond	10	8.000	2018
17	Deutsche Pfandbriefbank AG	2008	Registered Bond	5	8.000	2018
18	Deutsche Pfandbriefbank AG	2008	Registered Bond	10	8.000	2018
19	Deutsche Pfandbriefbank AG	2008	Registered Bond	5	8.000	2018
20	Deutsche Pfandbriefbank AG	2006	Registered Bond	5	4.520	2019
21	Deutsche Pfandbriefbank AG	2006	Registered Bond	1	4.900	2020
22	Deutsche Pfandbriefbank AG	2000	Bearer bond	15	variable	2020
23	Deutsche Pfandbriefbank AG	2006	Borrowers' note loan	10	4.350	2021
24	Deutsche Pfandbriefbank AG	2006	Registered Bond	10	4.570	2021
25	Deutsche Pfandbriefbank AG	2006	Bearer bond	7	4.560	2021
26	Deutsche Pfandbriefbank AG	2006	Borrowers' note loan	1	4.910	2021
27	Deutsche Pfandbriefbank AG	2002	Borrowers' note loan	4	6.550	2022
28	Deutsche Pfandbriefbank AG	2002	Borrowers' note loan	6	6.550	2022
29	Deutsche Pfandbriefbank AG	2002	Bearer bond	10	6.570	2022
30	Deutsche Pfandbriefbank AG	2003	Bearer bond	10	6.750	2023
31	Deutsche Pfandbriefbank AG	2008	Bearer bond	10	8.060	2023
32	Deutsche Pfandbriefbank AG	2003	Borrowers' note loan	5	6.330	2023
33	Deutsche Pfandbriefbank AG	2003	Borrowers' note loan	5	6.330	2023
34	Deutsche Pfandbriefbank AG	2005	Borrowers' note loan	10	4.650	2025
35	Deutsche Pfandbriefbank AG	2016	Borrowers' note loan	2	3.950	2026
36	Deutsche Pfandbriefbank AG	2006	Borrowers' note loan	2.5	4.530	2026
37	Deutsche Pfandbriefbank AG	2001	Bearer bond	9	6.550	2026
38	Deutsche Pfandbriefbank AG	2006	Registered Bond	5	5.125	2026
39	Deutsche Pfandbriefbank AG	2016	Borrowers' note loan	5	3.880	2026
40	Deutsche Pfandbriefbank AG	2006	Borrowers' note loan	5	5.040	2026
41	Deutsche Pfandbriefbank AG	2016	Bearer bond	35	3.250	2026
42	Deutsche Pfandbriefbank AG	2017	Bearer bond	150	4.600	2027
43	Deutsche Pfandbriefbank AG	2017	Bearer bond	60	3.375	2027
44	Deutsche Pfandbriefbank AG	2017	Bearer bond	300	2.875	2027
45	Deutsche Pfandbriefbank AG	2016	Bearer bond	5	4.120	2031
46	Deutsche Pfandbriefbank AG	2017	Registered Bond	7.5	4.550	2032
Total				886		

1) The sequential numbering corresponds to the consecutive numbering of the T2 capital instruments in Chapter 6 "Appendix".

None of the subordinated loans may lead to a premature repayment obligation on the part of the issuer. These loans are subordinated to all creditors' claims unless these are subordinated as well (in case of liquidation, insolvency or in the event of other insolvency or other proceedings), but preceded the liquidation claims of the shareholders. No subsequent limitation of subordination, maturity or notice period can be made. Debtors' termination rights are subject to defined contractual conditions. The original term is at least five years and is usually between 10 and 20 years.

The Tier 2 (T2) capital before regulatory adjustments amounted € 702 million (31 December 2016: € 379 million), taking into account disagios and amortisations pursuant to Article 64 CRR. Of this amount, € 5 million or 10 % is deducted from the value adjustment deficit from existing allowances in relation to the Expected Loss.

After these regulatory adjustments the Tier 2 (T2) capital amounted in total € 697 million (31 December 2016: € 366 million).

Own Funds

pbb Group's own funds totalling € 3,225 million (31 December 2016: € 3,105 million) consist of Common Equity Tier 1 (CET1) capital of € 2,528 million and Tier 2 (T2) capital of € 697 million.

The most important influencing factors for the slight increase in the pbb Group's own funds by a total of € 120 million compared to 31 December 2016 are the new issuance of subordinated debt securities with a nominal volume of € 517.5 million in the first half of 2017. Countervailing effects are the declines in the recognition of the subordinated bonds due to repayments and daily amortisation according to CRR and the termination of the hybrid capital instrument with a nominal value of € 350 million.

The main features of CET1, AT1 and T2 instruments issued by pbb according to Article 437 (1), Point (b) CRR are described in in Chapter 6 "Notes" of this Disclosure Report.

Capital Ratios

Since 1 January 2014 Regulation (EU) No. 575/2013 (Capital Requirements Regulation; CRR) as well as Directive 2013/36/EU (Capital Requirements Directive; CRD IV) have been in place. They form the basis for the calculation of regulatory capital and capital ratios.

According to these requirements, the Common Equity Tier 1 Ratio (CET1 Ratio; Common Equity Tier 1 divided by risk-weighted assets) must not fall below 4.5 %, the Tier 1 Ratio (T1 Ratio, Tier 1 divided by risk-weighted assets) must not fall below 6.0 % and the Own Funds Ratio (own funds divided by risk-weighted assets) must not fall below 8.0 % in financial year 2017. pbb, as the parent company of the institutional group within the meaning of Section 10a KWG in conjunction with article 11 et seq. CRR, is responsible for complying with the capital ratios on a summarised basis. pbb Group has a solid capital base. The requirements in terms of regulatory capital ratios were complied with at any point in time during the first half of the financial year 2017.

This also applies to the requirements of the European Central Bank Authority (ECB), which exceed the existing regulatory requirements, for the minimum capital requirements of the Supervisory Review and Evaluation Process (SREP). The objective of this supervisory review and evaluation process is to provide a holistic analysis of the institutions supervised by the ECB. This includes the assessment of the business model, risk and corporate governance, the risk situation as well as the capitalisation and liquidity resources. As a main result of the SREP, pbb Group was prescribed a CET1 minimum ratio of 9.00 % (without a country- and thus a portfolio-specific varying countercyclical capital buffer). In addition, pbb Group has to meet a new Overall Capital Requirement (OCR) of 12.50 % (without a country- and thus a portfolio-specific varying countercyclical capital buffer). pbb hat met both requirements at any time in the first half of 2017.

SREP

This also applies to going beyond existing regulatory guidelines for the minimum required capital of the supervisory review and evaluation process (Supervisory Review and Evaluation Process, SREP) of the European Central Bank (ECB). The objective of the Supervisory Review and Evaluation Process ("SREP") is a comprehensive analysis of institutions supervised by the ECB – comprising an assessment of the business model, risk and corporate governance, risk situation, as well as capitalisation and liquidity status.

As a key result of SREP, pbb Group has been required to maintain a minimum CET1 ratio of 9.0 % for 2017 (excluding the countercyclical capital buffer, which varies according to country, and hence, for specific portfolios). This capital requirement is based on the Basel III transitional rules and comprises a Pillar 1 minimum capital requirement (4.5 %), a Pillar 2 capital requirement (P2R: 3.25 %) and the capital conservation buffer (CCB:1.25 % phased-in for 2017). The minimum, fully phased-in CET1 ratio (valid from 2019 onwards, following expiration of transitional provisions) will be 10.25 %, assuming a constant Pillar 2 capital requirement and excluding the countercyclical capital buffer.

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Furthermore, pbb Group has to fulfil an Overall Capital Requirement (OCR) of 12.50 % which was newly introduced compared to 2016 (excluding the countercyclical capital buffer, which varies according to country, and hence, for specific portfolios). It is based on the Basel III transitional rules and comprises a Pillar 1 minimum own funds requirement (8 %), a Pillar 2 capital requirement (3.25 %) and the capital conservation buffer (1.25 % phased-in for 2017). The capital requirement after the expiry of the Basel III transitional regulation increases by 1.25 % in isolation, possibly compensating factors are not taken into account.

Both specifications have been fulfilled in the first half at any time by pbb Group. In addition, pbb Group has complied with the capital recommendation for Common Equity Tier 1 capital (Pillar 2 Capital Guidance, P2G) formulated within the framework of SREP by the ECB and beyond the CET1 minimum requirement, at any time during the first half-year.

3 Capital Requirements

pbb is as the parent company of the banking group in accordance with Section 10a KWG in conjunction with Article 11 et seq. CRR responsible for complying with own funds requirements on a consolidated basis (regulatory scope of consolidation).

Methods to Determine the Own Funds Requirement

Since 1 January 2014 pbb Group has been applying the provisions of CRR and is therefore subject to the disclosure requirements according to Part 8 of CRR. The provisions of CRR/CRD IV define the minimum amount of own funds as well as the calculation of capital requirements. In order to meet the capital requirements, the credit risk (counterparty credit risk), market risk, operational risk, settlement risk as well as the credit value adjustment risk (CVA risk) must be supported with capital. The regulatory key figures are calculated based on IFRS accounting standards.

Credit Risk

According to Article 142 et seq. CRR, pbb uses the Advanced IRB Approach, which is based on internal rating procedures, for the calculation of capital requirements to support credit risks. The following Table displays the coverage for IRBA exposure at default (EAD) as well as for risk-weighted IRBA assets (RWA) according to Section 11 SolvV.

Table 3: IRB-Approach Coverage

	Degree of coverage IRB-Approach	
	EAD	RWA
31. December 2014	95%	99%
31. December 2015	96%	99%
31. December 2016	97%	99%
30. June 2017	96%	99%

In pbb Group's credit portfolio the Advanced IRB Approach covers 96 % of the exposure at default (EAD). The remaining 4 % of EAD which are subject to the standard approach according to CRR regulations include e. g. counterparty default exposure to public sector borrowers (i.e. amounts due from German municipalities) and the non-strategic remaining portfolio which consists of smaller retail customer real estate loans.

For the calculation of capital requirements for counterparty credit risk according to Part 3, Title II, Chapter 6 CRR, this means for derivative financial instruments, pbb Group applies the mark-to-market method as per Article 274 CRR.

For securities lending transactions (securities lending / Repo transactions), pbb Group applies the provisions for credit risk mitigation pursuant to Part 3, Title II, Chapter 4 of the CRR, using the Comprehensive Method pursuant to Art. 223 et seq. CRR.

Market Risk

According to Part 3, Title IV CRR, pbb Group calculates own funds required for market risk based on the standardised approach as defined in Articles 325 et seq. CRR. Own bank-internal models are currently not used.

Operational Risk

According to Part 3, Title III CRR, pbb group calculates own funds required for operational risk based on the standardised approach as defined in Articles 317 et seq. CRR.

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Settlement Risk

According to Part 3, Title V CRR, own funds required for settlement and advance performance risk are calculated based on the rules laid down in Articles 378 and 379 CRR.

CVA Risk

According to Part 3, Title VI CRR, pbb uses the standardised approach as defined in Article 384 CRR to calculate own funds required for the credit valuation adjustment (CVA) risk. This is based on the effective maturity, a rating-based weight and the EAD, where the EAD of the transactions concerned is determined using the mark-to-market method according to Article 274 CRR.

Capital Requirements

As in the previous year, the capital requirement for the risk categories mentioned above amounts to 8 % of risk-weighted assets (RWA) per 30 June 2017.

The total capital requirement is 9.349 % (31 December 2016: 8.708 %). The increase of 0.641 % compared to the previous year results in particular from the gradual increase in the regulatory prescribed Capital Conservation Buffer (CCB), pursuant to Section 10c KWG in conjunction with Section 64r KWG to 1.25 % (2016: 0.625 %) of the overall risk premium as well as the slight increase in the institution specific countercyclical capital buffer (ICCyB) pursuant to Section 10d KWG in conjunction with Section 64r KWG, which amounts to 0.099 % for the pbb Group as of 30 June 2017 (31 December 2016: 0.083 %) of the overall risk value.

Table 4: Risk-weighted Assets

All figures in € million, unless otherwise stated

	30.06.2017	31.12.2016	Change
Risk-weighted assets	12,927	13,113	-1%

As of 30 June 2017, RWAs of pbb Group amounted to € 12,927 million (31 December 2016: € 13,113 million), and thus only slightly lower than at the end of the previous year. RWA distribution among risk categories is as follows:

- Credit risk € 11,343 million (31. December 2016: €11,589 million)
- CVA risk € 324 million (31. December 2016: € 312 million)
- Market risk € 393 million (31. December 2016: € 346 million)
- Operational risk € 866 million (31. December 2016: € 866 million)

According to Article 438, Points (c), (d), (e) and (f) CRR, the following Tables show the regulatory own funds requirement as well as the risk-weighted assets for pbb Group, listed by risk categories. Additional capital requirements for large exposures in the trading book (with regard to the exceeding of the large exposure limits) pursuant to Articles 397 and 398 CRR are not relevant to pbb Group. pbb Group does not maintain a trading book for securities and derivatives portfolios with short-term profitability intention.

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Table 5: Capital Requirements and Risk-weighted Assets for Credit Risks

All figures in € million, unless otherwise stated

Credit risk including counterparty credit risk	Capital requirement and risk-weighted assets				
	30.06.2017		31.12.2016		Change capital requirement
	Capital requirement	Risk-weighted assets	Capital requirement	Risk-weighted assets	
IRB approach					
Exposures to central governments and central banks	190	2,375	196	2,449	-3%
Exposures to institutions	216	2,699	237	2,963	-9%
Exposures to corporates	476	5,954	469	5,858	2%
Thereof: Small and medium-sized enterprises (SME)	77	959	256	3,205	-70%
Thereof: Specialised lending exposures	-	-	-	-	-
Thereof: Other	400	4,995	212	2,653	88%
Retail exposures	-	-	-	-	-
Thereof: Secured by mortgages on immovable property / SME	-	-	-	-	-
Thereof: Secured by mortgages on immovable property / not SME	-	-	-	-	-
Thereof: Qualifying revolving retail exposures	-	-	-	-	-
Thereof: Other retail exposures / SME	-	-	-	-	-
Thereof: Other retail exposures / not SME	-	-	-	-	-
Other non credit-obligation assets	4	46	3	40	15%
Total	886	11,074	905	11,310	-2%

All figures in € million, unless otherwise stated

Credit risk including counterparty credit risk	Capital requirement and risk-weighted assets				
	30.06.2017		31.12.2016		Change capital requirement
	Capital requirement	Risk-weighted assets	Capital requirement	Risk-weighted assets	
Standardised approach					
Exposures to central governments and central banks	-	-	-	-	-
Exposures to regional governments and local authorities	1	16	-	-	-
Exposures to other public sector entities	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-
Exposures to international organisations	-	-	-	-	-
Exposures to institutions	0.2	2	1	8	-75%
Exposures to corporates	9	115	8	105	10%
Retail exposures	-	-	0.1	1	-100%
Exposures secured by mortgages on immovable property	1	9	1	16	-44%
Exposures in default	0.2	3	0.4	5	-40%
Exposures associated with particularly high risk	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	-
Exposures to institutions and corporates with short-term credit assessment	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	0.2	3	0.2	3	-
Other items ¹⁾	10	121	11	141	-14%
Total	22	269	22	279	-4%

1) Subject to future profitability, from or not from temporary differences resulting from deferred tax assets.

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All figures in € million, unless otherwise stated

Items representing securitisation positions	Capital requirement and risk-weighted assets				
	30.06.2017		31.12.2016		Change capital requirement
	Capital requirement	Risk-weighted assets	Capital requirement	Risk-weighted assets	
Standardised approach	-	-	-	-	-
Thereof re-securitisation	-	-	-	-	-
IRB approach	-	-	-	-	-
Thereof re-securitisation	-	-	-	-	-
Total	0	0	0	0	0%

All figures in € million, unless otherwise stated

Equity exposures	Capital requirement and risk-weighted assets				
	30.06.2017		31.12.2016		Change capital requirement
	Capital requirement	Risk-weighted assets	Capital requirement	Risk-weighted assets	
Standardised approach					
Thereof equity investments if method retained / grandfathered	0.01	0.1	0.01	0.1	0%
Total	0.01	0.1	0.01	0.1	0%

IRB approach

Internal model approach	-	-	-	-	-
PD/LGD approach	-	-	-	-	-
Simple risk-weighting approach	0.01	0.1	0.01	0.1	0%
Thereof exchange-traded equity investments	-	-	-	-	-
Thereof unlisted, but part of a sufficiently diversified portfolio	-	-	-	-	-
Thereof other investments	0.01	0.1	0.01	0.1	0%
Total	0.01	0.1	0.01	0.1	0%

All figures in € million, unless otherwise stated

Counterparty credit risk	Capital requirement and risk-weighted assets				
	30.06.2017		31.12.2016		Change capital requirement
	Capital requirement	Risk-weighted assets	Capital requirement	Risk-weighted assets	
Own funds requirements for pre-funded contributions to the default fund of central counterparties (CCP)	0.04	1	0.04	1	-10%
For information ¹⁾ : Counterparty credit risk from derivative risk positions acc. to the market valuation method in acc. with Art.274 CRR	36	448	43	541	-17%
For information ¹⁾ : Counterparty credit risk from Securities Financing Transactions (SFT)	14	171	11	138	24%
Total	0.04	1	0.04	1	0%

1) The RWA for OTC derivatives and SFTs are already included in the credit risk tables (standardised approach and IRB approach).

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Table 6: Capital requirements and Risk-weighted Assets for CVA Risks

All figures in € million, unless otherwise stated

CVA risk ¹⁾	Capital requirement and risk-weighted assets				
	30.06.2017		31.12.2016		Change capital requirement
	Capital requirement	Risk-weighted assets	Capital requirement	Risk-weighted assets	
Advanced method	-	-	-	-	-
Standardised method	26	324	25	312	4%
Alternative method, based on the original exposure method	-	-	-	-	-
Total	26	324	25	312	4%

1) Credit Value Adjustments, risk positions for the adjustment of credit valuation in case of OTC derivatives

Table 7: Capital Requirements and Risk-weighted Assets for Market Risks

All figures in € million, unless otherwise stated

Market risk	Capital requirement and risk-weighted assets				
	30.06.2017		31.12.2016		Change capital requirement
	Capital requirement	Risk-weighted assets	Capital requirement	Risk-weighted assets	
Standard approach	31	393	28	346	14%
Position risk	-	-	-	-	-
Thereof: Debt securities	-	-	-	-	-
Thereof: Equity instruments	-	-	-	-	-
Foreign-exchange risk	31	393	28	346	14%
Commodity risk	-	-	-	-	-
Internal model approach	-	-	-	-	-
Total	31	393	28	346	14%

Table 8: Capital Requirements and Risk-weighted Assets for Settlement Risks

All figures in € million, unless otherwise stated

Settlement risk	Capital requirement and risk-weighted assets				
	30.06.2017		31.12.2016		Change capital requirement
	Capital requirement	Risk-weighted assets	Capital requirement	Risk-weighted assets	
Settlement risk included in the banking book	-	-	-	-	-
Settlement risk included in the trading book	-	-	-	-	-
Total	0	0	0	0	0%

Table 9: Capital Requirements and Risk-weighted Assets for Operational Risks

All figures in € million, unless otherwise stated

Operational risk	Capital requirement and risk-weighted assets				
	30.06.2017		31.12.2016		Change capital requirement
	Capital requirement	Risk-weighted assets	Capital requirement	Risk-weighted assets	
Basic indicator approach	-	-	-	-	-
Standard approach	69	866	69	866	0%
Advanced measurement approach (AMA)	-	-	-	-	-
Total	69	866	69	866	0%

As at the reporting date, the capital requirement for pbb Group's risk-weighted assets of € 12,927 million decreased slightly (31 December 2016: € 13,113 million) and primarily results from repayments as well as changes in the loss-given default (LGD) to determine Risk weights. Furthermore, market-induced effects from the rise in interest rate curves led to a decline in market values of derivatives. A contrary effect was above all the new business volume made in the first half of 2017 (including prolongations with maturities of over one year), especially in strategic real estate financing.

The minimum capital requirement for risk-weighted assets of pbb Group at the reporting date total € 1,034 million (31 December 2016: € 1,049 million). In line with the business model of the pbb Group, which focuses on commercial real estate financing and public investment financing, 90 % of the equity requirement is accounted for by default and CVA risks, 3 % to market risks and 7 % to operational risks.

The total equity requirement is € 1,209 million (31 December 2015: € 1,142 million). The slight increase of € 67 million in comparison to the previous year is mainly attributable to the increase in the regulatory Capital Conservation Buffer (CCB) in 2017, as well as the slight increase in the institution specific countercyclical capital buffer (ICCyB). The capital requirement for the capital buffers is to be held in CET1 capital in accordance with Section 10c (1) KWG and Section 10d (1) KWG. pbb Group has a CET1 capital of € 1,946 million for this purpose, after observing the CET1 capital ratio of 4.5 % of the total risk premium.

The institution specific countercyclical capital buffer (ICCyB) for pbb Group is 0.099 % as of 30 June 2017 due to the Sweden and Norway portfolios. This is well below the maximum rate of 1.25 % for 2017. Thus, a cap on pbb Group's specific countercyclical capital buffer rate does not take place.

Surplus Own Resources

As of 30 June 2017, pbb Group's surplus of own resources (own resources less capital requirements, including capital buffer) amounted to € 2,016 million (31 December 2016: € 1,963 million).

4 Leverage Ratio

According to Article 429 (2) CRR, the leverage ratio is calculated as an institution's capital measure divided by that institution's total exposure measure and is expressed as a percentage. This figure is not risk sensitive and complements the risk-based perspective of capital requirements and capital ratios. The calculation of the ratio is based on the provisions of Commission Delegated Regulation (EU) 2015/62 of 10 October 2014 amending Regulation (EU) No. 575/2013 of the European Parliament and of the Council on leverage ratios.

According to Article 451 CRR in conjunction with the Implementing Regulation (EU) 2016/200 as of 15 February 2016, the following Tables show the leverage ratio factors for pbb Group. So far there is no binding upper limit applicable to the leverage ratio. However within the framework of Basel III, a maximum leverage ratio reference value of > 3 % is being tested and observed until 1 January 2017. On 3 August 2016, the European Banking Supervisory Authority (EBA) published its report on the impact assessment and calibration of the leverage ratio (EBA-Op-2016-13). In this, the EBA recommends the introduction of a binding minimum leverage ratio in the European Union from 1 January 2018. The required minimum ratio is 3 %

As of 30 June 2017 the leverage ratio (phase-in) of pbb Group was 4.3 % which is significantly above the minimum requirements.

Table 10: Leverage Ratio

All figures in € million, unless otherwise stated

Leverage ratio common disclosure		30.06.2017	31.12.2016
20	Tier 1 capital	2,528	2,739
21	Total leverage ratio exposure	58,221	59,212
22	Leverage ratio	4.3%	4.6%

The leverage ratio is part of pbb Group's capital and multi-year planning. The ratio is determined on a monthly basis and integrated into the group's risk management and risk controlling systems. pbb's Management Board is informed on the leverage ratio on a regular basis (monthly) within the framework of the Management Report.

The leverage ratio of the pbb Group decreased slightly to 4.3 % as of 30 June 2017 compared with 31 December 2016 (31 December 2016: 4.6 %). This reduction is mainly attributable to the decline in Tier 1 capital due to the termination of the hybrid capital instrument over a nominal value of €350 million, with a slightly reduced total risk position measurement.

Tier 1 capital as at 30 June 2017 amounts to € 2,528 million (31 December 2016: € 2,739 million), the total risk position measurement is € 58,221 million (31 December 2016: € 59,212 million). The overall risk position measurement size includes the balance sheet risk positions (including derivatives and securities lending transactions) as well as off balance sheet risk positions (after accounting for credit conversion factors, CCF).

5 IRBA Risk Positions for Credit risk

The credit risk in general is defined as the risk of an unexpected default or decline in the fair value of a receivable (loan or bond) or a derivative, resulting from a deterioration in the hedging situation or deterioration in the creditworthiness of a country or a counterparty. The credit risk comprises the loan risk, counterparty credit risk, issuer risk, country risk, concentration risk, fulfilment risk, tenant risk, realisation risk and extension risk (related to defaulted clients).

pbb Group identifies capital requirements for credit risks based on both the bank-internal rating procedures based Advanced IRB Approach as well as the standardised approach. For details, please refer to Chapter 3 “Capital Requirements”. Some clearly defined sub-portfolios are exempt from the application of IRBA and are subject to CRSA instead. These include:

- Credit risk positions associated with German municipalities according to Article 150, Point (d) CRR
- Credit risk positions which are part of a segment which is being phased out according to Article 150, Point (c) CRR in conjunction with Section 14 of the German Solvency Regulation (SolvV) (e. g. small-volume retail loans where customer creditworthiness is assessed using retail scoring)
- Equity exposures held according to Article 495 (1) CRR prior to 1 January 2008
- Receivables from central counterparties (Eurex)
- Other credit risk positions which are not subject to any rating procedure according to the IRB Approach approved by the German financial regulation authorities.

The advanced IRB Approach for pbb Group's credit portfolio covers 96 % of the Exposure at Default (EAD). The exposure at default (EAD) in line with CRR shows the outstanding receivables in the event of a default. For most products this is the IFRS book value (including accrued interest). In the event of a committed credit line, this value is multiplied by a product-specific credit conversion factor (CCF) and forms part of the EAD. The credit conversion factor (CCF) expresses the expected utilisation in per cent of an existing undrawn credit line within one year until the event of a default. Exceptions are derivatives and securities lending / Repo transactions in which the EAD does not correspond to the book value but pursuant to CRR is to be determined according to another methodology (taking into account any effects from netting and collaterals). The EAD for derivatives (the credit equivalence amount) is determined, for example, by the current market value and the regulatory add-on, which is a buffer for future potential increases in the market value. The EAD is determined for all receivables, irrespective of whether a default has already occurred or not.

The following Tables according to Article 452, Points d and e (i, ii) CRR show the IRBA exposures at default by PD and exposure classes as well as the average PDs, LGDs and risk weights in percent weighted by the exposures.

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Table 11: IRBA Credit Risk Positions

Exposure classes IRBA	PD ≤0,5%				PD >0,5% ≤5%			
	EAD in Mio. Euro	∅ LGD	∅ PD	∅ RW	EAD in Mio. Euro	∅ LGD	∅ PD	∅ RW
Central governments and central banks	22,784	24%	0.03%	10%	87	43%	1.00%	120%
Institutions	5,684	32%	0.14%	29%	592	11%	1.00%	41%
Corporates	13,310	8%	0.31%	12%	13,626	11%	1.73%	30%
Thereof: SME	3,086	7%	0.34%	8%	2,724	9%	1.72%	21%
Thereof: Specialised lending exposures	-	-	-	-	-	-	-	-
Thereof: Other	10,224	9%	0.30%	14%	10,902	12%	1.73%	32%
Retail exposures	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	-
Total	41,779	20%	0.13%	13%	14,305	11%	1.69%	31%

Exposure classes IRBA	PD >5% <100%				Total (excl. Default)			
	EAD in € million	∅ LGD	∅ PD	∅ RW	EAD in € million	∅ LGD	∅ PD	∅ RW
Central governments and central banks	-	-	-	-	22,871	24%	0.03%	10%
Institutions	226	58%	21.50%	353%	6,502	31%	0.96%	42%
Corporates	263	20%	8.84%	76%	27,199	10%	1.10%	22%
Thereof: SME	198	18%	9.33%	70%	6,007	8%	1.26%	16%
Thereof: Specialised lending exposures	-	-	-	-	-	-	-	-
Thereof: Other	65	24%	7.38%	93%	21,192	10%	1.05%	24%
Retail exposures	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	-
Total	488	37%	14.69%	204%	56,572	18%	0.65%	19%

Exposure classes IRBA	Default PD = 100%			
	EAD in Mio. Euro	∅ LGD	∅ PD	∅ RW
Central governments and central banks	-	-	-	-
Institutions	-	-	-	-
Corporates	188	61%	100%	0%
Thereof: SME	32	45%	100%	0%
Thereof: Specialised lending exposures	-	-	-	-
Thereof: Other	155	64%	100%	0%
Retail exposures	-	-	-	-
Equity exposures	-	-	-	-
Total	188	61%	100%	0%

The loss given default (LGD) indicates the loss ratio suffered by the bank if a customer failed to pay. For non-defaulting IRBA exposures this is 18 % on average (31 December 2016: 19 %).

The probability of default (PD) which, irrespective of the exposure amount and the collateral provided, indicates the probability that a borrower/counterparty will be unable over a year to service their debt is 0.65 % on average for non-defaulting IRBA exposures (31 December 2016: 0.61 %).

The probabilities of default (PD) and loss given defaults (LGD) used by pbb Group are defined as so-called through-the-cycle risk parameters representing multiannual average values. The current default and loss rates (so-called point-in-time risk parameters) may differ from through-the-cycle values depending on the current position in the economic cycle.

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The average risk weight for non-defaulting IRBA exposures across all IRBA exposure classes is 19 % (31 December 2016: 20 %). Risk weights are important factors when determining risk-weighted assets (RWA) which must be backed with own funds in a risk-oriented manner; RWAs are calculated by multiplying the risk weight with the IRBA exposure at default (EAD).

Undrawn IRBA Credit Commitments

According to Article 452, Point e (iii) CRR, the following Tables show the exposure for undrawn credit commitments. According to the regulatory disclosure requirements, pbb Group shows the total amount of undrawn credit commitments (including their assessment basis, column A) as well as the commitment-weighted average exposure value (\emptyset EAD, column C) for every IRBA exposure class. In addition, the exposure of undrawn credit commitments (the sum of undrawn credit commitments, weighted by a credit conversion factor (CCF), column B) as well as the weighted average CCF (\emptyset CCF, column D) per IRBA exposure class is shown.

Table 12: Undrawn IRBA Credit Commitments

All figures in € million, unless otherwise stated

Exposure classes IRBA	(A) Total value of undrawn commitments	(B) Position value of undrawn commitments	(C) \emptyset EAD	(D) \emptyset CCF
Central governments and central banks	103	103	20	100%
Institutions	229	229	21	100%
Corporates	3,531	2,594	27	73%
Thereof: Small and medium-sized enterprises (SME)	685	465	25	68%
Thereof: Other	2,845	2,129	27	75%
Retail exposures	-	-	-	-
Equity exposures	-	-	-	-
Total	3,862	2,926	26	76%

pbb Group calculates the exposure at default (EAD) of undrawn credit commitments based on the following credit conversion factors (CCF): 50 % for mortgage loans and 100 % for all other products (e. g. guarantees and public sector financing).

As at the reporting date 30 June 2017, IRBA credit commitments of € 3,862 million (31 December 2016: €3,876 million) were undrawn, the related weighted average CCF was 76 % (31 December 2016: 78 %).

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6 Notes

Main Features of Capital Instruments

According to Article 437 (1), Point (b) CRR, the following Tables show the main features of Common Equity Tier 1 (CET1) capital, additional Tier 1 (AT1) capital as well as Tier 2 (T2) capital instruments issued by pbb Group. pbb Group did not hold Additional Tier 1 (AT1) capital as of the reporting date 30 June 2017.

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	Capital instruments main features template	Hartes Kernkapital 01	Tier 2 capital 02	Tier 2 capital 03	Tier 2 capital 04	Tier 2 capital 05
1	Issuer	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
2	Unique identifier (eg CUSIP, ISIN or internal identifier)	DE0008019001	HL_SSD_000089004000	HG_SSD_00770144840_1	HG_SSD_00770144840_1	HG_SSD_00770144840_1
3	Governing law(s) of the instrument	German	German	German	German	German
	Regulatory treatment					
4	Transitional CRR rules	CET1	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	CET1	Tier 2	Tier 2	Tier 2	Tier 2
6	Chargeable on level	pbb group	pbb group	pbb group	pbb group	pbb group
7	Instrument type (types to be specified by each jurisdiction)	Shares	Registered bond	Registered bond	Registered bond	Registered bond
8	Amount recognised in regulatory capital (in Euro million)	380	1	2	3	0,2
9	Nominal amount of instrument	380	10	10	15	1
9a	Issue price	n/a	100%	100%	100%	100%
9b	Redemption price	n/a	100%	100%	100%	100%
10	Accounting classification	Capital stock	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost
11	Original date of issuance	varying	12.01.2006	06.05.2008	06.05.2008	06.05.2008
12	Perpetual of dated	indefinite	with expiry date	with expiry date	with expiry date	with expiry date
13	Original maturity date	no maturity	12.01.2018	07.05.2018	07.05.2018	07.05.2018
14	Issuer call subject to prior supervisory approval	no	no	no	no	no
15	Option call date, contingent call dates and redemption amount	n/a	n/a	n/a	n/a	n/a
16	Subsequent call dates, if applicable	n/a	n/a	n/a	n/a	n/a
	Coupons / dividends					
17	Fixes or floating dividend/coupon	n/a	fix	variable	variable	variable
18	Coupon rate and any related index	n/a	4.050%	30J.-€-CMS, Floor 7,615%	30J.-€-CMS, Floor 7,615%	30J.-€-CMS, Floor 7,615%
19	Existence of a dividend stopper	No	No	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	fully discretionary	obligatory	obligatory	obligatory	obligatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	fully discretionary	obligatory	obligatory	obligatory	obligatory
21	Existence of step up or other incentive to redeem	n/a	no	no	no	no
22	Noncumulative or cumulative	n/a	n/a	n/a	n/a	n/a
23	Convertible or non-convertible	not convertible	convertible	convertible	convertible	convertible
24	If convertible, conversion trigger(s)	n/a	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
25	If convertible, fully or partially	n/a	whole or partial	whole or partial	whole or partial	whole or partial
26	If convertible, conversion rate	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	compulsory	compulsory	compulsory	compulsory
28	If convertible, specify instrument type convertible into	n/a	CET1	CET1	CET1	CET1
29	If convertible, specify issuer of instrument it converts into	n/a	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
30	Write-down features	n/a	no	no	no	no
31	If write-down, write-down trigger(s)	n/a	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
32	If write-down, full or partial	n/a	n/a	n/a	n/a	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to ins)	-	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities
36	Non-compliant transitioned features	no	no	no	no	no
37	If yes, specify non-compliant features	n/a	n/a	n/a	n/a	n/a

1) FMSA: Financial Market Stabilisation Authority, national resolution authority in Germany / SRB: Single Resolution Board, European resolution authority

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Tier 2 capital 06	Tier 2 (T2) capital 07	Tier 2 capital 08	Tier 2 capital 09	Tier 2 capital 10	Tier 2 capital 11	Tier 2 capital 12
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
HG_SSD_00770144840_1	HG_SSD_00770144840_1	HG_SSD_0088376244000	HG_SSD_00770144840_1	XS0362627969	HG_SSD_0088383764000	DE000A0PND49
German	German	German	German	German	German	German
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
pbb group	pbb group	pbb group	pbb group	pbb group	pbb group	pbb group
Registered bond	Registered bond	Registered bond	Registered bond	Bearer bond	Borrower's note	Bearer bond
1	1	0.2	3	2	2	5
6	8	1	20	10	10	25
100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%
Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost
06.05.2008	06.05.2008	07.05.2008	06.05.2008	08.05.2008	02.06.2008	06.06.2008
with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date
07.05.2018	07.05.2018	07.05.2018	07.05.2018	08.05.2018	01.06.2018	06.06.2018
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
variable	variable	variable	variable	fix	fix	fix
30J.-€-CMS, Floor 7,615%	30J.-€-CMS, Floor 7,615%	129% 10J.-€-CMS, Floor 5%	30J.-€-CMS, Floor 7,615%	7.496%	7.515%	8.000%
No	No	No	No	No	No	No
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a
convertible	convertible	convertible	convertible	convertible	convertible	convertible
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial
n/a	n/a	n/a	n/a	n/a	n/a	n/a
compulsory	compulsory	compulsory	compulsory	compulsory	compulsory	compulsory
CET1	CET1	CET1	CET1	CET1	CET1	CET1
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
no	no	no	no	no	no	no
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a

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Tier 2 capital 13	Tier 2 capital 14	Tier 2 capital 15	Tier 2 capital 16	Tier 2 capital 17	Tier 2 capital 18	Tier 2 capital 19
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
HG_SSD_0088384004000	HG_SSD_0088384004000	HG_SSD_0088384004000	HG_SSD_0088384004000	HG_SSD_0088384004000	HG_SSD_0088384004000	HG_SSD_0088384004000
German	German	German	German	German	German	German
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
pbb group	pbb group	pbb group	pbb group	pbb group	pbb group	pbb group
Registered bond	Registered bond	Registered bond	Registered bond	Registered bond	Registered bond	Registered bond
1	2	6	2	1	2	1
5	10	30	10	5	10	5
100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%
Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost
06.06.2008	06.06.2008	06.06.2008	06.06.2008	06.06.2008	06.06.2008	06.06.2008
with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date
06.06.2018	06.06.2018	06.06.2018	06.06.2018	06.06.2018	06.06.2018	06.06.2018
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
fix	fix	fix	fix	fix	fix	fix
8.000%	8.000%	8.000%	8.000%	8.000%	8.000%	8.000%
No	No	No	No	No	No	No
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a
convertible	convertible	convertible	convertible	convertible	convertible	convertible
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial
n/a	n/a	n/a	n/a	n/a	n/a	n/a
compulsory	compulsory	compulsory	compulsory	compulsory	compulsory	compulsory
CET1	CET1	CET1	CET1	CET1	CET1	CET1
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
no	no	no	no	no	no	no
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a

Disclosure Report as of 30 June 2017

Tier 2 capital 20	Tier 2 capital 21	Tier 2 capital 22	Tier 2 capital 23	Tier 2 capital 24	Tier 2 capital 25	Tier 2 capital 26
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
HL_SSD_00000890340_1	HL_SSD_00000890540_1	XS0118953529	HL_SSD_0000079684000	HL_SSD00000890240_1	DE000A0JBS19	HL_SSD_0000079814000
German	German	German	German	German	German	German
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
pbb group	pbb group	pbb group	pbb group	pbb group	pbb group	pbb group
Registered bond	Registered bond	Bearer bond	Borrower's note	Registered bond	Bearer bond	Borrower's note
2	1	10	7	7	5	1
5	1	15	10	10	7	1
100%	100%	99.50%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%
Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost
17.03.2006	08.08.2006	27.10.2000	27.01.2006	14.03.2006	20.03.2006	04.05.2006
with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date
18.03.2019	07.08.2020	27.10.2020	27.01.2021	15.03.2021	28.03.2021	04.05.2021
no	no	no	no	no	no	no
n/a	n/a	n/a	27.01.2016	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
fix	fix	variable	fix	fix	fix	fix
4.520%	4.900%	10J.-€-CMS, mit diversen Cap- und Floorbedingungen	4.350%	4.570%	4.560%	4.910%
No	No	No	No	No	No	No
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a
convertible	convertible	convertible	convertible	convertible	convertible	convertible
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial
n/a	n/a	n/a	n/a	n/a	n/a	n/a
compulsory	compulsory	compulsory	compulsory	compulsory	compulsory	compulsory
CET1	CET1	CET1	CET1	CET1	CET1	CET1
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
no	no	no	no	no	no	no
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a

Disclosure Report as of 30 June 2017

Tier 2 capital 27	Tier 2 capital 28	Tier 2 capital 29	Tier 2 capital 30	Tier 2 capital 31	Tier 2 capital 32	Tier 2 capital 33
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
HG_SSD_0100087994000	HG_SSD_0100088004000	DE0008053976	DE0008053331	DE000A0SM1B5	HG_SSD_0100214754000	HG_SSD_0100215214000
German	German	German	German	German	German	German
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
pbb group	pbb group	pbb group	pbb group	pbb group	pbb group	pbb group
Borrower's note	Borrower's note	Bearer bond	Bearer bond	Bearer bond	Borrower's note	Borrower's note
4	6	9	10	10	5	5
4	6	10	10	10	5	5
100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%
Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost
07.03.2002	07.03.2002	06.03.2002	19.03.2003	25.04.2008	05.09.2003	10.12.2003
with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date
07.03.2022	07.03.2022	18.03.2022	24.03.2023	02.05.2023	05.09.2023	05.09.2023
no	no	no	no	no	yes	yes
29.02.2012	29.02.2012	18.03.2022	24.03.2013	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
fix	fix	fix	now fix, later variable	fix	fix	fix
6.550%	6.550%	6.570%	6.750%	8.060%	6.330%	6.330%
No	No	No	No	No	No	No
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a
convertible	convertible	convertible	convertible	convertible	convertible	convertible
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial
n/a	n/a	n/a	n/a	n/a	n/a	n/a
compulsory	compulsory	compulsory	compulsory	compulsory	compulsory	compulsory
CET1	CET1	CET1	CET1	CET1	CET1	CET1
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
no	no	no	no	no	no	no
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a

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Tier 2 capital 34	Tier 2 capital 35	Tier 2 capital 36	Tier 2 capital 37	Tier 2 capital 38	Tier 2 capital 39	Tier 2 capital 40
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
HG_SSD_0088286364000	NP000940	HL_SSD_0000079734000	DE0007025140	HL_SSD_0000089044000	NP000982	HL_SSD_0000079854000
German	German	German	German	German	German	German
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
pbb group	pbb group	pbb group	pbb group	pbb group	pbb group	pbb group
Borrower's note	Borrower's note	Borrower's note	Bearer bond	Registered bond	Borrower's note	Borrower's note
10	2	3	7	5	5	5
10	2	2.5	9	5	5	5
100%	97.99%	100%	100%	100%	99.764%	100%
100%	100%	100%	100%	100%	100%	100%
Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost
18.11.2005	29.01.2016	09.03.2006	13.03.2001	04.05.2006	18.05.2016	28.08.2006
with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date
18.11.2025	29.01.2026	09.03.2026	13.03.2026	04.05.2026	18.05.2026	28.08.2026
yes	yes	no	no	yes	yes	yes
18.11.2015	n/a	n/a	n/a	04.05.2016	n/a	28.08.2016
k.A.	n/a	n/a	n/a	n/a	n/a	n/a
fix	fix	fix	fix	fix	fix	fix
4.650%	3.950%	4.530%	6.550%	5.125%	3.880%	5.040%
No	No	No	No	No	No	No
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a
convertible	convertible	convertible	convertible	convertible	convertible	convertible
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial
n/a	n/a	n/a	n/a	n/a	n/a	n/a
compulsory	compulsory	compulsory	compulsory	compulsory	compulsory	compulsory
CET1	CET1	CET1	CET1	CET1	CET1	CET1
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
no	no	no	no	no	no	no
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities
no	no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a	n/a

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Tier 2 capital 41	Tier 2 capital 42	Tier 2 capital 43	Tier 2 capital 44	Tier 2 capital 45	Tier 2 capital 46
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
DE000A13SWL1	DE000A2DASM5	DE000A2DAST0	XS1637926137	DE000A2AAV39	NP001107
German	German	German	German	German	German
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
pbb group	pbb group	pbb group	pbb group	pbb group	pbb group
Bearer bond	Bearer bond	Bearer bond	Bearer bond	Bearer bond	Registered bond
34	148	58	298	5	7
35	150	60	300	5	7.5
96%	98.82%	96.00%	99.45%	99.22%	99.45%
100%	100%	100%	100%	100%	100%
Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost	Liabilities carried forward at cost
31.08.2016	22.02.2017	24.05.2017	21.06.2017	02.11.2016	12.04.2017
with expiry date	with expiry date	with expiry date	with expiry date	with expiry date	with expiry date
31.08.2026	22.02.2027	24.05.2027	28.06.2027	03.11.2031	12.04.2032
yes	yes	yes	yes	yes	yes
n/a	n/a	n/a	28.06.2022	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
fix	fix	fix	now fix, later variable	fix	fix
3.250%	4.600%	3.375%	2.875%	4.120%	4.550%
No	No	No	No	No	No
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
obligatory	obligatory	obligatory	obligatory	obligatory	obligatory
no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a
convertible	convertible	convertible	convertible	convertible	convertible
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
whole or partial	whole or partial	whole or partial	whole or partial	whole or partial	whole or partial
n/a	n/a	n/a	n/a	n/a	n/a
compulsory	compulsory	compulsory	compulsory	compulsory	compulsory
CET1	CET1	CET1	CET1	CET1	CET1
Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG	Deutsche Pfandbriefbank AG
no	no	no	no	no	no
Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach	Threat to continued existence FMSA / SRB legal approach
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities	Preferred Securities
no	no	no	no	no	no
n/a	n/a	n/a	n/a	n/a	n/a

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