

# Analyst Conference Call

## Results Q3/9M 2015

PUBLIC SECTOR FINANCE  
REAL ESTATE FINANCE

**pbb**

DEUTSCHE  
PFANDBRIEFBANK

PBT of EUR 165 mn (+30% y-o-y) after nine months already  
in reach of initial full-year expectation of at least EUR 174 mn

**Andreas Arndt, Co-CEO/CFO**

Munich, 12 November 2015

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**3 Business units**

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**7 Key take-aways**

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## Highlights Q3/9M 2015

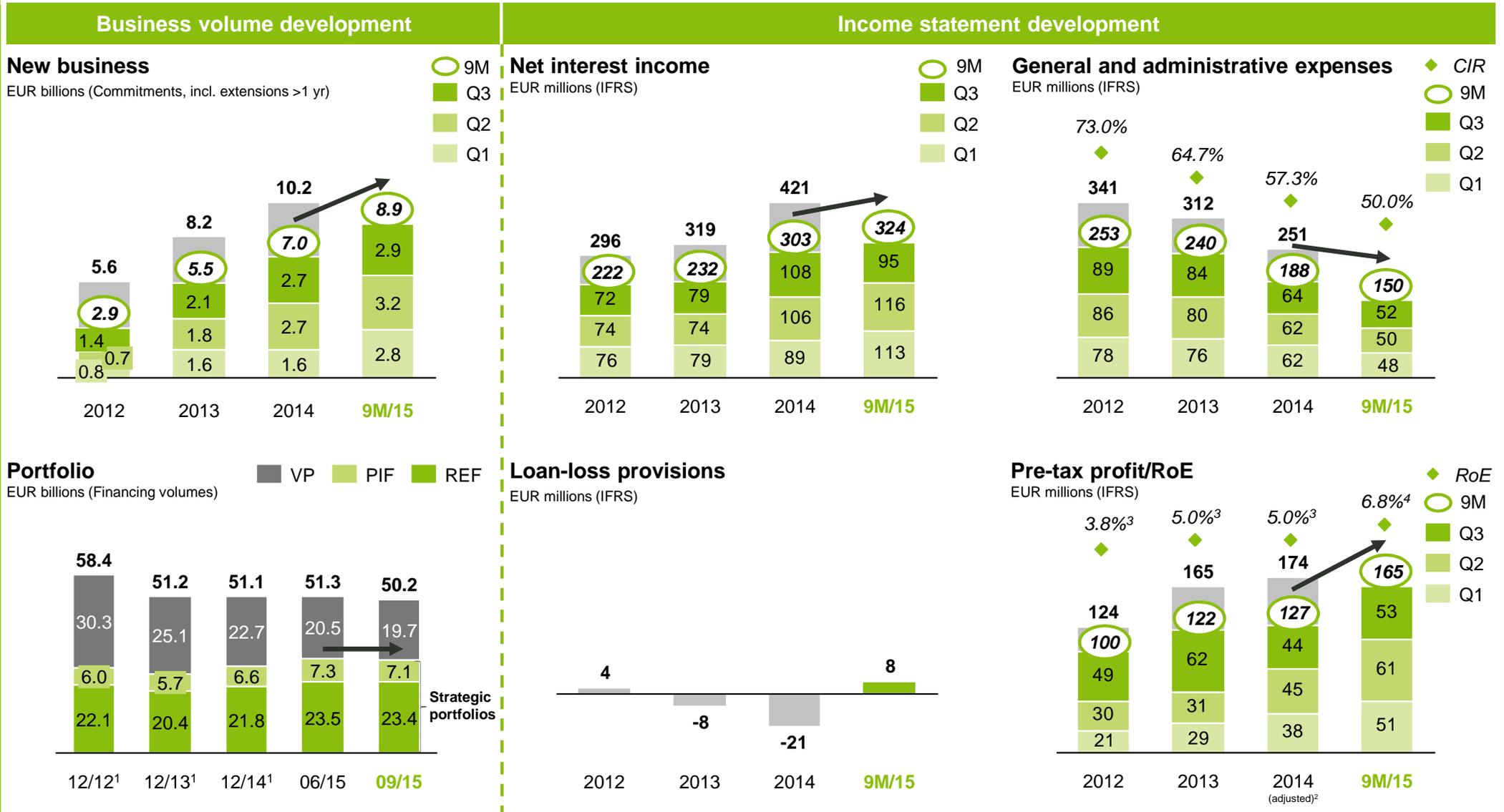
**PBT of EUR 165 mn after nine months already in reach of initial full-year expectation of at least EUR 174 mn**

-  **Pre-tax profit** of EUR 53 mn in Q3/15 (+20% y-o-y) brings PBT for 9M/15 to EUR 165 mn (+30% y-o-y)
  - Net interest income up +7% y-o-y – in Q3/15, NII suffers from less positive one-off effects and high early extensions/prepayments of higher margin loans (Q3/15: EUR 95 mn; Q3/14: EUR 108 mn)
  - Loan-loss provisions remain at low level (even net release of EUR 8 mn)
  - Operating cost base down by -20% y-o-y to EUR -150 mn (CIR: 50%) due to strict cost discipline
  - Positive one-offs largely compensated for HETA effects (Q1/15), accelerated run-down of Value Portfolio (Q2/15) and provisioning
-  **Net income** of EUR 141 mn (no German cash income tax) corresponds to **EpS** of EUR 1.05 and **RoE after tax** of 5.8%<sup>1</sup> for 9M/15 (9M/14: EUR 108 mn; Q3/15: EUR 53 mn; Q3/14: EUR 34 mn)
-  **New business** (incl. extensions >1 year) of EUR 2.9 bn in Q3/15 (Q3/14: EUR 2.7 bn) results in total volume of EUR 8.9 bn in 9M/15 (9M/14: EUR 7.0 bn) – overall market environment remains favourable but strongly competitive
-  **Strategic portfolio** up +7% ytd (nominal), but slightly down in Q3/15 (09/15: EUR 30.5 bn; 06/15: EUR 30.8 bn) due to strong prepayments; non-strategic Value Portfolio continues to run down as expected (09/15: EUR 19.7 bn; 06/15: EUR 20.5 bn; 12/14: EUR 22.7 bn)
-  Prepayments and liquidity position allowed for reduced **funding activities** with new long-term funding of EUR 2.9 bn in 9M/15 (9M/14: EUR 5.6 bn)
-  Further improved **capitalisation** with fully loaded CET1 ratio of 16.1% (Basel III) – EUR 1 bn FMS silent participation redeemed as planned prior to IPO in July 2015
-  Full-year expectation raised – PBT expected to be **above initial expectation**

<sup>1</sup> Calculation based on average equity; EUR 1 bn silent participation of Sonderfonds Finanzmarktstabilisierung (FMS) included until redemption on 6 July 2015

# Highlights Q3/9M 2015

pbb well on track – however, NII development in Q3/15 influenced by high early extensions/  
prepayments of higher margin loans



Note: Figures may not add up due to rounding 1 Restated; figures retrospectively adjusted for transfer of Italian PIF portfolio into VP (as of 01/01/15) 2 Adjusted for EUR -120 mn extraordinary effects from value adjustments on HETA exposure 3 Incl. EUR 1 bn silent participation of Sonderfonds Finanzmarktstabilisierung (FMS) 4 Calculation based on average equity; EUR 1 bn silent participation of Sonderfonds Finanzmarktstabilisierung (FMS) included until redemption on 6 July 2015

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## Income statement

Net interest and commission income up +11% y-o-y – however, Q3/15 suffers from high early extensions/prepayments of higher margin loans

### Income from lending business

EUR millions

	Q3/14	Q3/15	9M/14	9M/15
Net interest income	108	95	303	324
<i>thereof: Prepayment fees</i>	4	6	24	12
<i>One-off effects</i>	11	1	11	25
Net fee and commission income	-	3	-	12
<b>Total</b>	<b>108</b>	<b>98</b>	<b>303</b>	<b>336</b>

### Key drivers 9M/15:

- NII positively driven y-o-y by a grown strategic portfolio supported by one-off effects

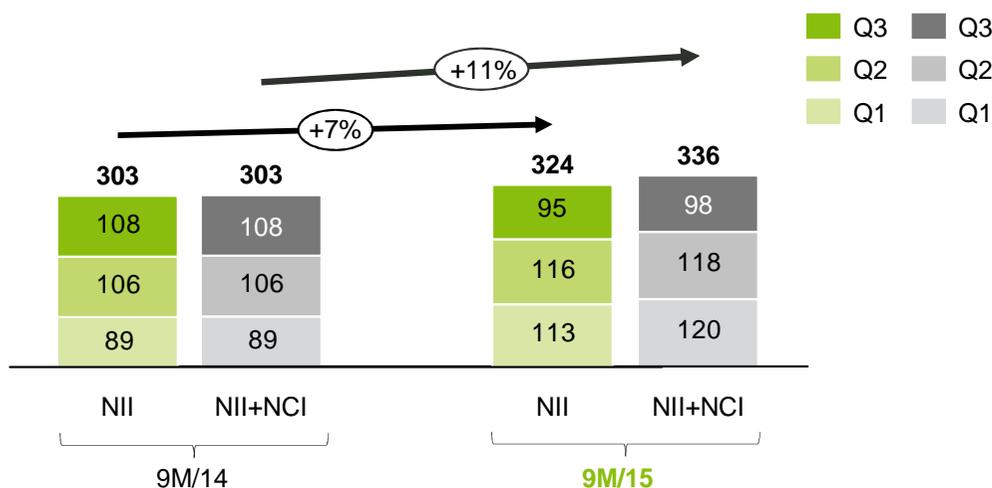
Major one-off effects:

- Gains from sale of a promissory notes (Q1/15: EUR 15 mn; Q3/15: EUR 10 mn)
- Gain from release of cash-flow hedge reserve due to retrospective hedge inefficiency (Q2/15: EUR 12 mn)
- Q2/15 and particularly Q3/15 burdened by interest accruals in relation to legal risks and other one-offs

- In Q3/15, NII mainly suffers from less positive one-off effects and high early extensions/prepayments of higher margin loans

### Net interest and commission income

EUR millions



## Income statement

### Result from financial instruments primarily driven by derivative valuation and one-off effects

### Result from financial instruments

EUR millions

	Q3/14	Q3/15	9M/14	9M/15
Net trading income	-3	-	-21	7
<i>thereof: HETA</i>	-	-	-	-3
Net income from financial investments	22	5	23	-32
<i>thereof: HETA</i>	-	-	-	-73
<i>Other one-off effects</i>	21	4	24	41
Net income from hedging relationships	1	7	-5	9
<b>Total</b>	<b>20</b>	<b>12</b>	<b>-3</b>	<b>-16</b>

#### Key drivers 9M/15:

- NTI positively driven by
  - interest rate and FX related derivative valuation effects (EUR 17 mn; 9M/14: EUR 3 mn) and
  - bCVA effects (EUR 4 mn; 9M/14: EUR -8 mn)
 which more than compensated for negative effects:
  - pull-to-par effects from positive derivative fair values (EUR -14 mn; 9M/14: EUR -17 mn) and
  - hedge breakage costs in relation to HETA (Q1/15: EUR -3 mn)
  
- NFI mainly burdened by EUR -73 mn HETA valuation adjustments in Q1/15, which are partly compensated by gains from sale of assets (9M/15: EUR 41 mn; Q3/15: EUR 4 mn)



## Income statement

Result from further business activities mainly driven by bank levy and one-off effects

### Result from further business activities

EUR millions

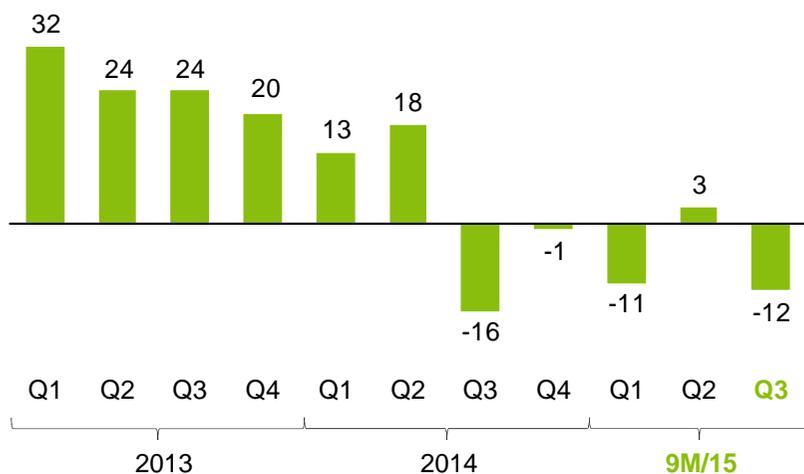
	Q3/14	Q3/15	9M/14	9M/15
Net other operating income/expenses	-16	-12	15	-20
<i>thereof: IT services DEPFA</i>	7	-	25	-
<i>Bank levy</i>	-	-	-	-25
<i>One-off effects</i>	-27	-17	-29	-15
Net miscellaneous income/expenses	-5	4	1	7

#### Key drivers 9M/15:

- IT services for DEPFA terminated by end of 2014
- EUR -25 mn bank levy based on best estimate for European bank levy, but final parameters not yet fix
- One-off effects include the following major effects:
  - Gain from sale of a successfully restructured property in Japan (Q2/15)
  - Provisions for legal risks, procedural costs related to HETA and rescue acquisitions

### Net other operating income/expenses

EUR millions



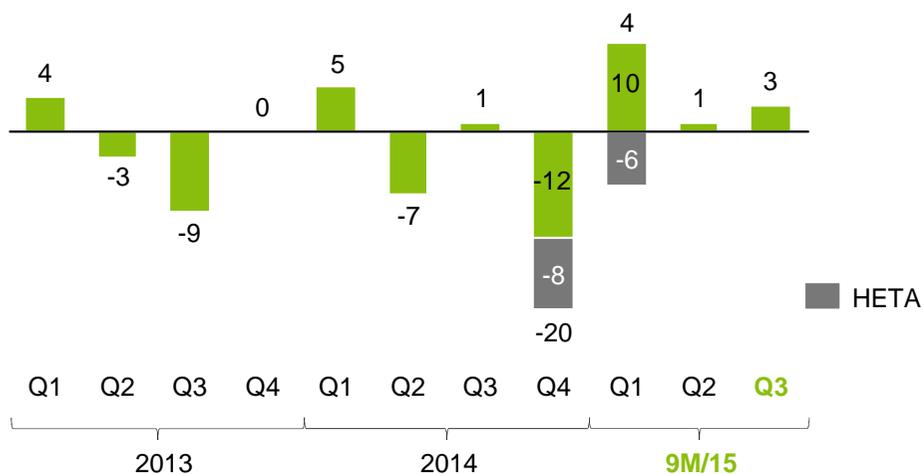
## Income statement

Loan-loss provisions continue to benefit from portfolio-based releases – overall market environment remains favourable

### Loan-loss provisions: Income statement

EUR millions

	Q3/14	Q3/15	9M/14	9M/15
Specific allowances	-1	-	-14	-7
Additions	-3	-	-22	-12
thereof: HETA	-	-	-	-6
Releases	2	-	8	5
Portfolio-based allowances	2	3	8	13
Other allowances	-	-	-	1
Recoveries from write-offs	-	-	5	1
<b>Total</b>	<b>1</b>	<b>3</b>	<b>-1</b>	<b>8</b>



### Key drivers 9M/15:

- Net release of portfolio-based allowances (EUR 13 mn) more than compensated for net additions of specific allowances (EUR -7 mn, thereof EUR -6 mn referring to HETA in Q1/15)
- No net additions to specific allowances required in Q3/15
- Low level of LLPs also reflects continued conservative business approach
  - 96% of portfolio investment-grade<sup>1</sup> (12/14: 96%)
  - 59% avg. LTV in REF portfolio (12/14: 59%)
  - 1.3% share of problem loans in total portfolio (12/14: 1.8%)

<sup>1</sup> Based on internal ratings (EL classes): EL classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

## Income statement

### Operating cost base significantly reduced due to strict cost containment

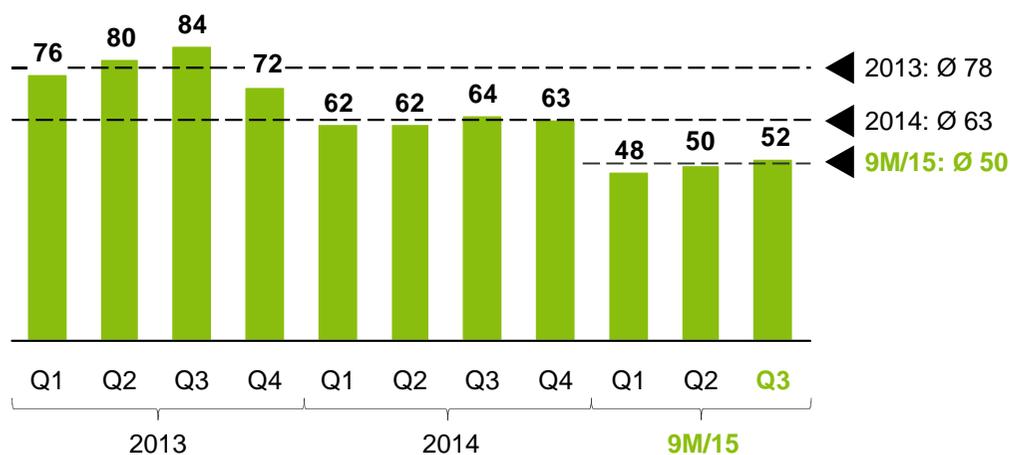
### General and administrative expenses

EUR millions

	Q3/14	Q3/15	9M/14	9M/15
General admin. expenses	-64	-52	-188	-150
<i>Personnel</i>	-27	-28	-81	-84
<i>Non-personnel</i>	-37	-24	-107	-66
<i>CIR (%)</i>	57.1	53.1	59.7	50.0

#### Key drivers 9M/15:

- Operating cost base significantly reduced by -20% y-o-y, mainly reflecting
  - strict cost discipline
  - lower expenses for IT (IT services for DEPFA terminated) and professional services (less projects)
  - On a pro-rata basis, GAE well below mid-term target of EUR ~220 mn p.a. – some further catch-up expected in Q4/15



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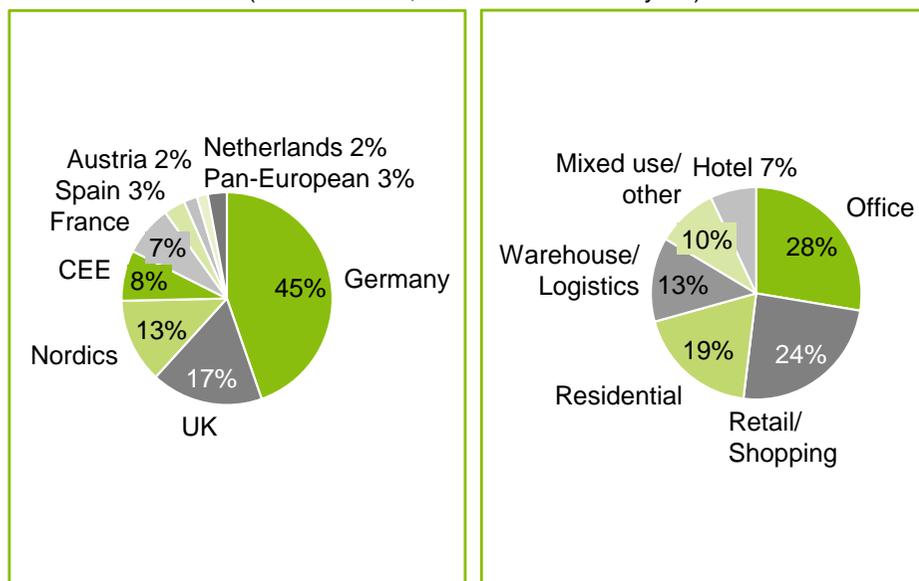
**Contact details**

## Real Estate Finance (REF)

**PBT up y-o-y supported by one-off effects – NII suffers from high early extensions/prepayments of higher margin loans in Q3/15**

### New business: Regions/property types

9M/15: EUR 7.9 bn (commitments, incl. extensions >1 year)



New business (incl. extensions >1 year)	2014	9M/15
Volume (EUR bn, commitments)	9.0	7.9
<i>thereof: Extensions &gt;1 year</i>	2.1	2.0
No. of deals	161	128
Average maturity <sub>(legal maturity)</sub> (years)	~5.1	~5.7
Average LTV <sub>(New commitments)</sub> <sup>1</sup> (%)	64	63
Average gross margin (bp)	>200	~170
Income statement (IFRS, EUR mn)	9M/14	9M/15
Operating income	220	275
<i>thereof: Net interest income</i>	226	226
Loan-loss provisions	-2	14
General administrative expenses	-118	-116
<b>Pre-tax profit</b>	<b>102</b>	<b>179</b>
Key indicators	2014	9M/15
CIR (%)	56.7	42.2
RoE before tax (%)	14.2	34.4
Equity (EUR bn, excl. revaluation reserve)	0.7	0.6
RWA (EUR bn)	7.2	6.9
Financing volume (EUR bn, nominal)	21.8	23.4

Note: Figures 2014 restated acc. to IFRS 8.29; figures retrospectively adjusted for change in segmental equity allocation (as of 01/01/15).

### Key drivers 9M/15:

- Overall market environment remains favourable but strongly competitive
  - EUR 7.9 bn new business (9M/14: EUR 6.1 bn)
  - Avg. gross new business margin down to ~170 bp in 9M/15 after >210 bp in 9M/14
  - NII burdened by high early extensions/prepayments of higher margin loans in Q3/15
  - LLPs positively driven by net releases of portfolio-based allowances – net additions to specific allowances resulted out of a few single cases (EUR -1 mn)
- Other key drivers:
  - EUR 6 mn allocated prepayment fees
  - EUR -12 mn allocated bank levy
  - EUR 33 mn net one-offs, thereof EUR 46 mn direct<sup>2</sup> and EUR -13 mn allocated<sup>3</sup>
- GAE slightly down y-o-y due to lower non-personnel costs

Note: Figures may not add up due to rounding 1 Avg. LTV (extensions): 56% (9M/15); 65% (2014) 2 Incl. EUR 39 mn gain from sale of a successfully restructured property in Japan, EUR 7 mn CVA release, EUR 5 mn deferred back-end fee, EUR -8 mn write-offs on rescue acquisitions 3 Incl. EUR gain from release of cash-flow hedge reserve, gains from sale of assets, legal provisions

## Public Investment Finance (PIF)

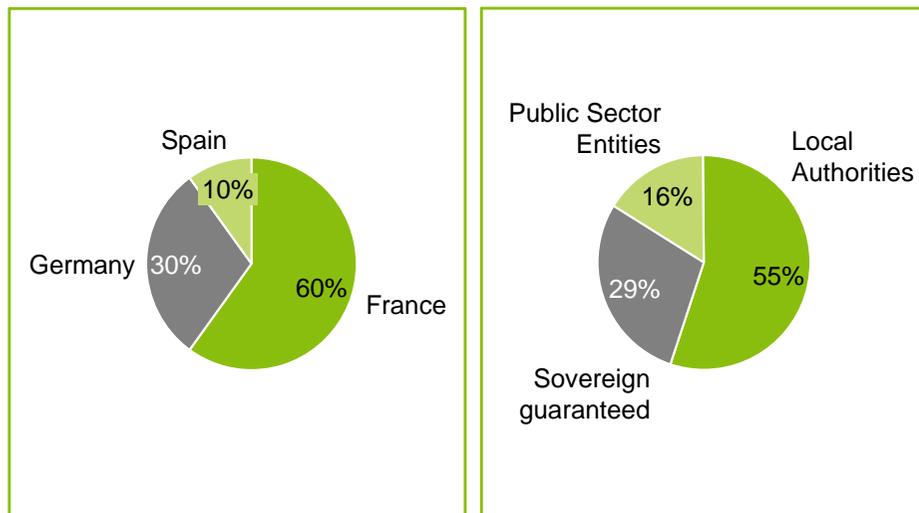
New business up +14% y-o-y – NII suffers from negative allocated one-offs in Q3/15

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### New business: Regions/counterparty types

9M/15: EUR 1.0 billions (commitments)



New business (incl. extensions >1 year)	2014	9M/15
Volume (EUR bn, commitments)	1.2	1.0
No. of deals	42	23
Average maturity <sub>(WAL)</sub> (years)	~6.7	~7.8
Average gross margin (bp)	>75	>70
Income statement (IFRS, EUR mn)	9M/14	9M/15
Operating income	24	27
<i>thereof: Net interest income</i>	28	28
Loan-loss provisions	-	-
General administrative expenses	-23	-20
<b>Pre-tax profit</b>	<b>1</b>	<b>8</b>
Key indicators	2014	9M/15
CIR (%)	88.6	74.1
RoE before tax (%)	0.9	3.0
Equity (EUR bn, excl. revaluation reserve)	0.5	0.2
RWA (EUR bn)	1.3	1.2
Financing volume (EUR bn, nominal)	6.6	7.1

Note: Figures 2014 restated acc. to IFRS 8.29; figures retrospectively adjusted for change in segmental equity allocation and for transfer of Italian PIF portfolio (nominal: EUR 1.3 bn; RWA EUR 1.1 bn) into VP (as of 01/01/15).

### Key drivers 9M/15:

- EUR 1.0 bn new business (9M/14: EUR 0.9 bn) – avg. gross new business margin stable at >70 bp y-o-y (9M/14: >70 bp)
- NII slightly burdened by prepayments of higher margin loans in Q3/15
- Other key drivers:
  - EUR 2 mn allocated prepayment fees
  - EUR -4 mn allocated bank levy
  - EUR -3 mn net allocated one-offs<sup>1</sup>
- GAE down by due to lower non-personnel costs

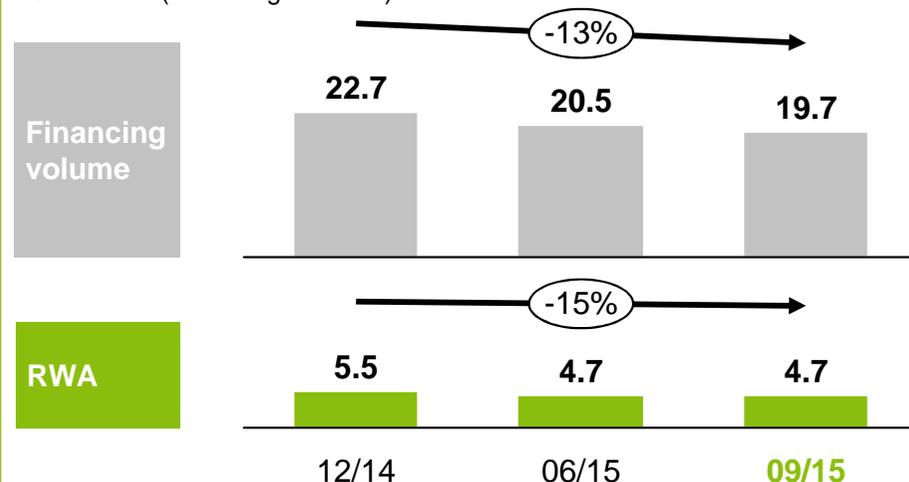
Note: Figures may not add up due to rounding 1 Incl. gain from release of cash-flow hedge reserve, gains from sale of assets, legal provisions

## Value Portfolio (VP)

### Value Portfolio continues to run down in line with strategy

#### Value Portfolio: Development

EUR billions (Financing volumes)<sup>1</sup>



Income statement (IFRS, EUR mn)	9M/14	9M/15
Operating income	67	-6
<i>thereof: Net interest income</i>	44	66
Loan-loss provisions	1	-6
General administrative expenses	-47	-14
<b>Pre-tax profit/loss</b>	<b>20</b>	<b>-26</b>
Key indicators	2014	9M/15
CIR (%)	>100.0	>100.0
RoE before tax (%)	-3.5	-1.9
Equity (EUR bn, excl. revaluation reserve)	1.8	1.3
RWA (EUR bn)	5.5	4.7
Financing volume (EUR bn, nominal)	22.7	19.7

Note: Figures 2014 restated acc. to IFRS 8.29; figures retrospectively adjusted for change in segmental equity allocation and for transfer of Italian PIF portfolio (nominal: EUR 1.3 bn; RWA EUR 1.1 bn) into VP (as of 01/01/15).

#### Key drivers 9M/15:

- Value Portfolio continues to run down in line with strategy, supported by management measures in Q2/15 (asset sale of EUR 0.8 bn with RWA relief of EUR 0.5 bn) – in Q3/15, no RWA release due to run-down of ‘zero’ risk-weighted assets
- Other key drivers:
  - EUR 5 mn allocated prepayment fees
  - EUR -10 mn allocated bank levy
  - EUR -54 mn net one-offs, thereof EUR -72 mn direct<sup>2</sup> and EUR 18 mn allocated<sup>3</sup> – EUR -80 mn value adjustments on HETA in Q1/15 partly offset by net gains from asset sales
- IT services for DEPFA terminated by end of 2014 – in 9M/14 EUR 25 mn income, but also related operating costs

Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure 2 Incl. EUR 25 mn gain from sale of promissory notes, EUR -23 mn from sale of non-strategic assets, EUR -80 mn value adjustments on HETA 3 Incl. gain from release of cash-flow hedge reserve, gains from sale of assets, legal provisions

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# Portfolio

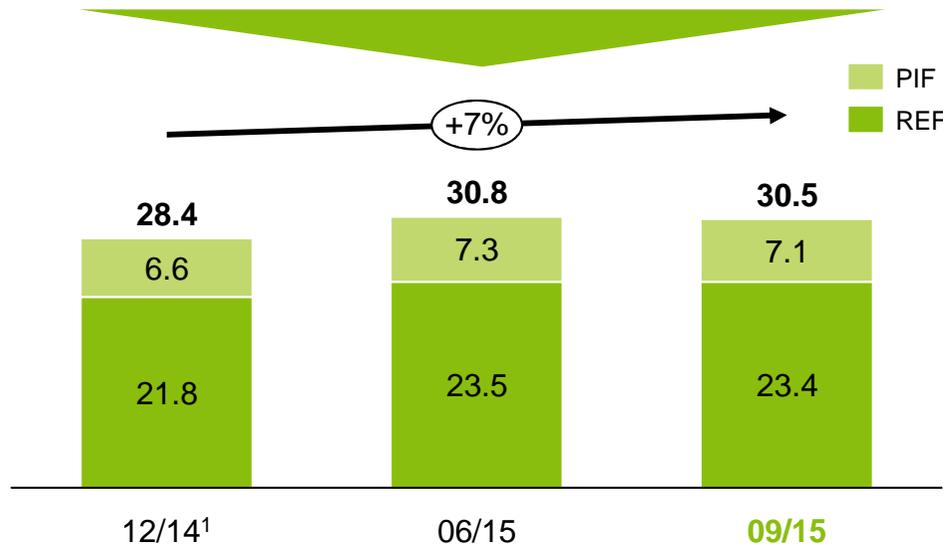
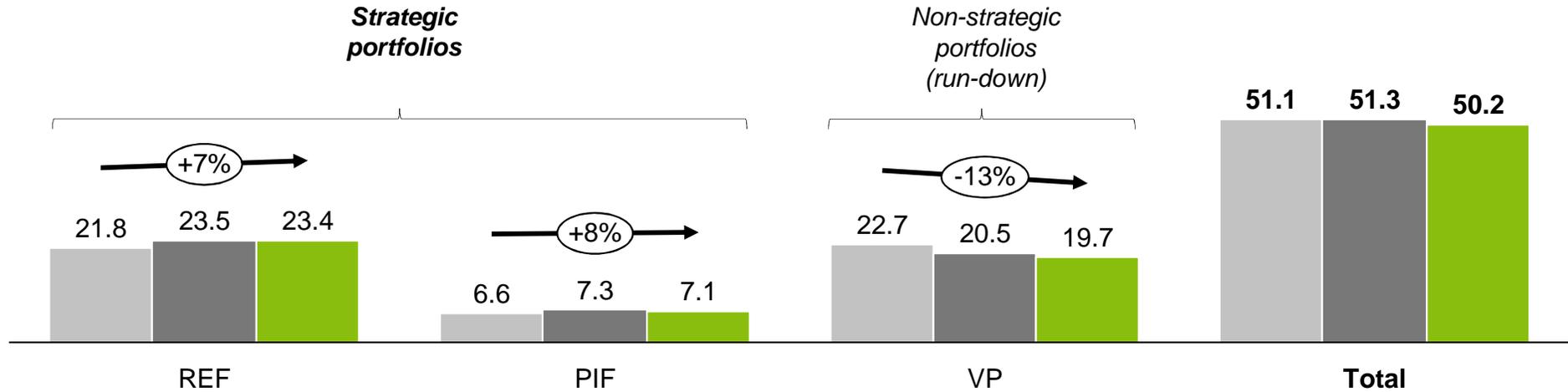
Strategic portfolio up +7% ytd, but slightly down in Q3/15 due to high prepayments



## Total portfolio

EUR billions (Financing volumes)

12/14<sup>1</sup> 06/15 09/15



### Key drivers 9M/15:

- Strategic portfolio increased ytd on the basis of strong new business – however, high prepayments led to a slight portfolio decrease in Q3/15
- Non-strategic Value Portfolio continues to run down as expected, supported by management measures (sale of EUR 0.8 mn portfolio in Q2/15)

Note: Figures may not add up due to rounding 1 Restated; figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.5 bn) into VP (as of 01/01/15) as Italy is no longer in strategic focus

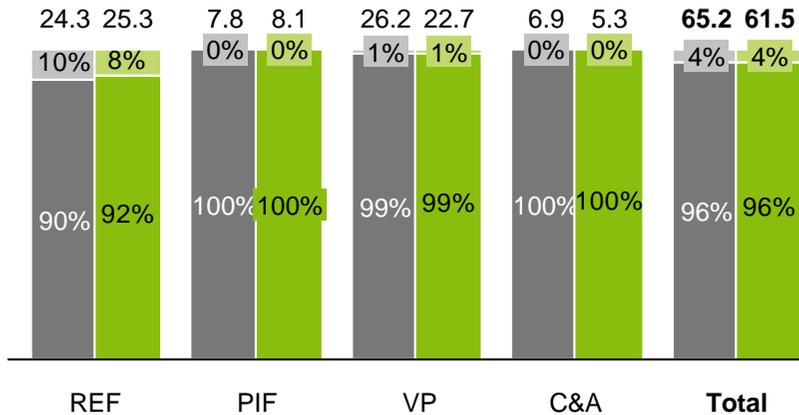
# Portfolio

## Sustained sound risk profile



### Total portfolio: Internal ratings (EL classes)

EUR billions (EaD, Basel III)<sup>1</sup>



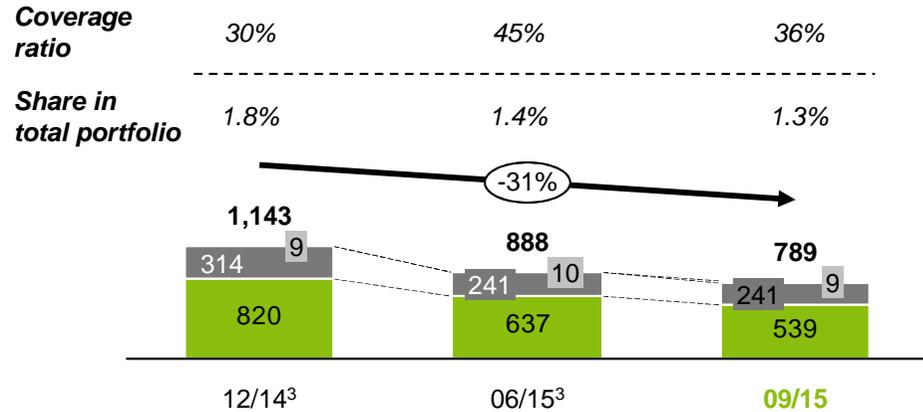
12/14 09/15  
 ■ Investment grade<sup>2</sup>  
 ■ Non-investment grade<sup>2</sup>

#### Key drivers 9M/15:

- High portfolio quality continuously reflected in sound risk profile with investment grade share of 96% (06/15: 96%; 12/14: 96%)<sup>2</sup>

### Total problem loans

EUR millions (EaD, Basel III)



■ Workout<sup>4</sup>  
 ■ Restructuring<sup>5</sup> (thereof: ■ HETA)

#### Key drivers 9M/15:

- Total problem loans further down (REF: EUR 548 mn; PIF: 'nil'; VP: EUR 241 mn) due to successful restructuring
- Coverage ratio does not take into account additional collateral (Total: 36%; REF: 28%; VP: 45%) – incl. additional collateral, REF coverage ratio at rd. 100%

Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure 2 EL classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade signs that the deal will recover soon, compulsory measures necessary 3 In addition, EUR 1 mn in C&A 4 PD class 30: No 5 PD class 28+29: Payments more than 90 days overdue or criteria acc. to respective policy apply

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# Funding

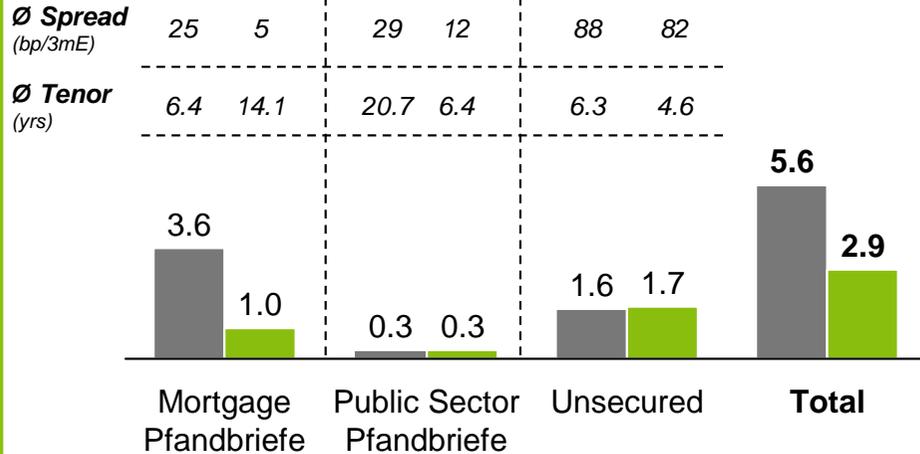
## Strong prepayments and liquidity position allowed for reduced funding activities



### New long-term funding

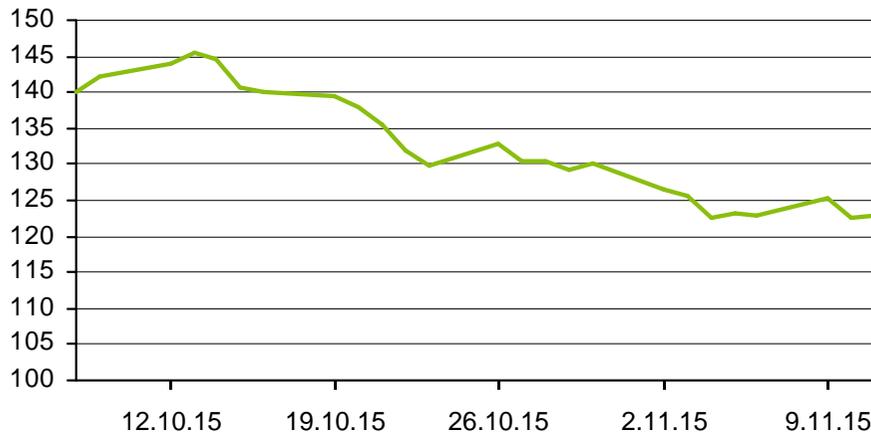
EUR billions<sup>1</sup>

■ 9M/14  
■ 9M/15



### Spread development: PBBGR 1.375 01/18

bps vs. mid-swap



Note: Figures may not add up due to rounding 1 Excl. money market and deposit business

### Pfandbriefe

- No benchmark issuance prior to IPO – focus on optimisation and re-balancing of cover pools
- CBPP3 allowed for deferral of Pfandbrief issuance
- End of 07/15, 5yr mortgage Pfandbrief in benchmark format successfully issued at -14 bp spread vs. mid-swap

### Senior Unsecured

- Unsecured funding volume in Q3/15 at prior year level due to strong private placements and three public capital market transactions
  - In 01/15, EUR 500 mn benchmark issuance (01/17; +78bp/MS) + EUR 200 mn tap (09/19; +100bp/MS)
  - First benchmark issuance after IPO in 10/15 at +140bp/MS (EUR 500 mn; 01/18) – secondary market spread tightened to +123bp/MS since issuance

### Funding structure and liquidity

- ALM profile and liquidity position remain comfortable (NSFR >100%; LCR >200%)

# Funding

## Focus on optimisation and re-balancing of cover pools – Pfandbrief ratings consolidated and Mortgage Pfandbrief rating strengthened



as of 12 November 2015

	S&P	Moody's	
<b>Pfandbrief ratings</b>			
Public Sector Pfandbrief	AA- <sup>1</sup>	Aa1	unchanged
Mortgage Pfandbrief	AA+ <sup>2</sup>	Aa1	Uplift from Aa2
	mandate terminated	mandate continued	

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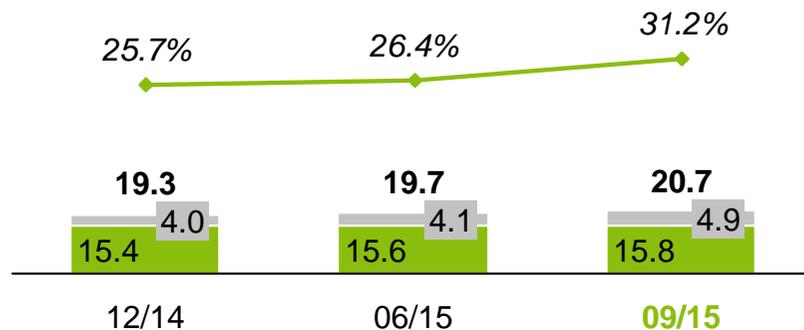
### Pfandbrief Ratings:

- Rating mandate with Moody's continued – mandate with S&P terminated
- One notch rating increase for Mortgage Pfandbriefe following OC commitment by pbb:
  - Mortgage Pfandbrief: Aa1 (uplift from Aa2)
  - Public Sector Pfandbrief: Aa1 (unchanged)
- Optimisation of Pfandbrief ratings will result in a reduction of future unsecured funding need

### Mortgage Cover Pool: Total cover funds

EUR billions (Nominal)

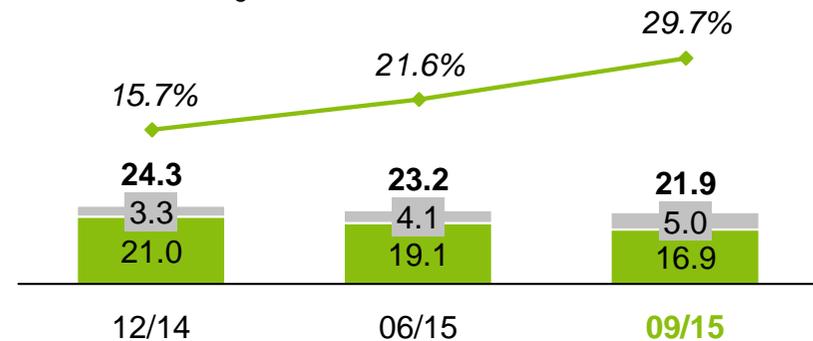
- OC (%)
- OC (absolute)
- Pfandbriefe outstanding



### Public Sector Cover Pool: Total cover funds

EUR billions (Nominal)

- OC (%)
- OC (absolute)
- Pfandbriefe outstanding



Note: Figures may not add up due to rounding 1 Negative Outlook 2 Stable Outlook

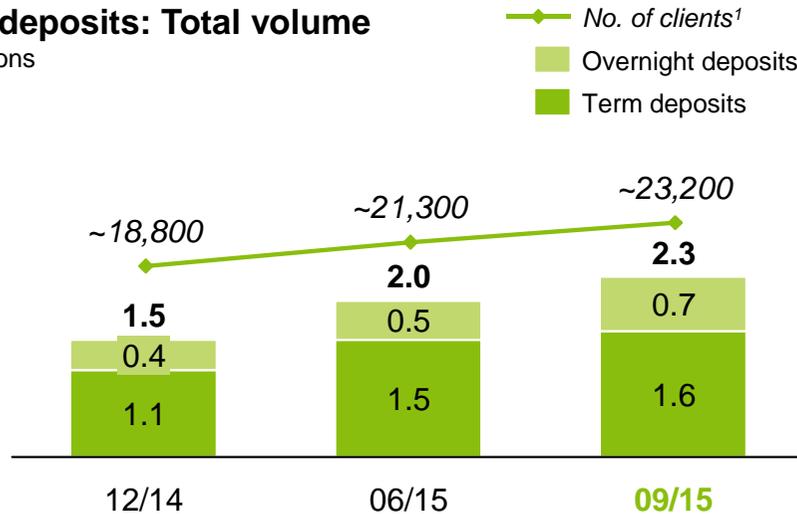
# Funding

## pbb direkt – retail deposit base continued to increase



### Retail deposits: Total volume

EUR billions

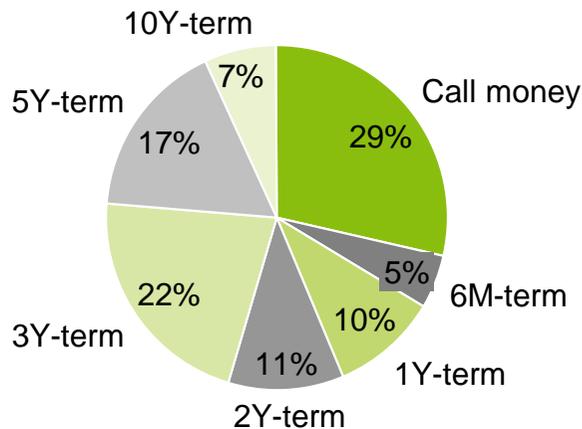


### Key drivers 9M/15:

- Number of clients and total volume continued to increase in Q3/15
  - Clients: +4,400 (+23%) ytd
  - Volume: EUR +0.8 bn (+53%) ytd

### Retail deposits: Terms

30/09/2015: EUR 2.3 bn



### Key drivers 9M/15:

- Original weighted avg. maturity of term deposits at 3.5 years (06/15: 3.6 yrs; 12/14: 3.1 yrs)
- 5y- and 10y- term deposits account for 23% of total deposits (06/15: 25%; 12/14: 18%)

Note: Figures may not add up due to rounding <sup>1</sup> Only accounts with money inflow, excluding terminated accounts

# Agenda

**1 Highlights Q3/9M 2015**

**2 Financials**

**3 Business units**

**4 Portfolio**

**5 Funding**

**6 Capitalisation**

**7 Key take-aways**

**Appendix**

**Contact details**

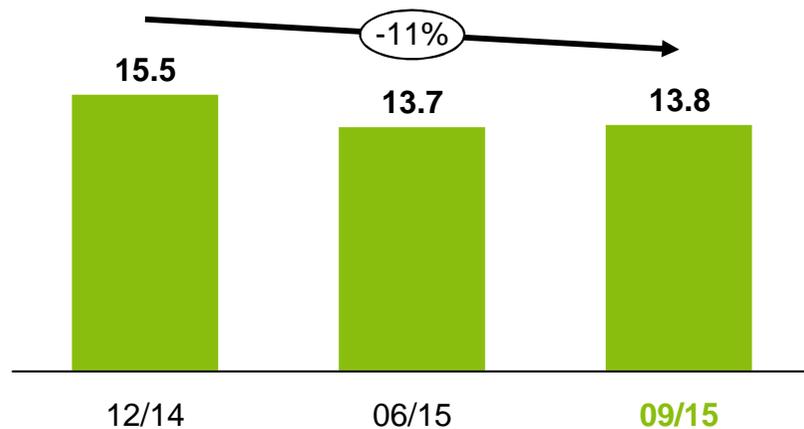
# Capitalisation

pbb with strong capital ratios under Basel III, even without EUR 1 bn

FMS silent participation



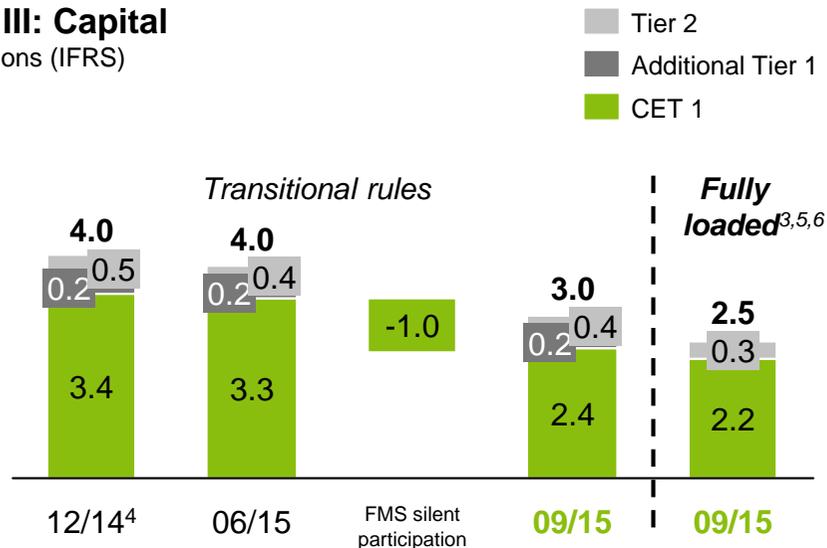
**Basel III: RWA**  
EUR billions (IFRS)<sup>2</sup>



**Basel III: Capital ratios**  
% (IFRS)

in %	Transitional rules			Fully loaded <sup>3,5,6</sup>	
	12/14 <sup>1,4</sup>	06/15 <sup>1</sup>	09/15	09/15	Mid-term targets
CET 1	21.7	24.4	17.0	16.1	>12.5
Tier 1	23.0	25.8	18.4	16.1	>16
Own funds	26.1	28.9	21.4	17.9	16-18
Leverage ratio	5.3	5.5	4.1	3.6	>3.5

**Basel III: Capital**  
EUR billions (IFRS)



**Key drivers 9M/15:**

- RWA reduction ytd driven by re-/prepayments and positive rating changes – slight increase in Q3/15 driven by REF new business
- As planned, FMS silent participation (EUR 1 bn) redeemed prior to IPO on 6 July 2015 (formerly recognised in CET 1)
- Hybrid capital (EUR 350 mn) recognised with 70% in Additional Tier I according to transitional rules (fully loaded: not eligible)

Note: Figures may not add up due to rounding 1 Until 15/07/2015, under the 'Waiver Rule' pbb calculated regulatory capital ratios on a voluntary basis 2 No transitional rules to be applied 3 Simulation 4 Incl. full-year results 5 Based on currently known Basel III rules 6 Actual figures may vary significantly from simulation

# Agenda

**1 Highlights Q3/9M 2015**

**2 Financials**

**3 Business units**

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**5 Funding**

**6 Capitalisation**

**7 Key take-aways**

**Appendix**

**Contact details**

## Key take-aways

- ➔ Full-year 2015 PBT expectation raised on a more favourable trend than initially expected
  - expectations for Q4/15 as follows:
    - Net interest and commission income on or above Q3/15 level
    - Continued low risk costs
    - Some further catch-up in operating costs, but still well below mid-term target
    - Valuation and other operating result likely to be negative
    - Profit after tax (IFRS) likely better than expected due to adjustment of DTA on TLCF
  
- ➔ Strong capitalisation, even after payback of FMS silent participation – regulatory environment remains challenging
  
- ➔ Prudent underwriting policy continued to keep strong asset quality
  
- ➔ Overall market environment for commercial real estate remains favourable, but continued high competition

# Appendix

# Key figures

pbb Group



Income statement (EUR millions)	2012	2013	2014	2014 (adjusted) <sup>1</sup>	9M/15
Net interest income	296	319	421	421	324
Net fee and commission income	23	9	1	1	12
Net trading income	10	-51	-30	-27	7
Net income from financial investments	13	96	-77	32	-32
Net income from hedging relationships	-6	9	-3	-3	9
Net other operating income/expenses	131	100	14	14	-20
<b>Operating income</b>	<b>467</b>	<b>482</b>	<b>326</b>	<b>438</b>	<b>300</b>
Loan-loss provisions	4	-8	-21	-13	8
General and administrative expenses	-341	-312	-251	-251	-150
Net miscellaneous income/expenses	-6	3	-	-	7
<b>Profit or loss before tax</b>	<b>124</b>	<b>165</b>	<b>54</b>	<b>174</b>	<b>165</b>
Income taxes	-55	-5	-50	-58	-24
<b>Net income/loss</b>	<b>69</b>	<b>160</b>	<b>4</b>	<b>116</b>	<b>141</b>
Key ratios (%)	2012	2013	2014	2014 (adjusted) <sup>1</sup>	9M/15
CIR	73.0	64.7	77.0	57.3	50.0
RoE before tax <sup>4</sup>	3.8	5.0	1.6	5.0	6.8
RoE after tax <sup>4</sup>	2.1	4.9	0.1	3.4	5.8
Balance sheet (EUR billions)	12/12 <sup>2</sup>	12/13 <sup>3</sup>	12/14		09/15
Total assets	97.1	74.6	74.9 <sup>6</sup>		67.1
Equity (excl. revaluation reserve)	3.2	3.4	3.4		2.6
<i>thereof: Silent participation</i> <sup>5</sup>	1.0	1.0	1.0		-
Financing volume (nominal)	58.4	51.2	51.1		50.2
Regulatory capital ratios (pro-forma) <sup>7</sup>	12/12 <sup>9</sup>	12/13	12/14 <sup>11</sup>		09/15 <sup>11</sup>
RWA (EUR bn)	15.3	14.1 <sup>9</sup> / 18.1 <sup>10</sup>	15.5		13.8
CET 1 ratio (%) <sup>8</sup>	n/a	17.6 <sup>9</sup> / 18.5 <sup>10</sup>	21.7		17.0
Personnel	12/12	12/13	12/14		09/15
Employees (FTE)	981	803	812		785

Note: Annual results audited, interim results unaudited 1 Adjusted for EUR -120 mn extraordinary effects from value adjustment on HETA exposure 2 Revised due to retrospective first time adoption IAS 19 3 Revised due to retrospective first time adoption IFRS 10 4 Calculation based on average equity; EUR 1 bn silent participation of Sonderfonds Finanzmarktstabilisierung (FMS) included until redemption on 6 July 2015 5 EUR 1 bn FMS silent participation redeemed on 6 July 2015 6 Revised due to IAS 8.14 et seq 7 Until 15/07/2015, under the 'Waiver Rule' pbb calculated regulatory capital ratios on a voluntary basis 8 Incl. full-year results, excl. interim results 9 Basel II (SolvV, HGB) 10 Basel III simulation 11 Basel III transitional rules

## Key figures

### pbb Group Q3/15



Income statement (EUR millions)	REF		PIF		VP		C&A		pbb Group	
	Q3/14	Q3/15	Q3/14	Q3/15	Q3/14	Q3/15	Q3/14	Q3/15	Q3/14	Q3/15
Net interest income	77	68	11	6	17	19	3	2	108	95
Net fee and commission income	-	3	-	-	-	-	-	-	-	3
Net trading income	-1	4	-1	-1	-1	-3	-	-	-3	-
Net income from financial investments	9	-	3	-	10	5	-	-	22	5
Net income from hedging relationships	-	3	-	1	1	3	-	-	1	7
Net other operating income/expenses	-13	-9	-4	-1	1	-2	-	-	-16	-12
<b>Operating income</b>	<b>72</b>	<b>69</b>	<b>9</b>	<b>5</b>	<b>28</b>	<b>22</b>	<b>3</b>	<b>2</b>	<b>112</b>	<b>98</b>
Loan-loss provisions	-	3	-	-	1	-	-	-	1	3
General and administrative expenses	-41	-41	-8	-7	-15	-4	-	-	-64	-52
Net miscellaneous income/expenses	-2	3	-1	1	-2	-	-	-	-5	4
<b>Profit or loss before tax</b>	<b>29</b>	<b>34</b>	<b>-</b>	<b>-1</b>	<b>12</b>	<b>18</b>	<b>3</b>	<b>2</b>	<b>44</b>	<b>53</b>
Income taxes									-10	-
<b>Net income/loss</b>									<b>34</b>	<b>53</b>

Note: interim results unaudited. Figures Q2/14 restated acc. to IFRS 8.29; figures retrospectively adjusted for change in segmental equity allocation and for transfer of Italian PIF portfolio (nominal: EUR 1.3 bn; RWA EUR 1.1 bn) into VP (as of 01/01/15).

## Key figures

### pbb Group 9M/15



Income statement (EUR millions)	REF		PIF		VP		C&A		pbb Group	
	9M/14	9M/15	9M/14	9M/15	9M/14	9M/15	9M/14	9M/15	9M/14	9M/15
Net interest income	226	226	28	28	44	66	5	4	303	324
Net fee and commission income	-	12	-	-	-	-	-	-	-	12
Net trading income	-9	7	-3	-	-9	-	-	-	-21	7
Net income from financial investments	11	18	3	6	9	-56	-	-	23	-32
Net income from hedging relationships	-2	4	-2	1	-1	4	-	-	-5	9
Net other operating income/expenses	-6	8	-2	-8	24	-20	-1	-	15	-20
<b>Operating income</b>	<b>220</b>	<b>275</b>	<b>24</b>	<b>27</b>	<b>67</b>	<b>-6</b>	<b>4</b>	<b>4</b>	<b>315</b>	<b>300</b>
Loan-loss provisions	-2	14	-	-	1	-6	-	-	-1	8
General and administrative expenses	-118	-116	-23	-20	-47	-14	-	-	-188	-150
Net miscellaneous income/expenses	2	6	-	1	-1	-	-	-	1	7
<b>Profit or loss before tax</b>	<b>102</b>	<b>179</b>	<b>1</b>	<b>8</b>	<b>20</b>	<b>-26</b>	<b>4</b>	<b>4</b>	<b>127</b>	<b>165</b>
Income taxes									-19	-24
<b>Net income/loss</b>									<b>108</b>	<b>141</b>

Note: interim results unaudited. Figures H1/14 restated acc. to IFRS 8.29; figures retrospectively adjusted for change in segmental equity allocation and for transfer of Italian PIF portfolio (nominal: EUR 1.3 bn; RWA EUR 1.1 bn) into VP (as of 01/01/15).

## Key figures

### Real Estate Finance (REF)



Income statement (EUR millions)	2012	2013	Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	Q1/15	Q2/15	Q3/15	9M/15
Net interest income	249	258	72	77	77	226	68	294	75	83	68	226
Net fee and commission income	25	10	-	-	-	-	2	2	7	2	3	12
Net trading income	2	-21	-4	-4	-1	-9	-4	-13	2	1	4	7
Net income from financial investments	14	96	1	1	9	11	3	14	13	5	-	18
Net income from hedging relationships	-3	4	-1	-1	-	-2	-	-2	-1	2	3	4
Net other operating income/expenses	-3	5	4	3	-13	-6	-7	-13	-4	21	-9	8
<b>Operating income</b>	<b>284</b>	<b>352</b>	<b>72</b>	<b>76</b>	<b>72</b>	<b>220</b>	<b>62</b>	<b>282</b>	<b>92</b>	<b>114</b>	<b>69</b>	<b>275</b>
Loan-loss provisions	5	-1	5	-7	-	-2	-12	-14	10	1	3	14
General and administrative expenses	-139	-147	-39	-38	-41	-118	-42	-160	-37	-38	-41	-116
Net miscellaneous income/expenses	-3	2	4	-	-2	2	-2	-	2	1	3	6
<b>Pre-tax profit</b>	<b>147</b>	<b>206</b>	<b>42</b>	<b>31</b>	<b>29</b>	<b>102</b>	<b>6</b>	<b>108</b>	<b>67</b>	<b>78</b>	<b>34</b>	<b>179</b>
Key ratios	2012	2013	Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	Q1/15	Q2/15	Q3/15	9M/15
CIR (%)	48.9	41.8	54.2	50.0	56.9	53.6	67.7	56.7	40.2	33.3	59.4	42.2
RoE before tax (%)	20.2	27.8	20.7	15.9	14.7	17.2	4.8	14.2	39.6	41.8	23.6	34.4
Key figures	12/12	12/13	03/14	06/14	09/14	09/14	12/14	12/14	03/15	06/15	09/15	09/15
Equity (EUR bn)	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.6	0.6
RWA (EUR bn)	9.6	7.4	7.2	7.5	7.6	7.6	7.2	7.2	6.8	6.7	6.9	6.9
Financing volume (EUR bn, nominal)	22.1	20.4	21.1	21.6	21.7	21.7	21.8	21.8	23.5	23.5	23.4	23.4

Note: Annual results audited; interim results unaudited. Figures 2012-2014 restated acc. to IFRS 8.29; figures retrospectively adjusted for change in segmental equity allocation (as of 01/01/15).

## Key figures

### Public Investment Finance (PIF)



Income statement (EUR millions)	2012	2013	Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	Q1/15	Q2/15	Q3/15	9M/15
Net interest income	17	24	7	10	11	28	12	40	8	14	6	28
Net fee and commission income	-1	1	-	-	-	-	-	-	-	-	-	-
Net trading income	1	-6	-1	-1	-1	-3	-1	-4	1	-	-1	-
Net income from financial investments	-	-1	-	-	3	3	-	3	6	-	-	6
Net income from hedging relationships	-1	1	-1	-1	-	-2	2	-	-	-	1	1
Net other operating income/expenses	-2	-2	1	1	-4	-2	-2	-4	-2	-5	-1	-8
<b>Operating income</b>	<b>14</b>	<b>17</b>	<b>6</b>	<b>9</b>	<b>9</b>	<b>24</b>	<b>11</b>	<b>35</b>	<b>13</b>	<b>9</b>	<b>5</b>	<b>27</b>
Loan-loss provisions	-4	-	-	-	-	-	-	-	-	-	-	-
General and administrative expenses	-25	-28	-8	-7	-8	-23	-8	-31	-6	-7	-7	-20
Net miscellaneous income/expenses	-	-	1	-	-1	-	-	-	-	-	1	1
<b>Pre-tax profit</b>	<b>-15</b>	<b>-11</b>	<b>-1</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>-1</b>	<b>8</b>
Key ratios	2012	2013	Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	Q1/15	Q2/15	Q3/15	9M/15
CIR (%)	>100	>100	>100	77.8	88.9	95.8	72.7	88.6	46.2	77.8	>100	74.1
RoE before tax (%)	-4.0	-2.7	-0.5	2.1	0.5	0.7	1.2	0.9	9.7	1.8	-2.2	3.0
Key figures	12/12	12/13	03/14	06/14	09/14	09/14	12/14	12/14	03/15	06/15	09/15	09/15
Equity (EUR bn)	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.3	0.3	0.2	0.2
RWA (EUR bn)	1.4	1.4	1.3	1.3	1.5	1.5	1.3	1.3	1.3	1.2	1.2	1.2
Financing volume (EUR bn, nominal)	6.0	5.7	6.0	6.2	6.5	6.5	6.6	6.6	6.8	7.3	7.1	7.1

Note: Annual results audited; interim results unaudited. Figures 2012-2014 restated acc. to IFRS 8.29; figures retrospectively adjusted for change in segmental equity allocation and for transfer of Italian PIF portfolio (nominal: EUR 1.3 bn; RWA EUR 1.1 bn) into VP (as of 01/01/15).

## Key figures

### Value Portfolio (VP)



Income statement (EUR millions)	2012	2013	Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	2014 (adjusted) <sup>1</sup>	Q1/15	Q2/15	Q3/15	9M/15
Net interest income	24	30	9	18	17	44	35	79	79	28	19	19	66
Net fee and commission income	-1	-1	-	-	-	-	-1	-1	-1	-	-	-	-
Net trading income	7	-24	-4	-4	-1	-9	-4	-13	-12	2	1	-3	-
Net income from financial investments	-1	1	-2	1	10	9	-103	-94	15	-39	-22	5	-56
Net income from hedging relationships	-2	4	-1	-1	1	-1	-	-1	-1	-	1	3	4
Net other operating income/expenses	137	95	9	14	1	24	7	31	31	-5	-13	-2	-20
<b>Operating income</b>	<b>164</b>	<b>105</b>	<b>11</b>	<b>28</b>	<b>28</b>	<b>67</b>	<b>-66</b>	<b>1</b>	<b>111</b>	<b>-14</b>	<b>-14</b>	<b>22</b>	<b>-6</b>
Loan-loss provisions	3	-7	-	-	1	1	-8	-7	1	-6	-	-	-6
General and administrative expenses	-176	-136	-15	-17	-15	-47	-13	-60	-60	-5	-5	-4	-14
Net miscellaneous income/expenses	-3	1	1	-	-2	-1	1	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>-12</b>	<b>-37</b>	<b>-3</b>	<b>11</b>	<b>12</b>	<b>20</b>	<b>-86</b>	<b>-66</b>	<b>52</b>	<b>-25</b>	<b>-19</b>	<b>18</b>	<b>-26</b>
Key ratios	2012	2013	Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	2014 (adjusted) <sup>1</sup>	Q1/15	Q2/15	Q3/15	9M/15
CIR (%)	>100	>100	>100	60.7	53.6	70.1	n/a	>100	54.1	n/a	n/a	18.2	n/a
RoE before tax (%)	-0.7	-2.1	-0.5	2.5	2.7	1.6	-18.3	-3.5	-2.8	-4.9	-4.0	5.7	-1.9
Key figures	12/12	12/13	03/14	06/14	09/14	09/14	12/14	12/14	12/14	03/15	06/15	09/15	09/15
Equity (EUR bn)	1.7	1.8	1.8	1.9	1.9	1.9	1.8	1.8	1.8	2.0	1.8	1.3	1.3
RWA (EUR bn)	3.8	7.7	7.0	7.6	7.2	7.2	5.5	5.5	5.5	5.5	4.7	4.7	4.7
Financing volume (EUR bn, nominal)	30.3	25.1	24.3	24.0	23.7	23.7	22.7	22.7	22.7	22.2	20.5	19.7	19.7

Note: Annual results audited; interim results unaudited. Figures 2012-2014 restated acc. to IFRS 8.29; figures retrospectively adjusted for change in segmental equity allocation and for transfer of Italian PIF portfolio (nominal: EUR 1.3 bn; RWA EUR 1.1 bn) into VP (as of 01/01/15). <sup>1</sup> Adjusted for EUR -118 mn extraordinary effects from value adjustments on HETA exposure

## Heta Asset Resolution AG (HETA)

Total valuation adjustments of EUR 197.5 mn – pbb's HETA exposure (nominal EUR 395 mn) valued at ~50%



HETA adjustment P&L impact (EUR mn)			
	pre Q4/14	Q4/14	Q1/15
Net income from financial investments	(1.5)	(109)	(73)
Loan loss provisions		(8)	(6)
<b>Total value adjustments</b>	<b>(1.5)</b>	<b>(117)</b>	<b>(79)</b>
Net trading income		(3)	(3)
<b>Total HETA effects</b>	<b>(1.5)</b>	<b>(120)</b>	<b>(82)</b>

Total value adjustments (197.5)

2014

- EUR -118.5 mn (thereof EUR -117 mn in Q4/14) value adjusted on exposure of nominal EUR 395 mn (Value Portfolio)
- Decision taken in response to moves by the Austrian Financial Market Authority (FMA) and the Austrian federal government

Q1/15

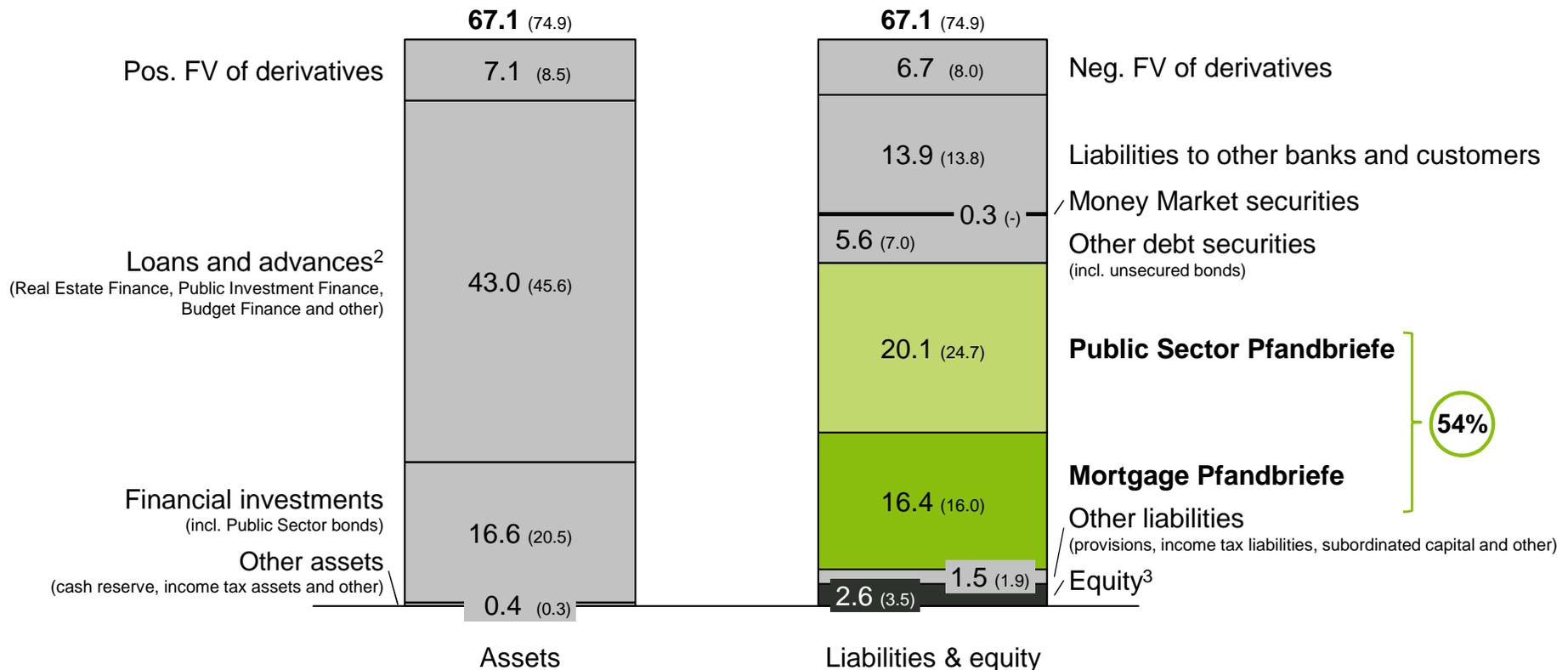
- Further value adjustments of EUR -79 mn
- Together with the provisions in 2014, the provisioning was increased to ~50% percent of the notional value
- This increase was made following recommendations made by the Financial Regulators

# Balance sheet

## Specialist lender with attractive German Pfandbrief as major funding instrument



**Balance sheet: 30/09/2015** (31/12/2014)<sup>1</sup>  
IFRS, EUR billions



Note: Figures may not add up due to rounding <sup>1</sup> 31/12/2014 revised acc. to IAS 8.14 at seq. <sup>2</sup> Incl. allowances for losses on loans and advances <sup>3</sup> 31/12/2014: Incl. EUR 1 bn silent participation of Sonderfonds Finanzmarktstabilisierung (FMS), which has been redeemed on 6 July 2015

# Portfolio

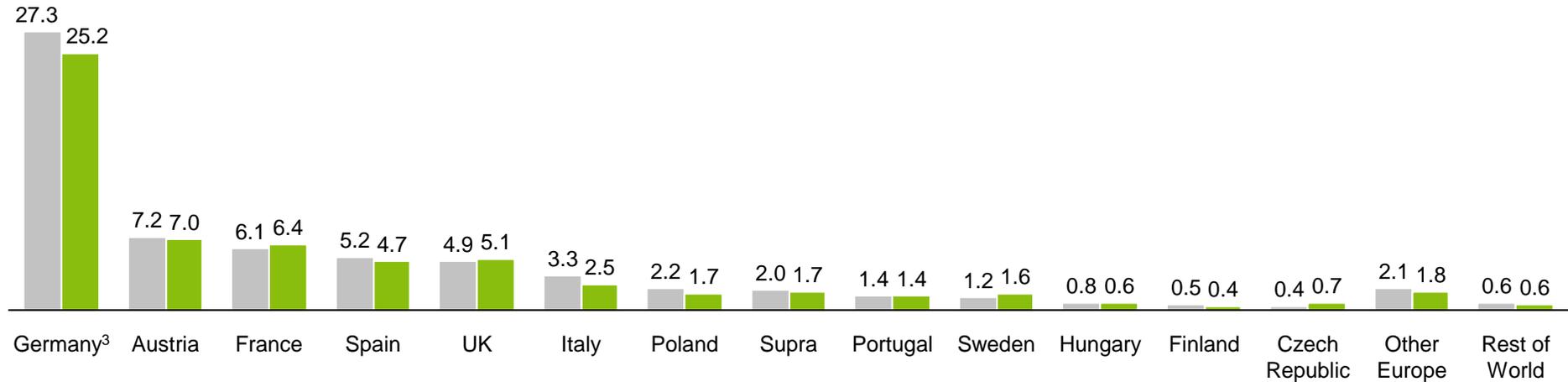
## Total portfolio



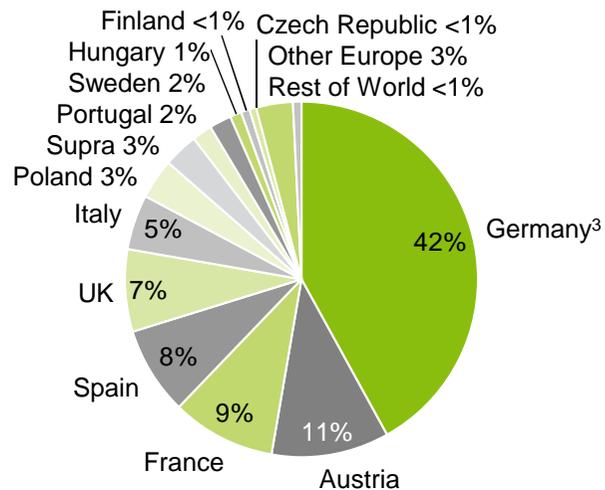
### Regions

EUR billions (EaD, Basel III)<sup>1,2</sup>

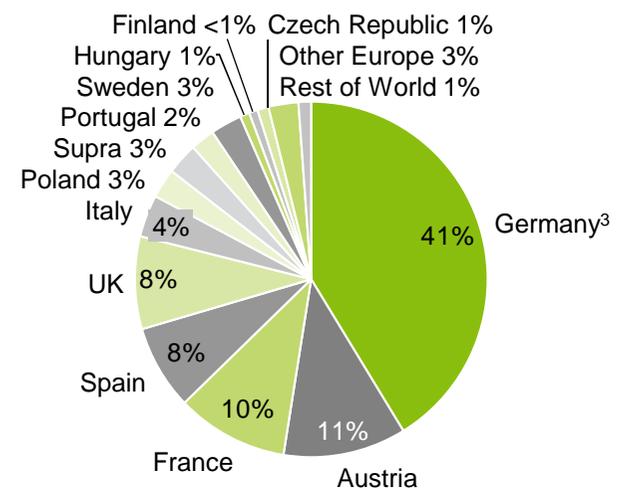
31/12/2014 / Total: EUR 65.2 bn  
 30/09/2015 / Total: EUR 61.5 bn



#### 31/12/2014



#### 30/09/2015



Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure 2 Excl. intra-group exposure 3 Incl. central bank accounts (09/15: EUR 0.3 bn; 12/14: EUR 51 million)

# Portfolio

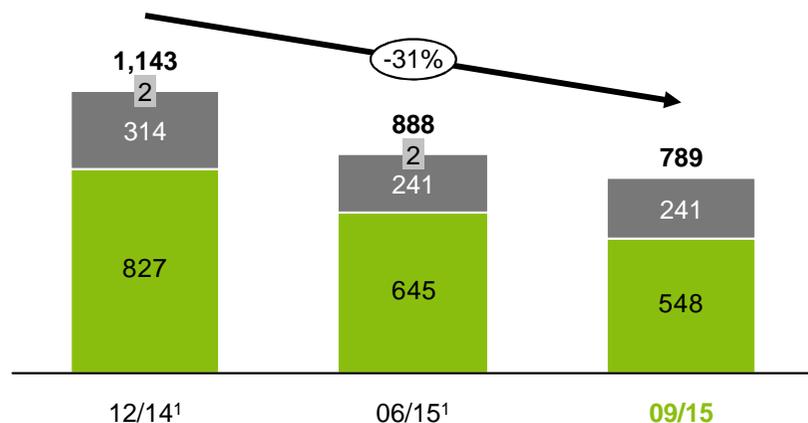
## Problem loans



### Total problem loans

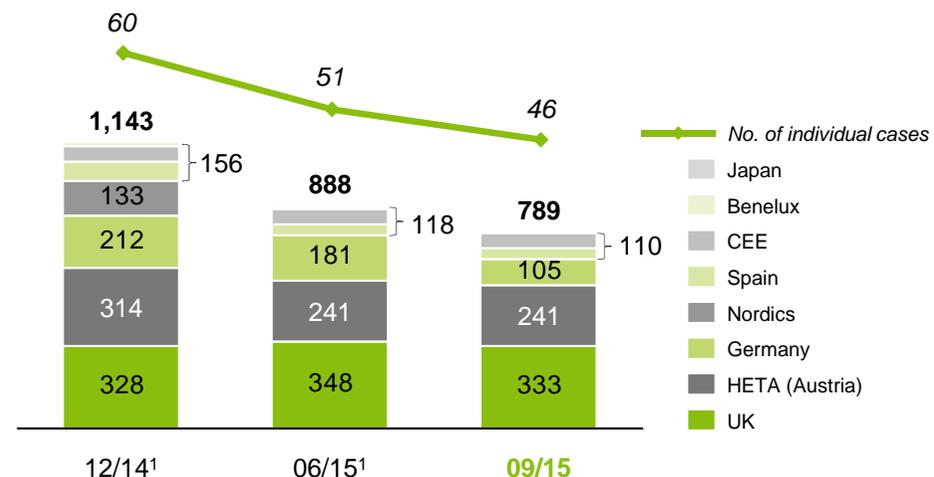
EUR millions (EaD, Basel III)

VP (thereof: HETA)  
REF



### Regions

EUR million (EaD, Basel III)



Total problem loans EUR millions (EaD)	12/14 <sup>1</sup>				09/15			
	REF	PIF	VP	Total	REF	PIF	VP	Total
Workout loans <sup>2</sup>	9	-	-	9	9	-	-	9
Restructuring loans <sup>3</sup>	818	-	316	1,134	539	-	241	780
<b>Total</b>	<b>827</b>	<b>-</b>	<b>316</b>	<b>1,143</b>	<b>548</b>	<b>-</b>	<b>241</b>	<b>789</b>

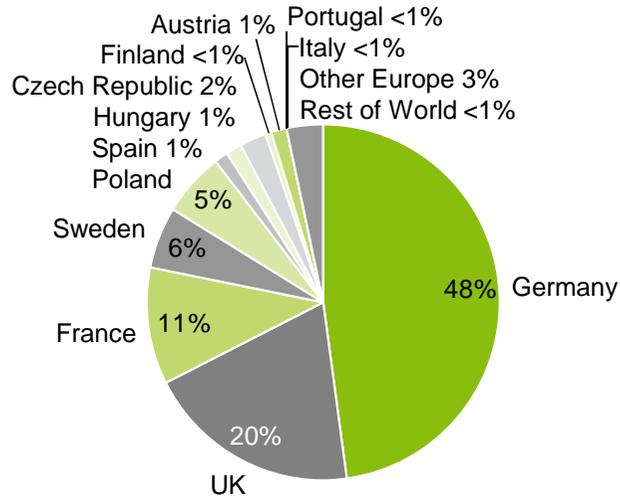
Note: Figures may not add up due to rounding 1 In addition, EUR 1 mn in C&A 2 No signs that the deal will recover soon, compulsory measures necessary 3 Payments more than 90 days overdue or criteria acc. to respective policy apply

# Portfolio

## Real Estate Finance (REF)

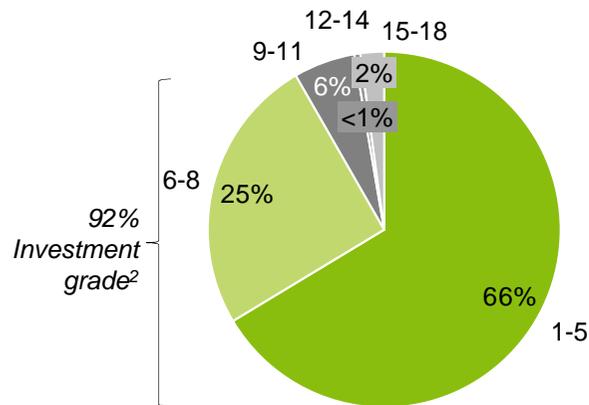
### Portfolio: Regions

30/09/2015: EUR 25.3 bn (EaD, Basel III)<sup>1</sup>



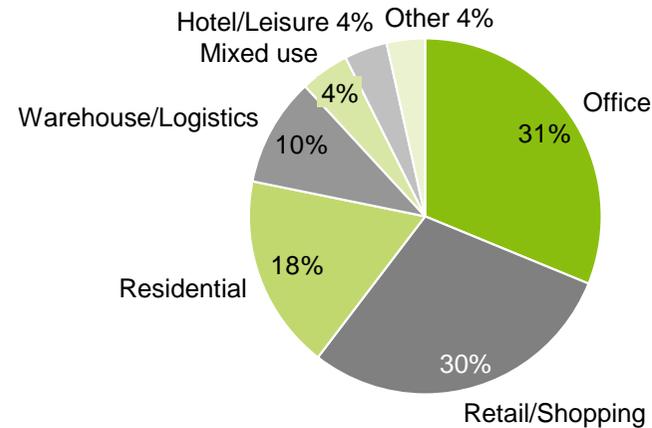
### Portfolio: Internal Ratings (EL classes)

30/09/2015: EUR 25.3 bn (EaD, Basel III)<sup>1</sup>



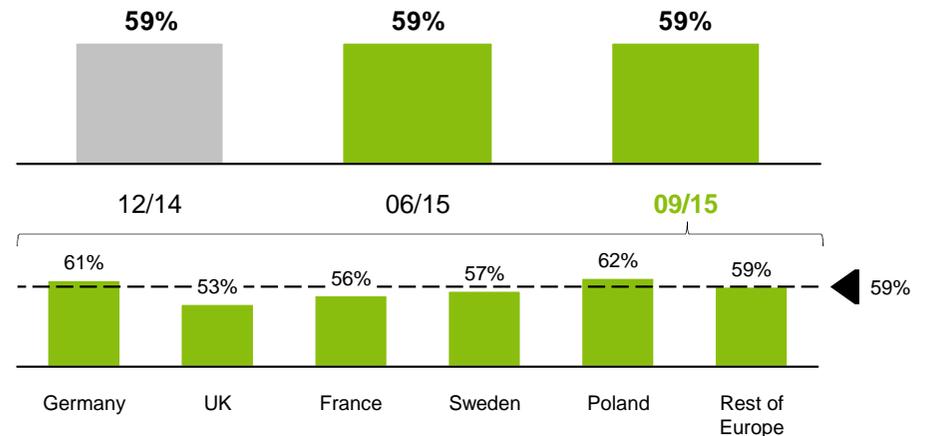
### Portfolio: Property types

30/09/2015: EUR 25.3 bn (EaD, Basel III)<sup>1</sup>



### Portfolio: Avg. weighted LTVs

(Commitments)<sup>3</sup>



Note: Figures may not add up due to rounding 1 Excl. intra-group exposure 2 EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade 3 Based on performing loans only

# Portfolio

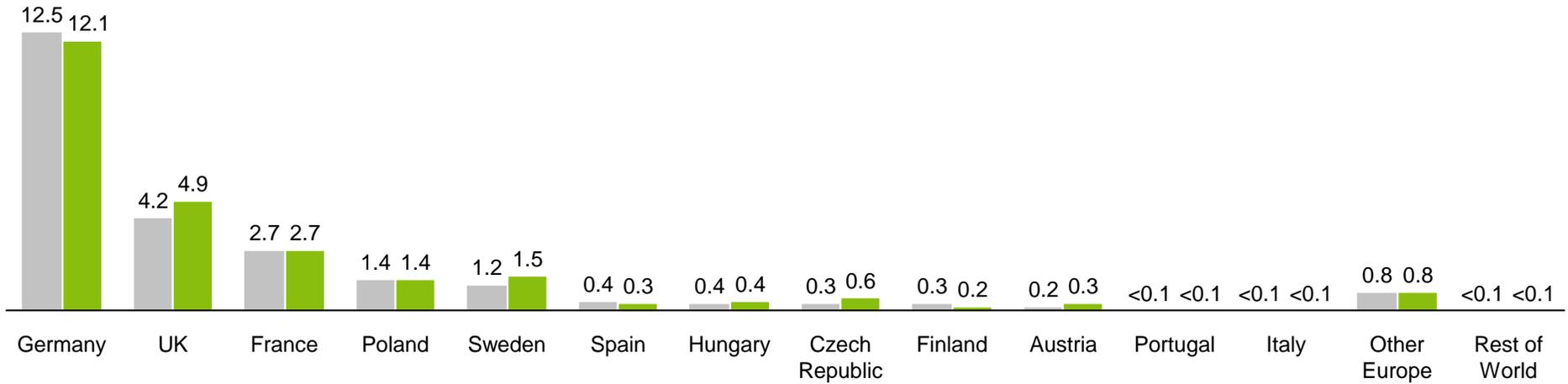
## Real Estate Finance (REF)



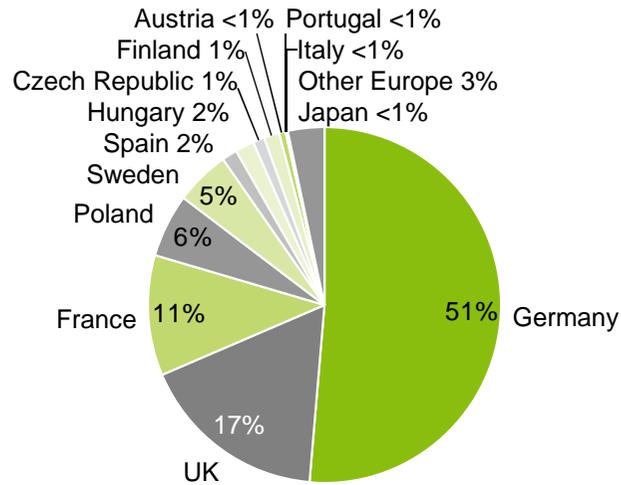
### Regions

EUR billions (EaD, Basel III)<sup>1</sup>

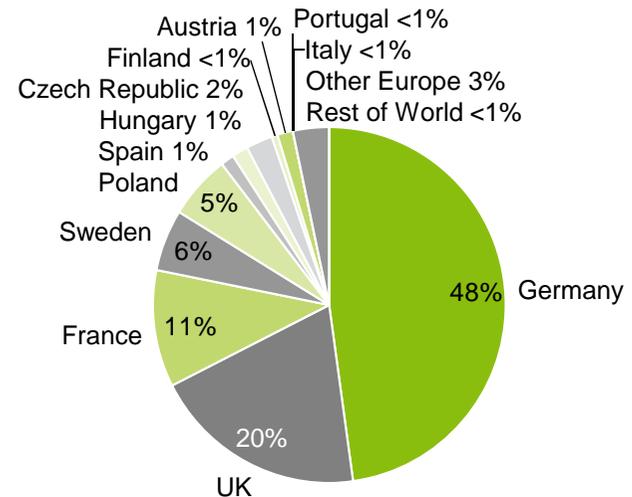
31/12/2014 / Total: EUR 24.3 bn  
 30/09/2015 / Total: EUR 25.3 bn



#### 31/12/2014



#### 30/09/2015



Note: Figures may not add up due to rounding 1 Excl. intra-group exposure

# Portfolio

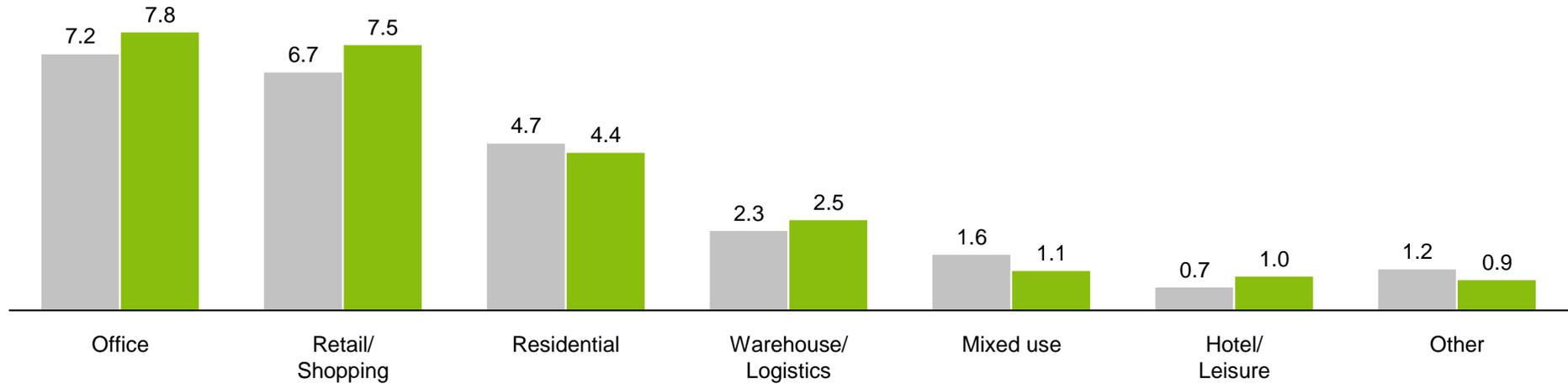
## Real Estate Finance (REF)



### Property types

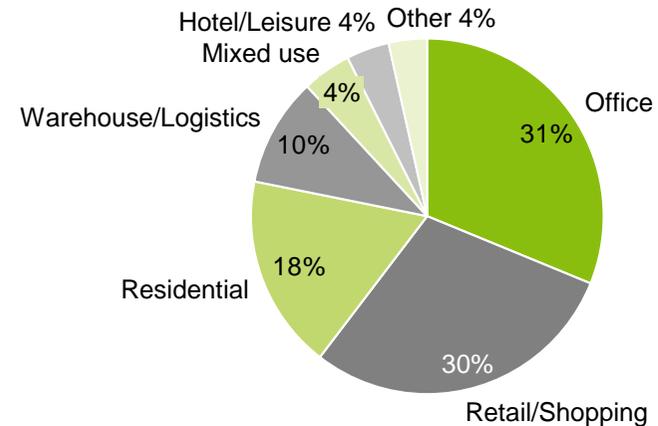
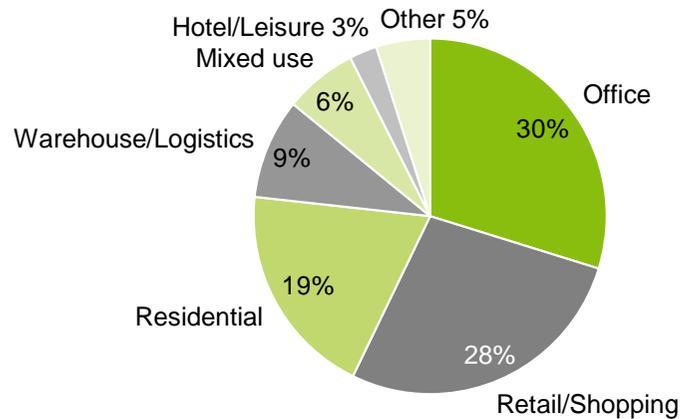
EUR billions (EaD, Basel III)<sup>1</sup>

■ 31/12/2014 / Total: EUR 24.3 bn  
■ 30/09/2015 / Total: EUR 25.3 bn



31/12/2014

30/09/2015



Note: Figures may not add up due to rounding <sup>1</sup> Excl. intra-group exposure

# Portfolio

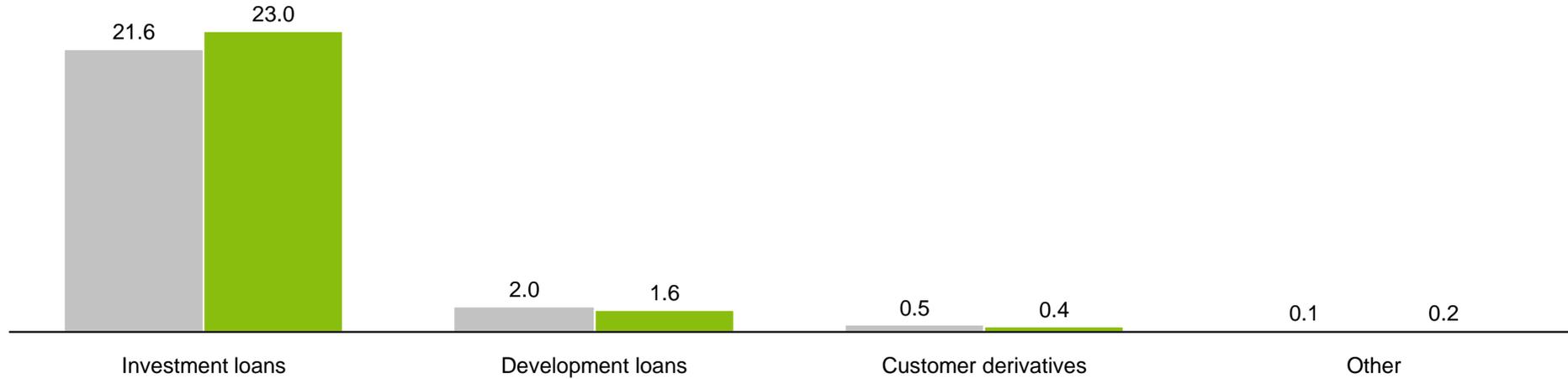
## Real Estate Finance (REF)



### Loan types

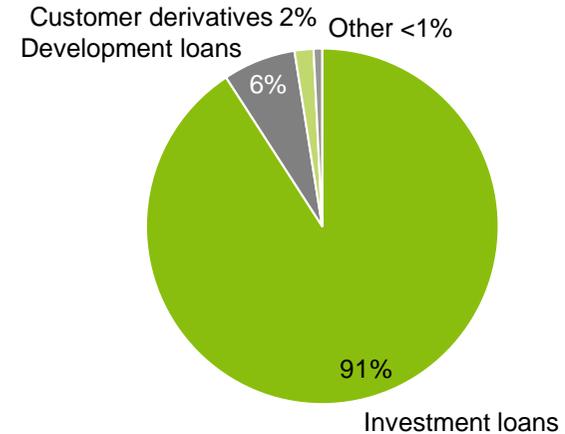
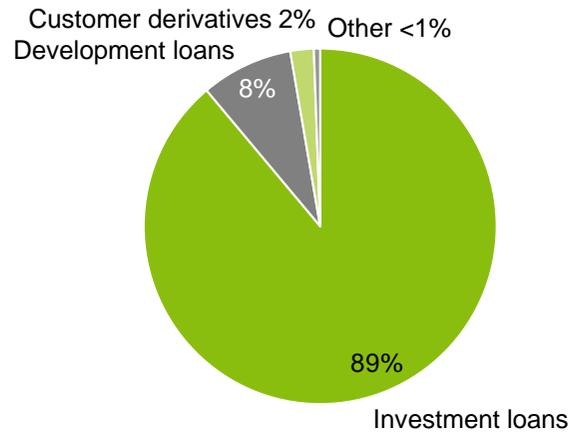
EUR billions (EaD, Basel III)<sup>1</sup>

■ 31/12/2014 / Total: EUR 24.3 bn  
■ 30/09/2015 / Total: EUR 25.3 bn



31/12/2014

30/09/2015



Note: Figures may not add up due to rounding <sup>1</sup> Excl. intra-group exposure

# Portfolio

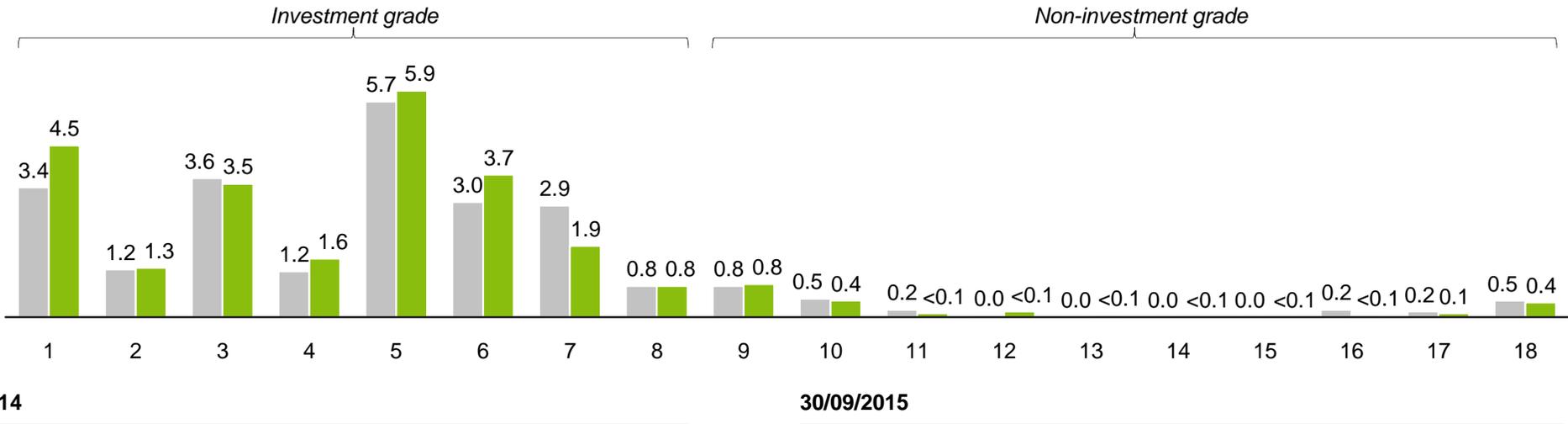
## Real Estate Finance (REF)



### Internal ratings (EL classes)

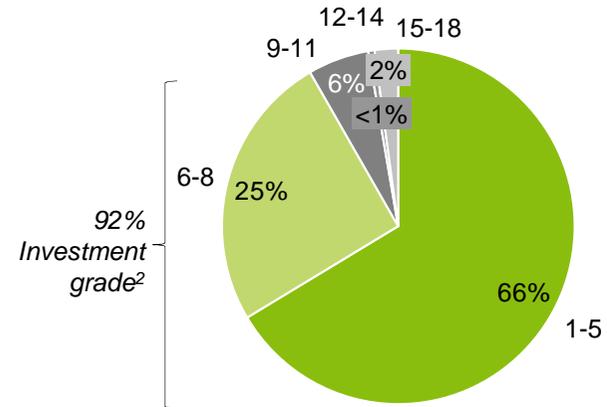
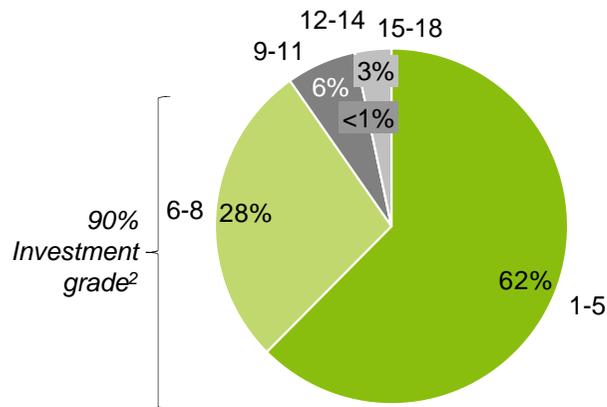
EUR billions (EaD, Basel III)<sup>1</sup>

■ 31/12/2014 / Total: EUR 24.3 bn  
■ 30/09/2015 / Total: EUR 25.3 bn



31/12/2014

30/09/2015



Note: Figures may not add up due to rounding <sup>1</sup> Excl. intra-group exposure <sup>2</sup> EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

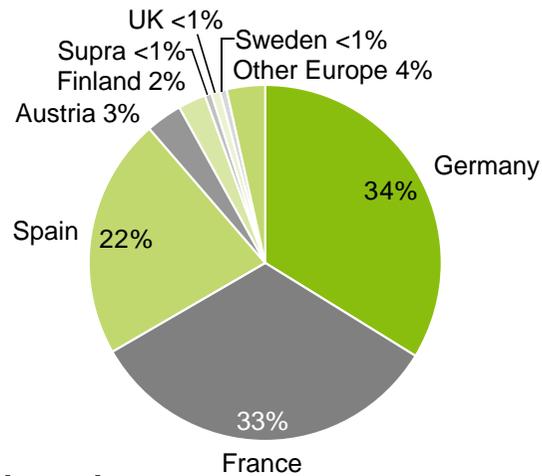
# Portfolio

## Public Investment Finance (PIF)



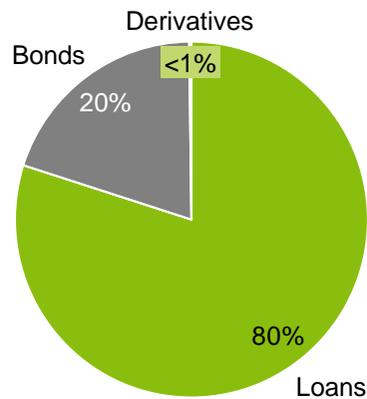
### Portfolio: Regions

30/09/2015: EUR 8.1 bn (EaD, Basel III)



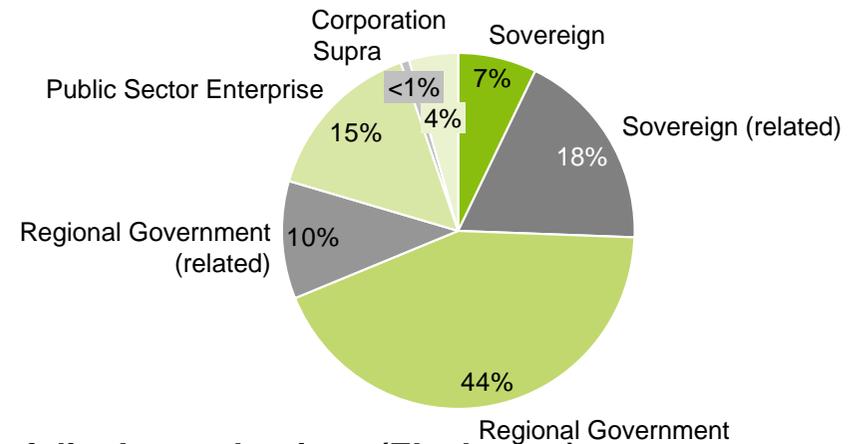
### Portfolio: Product class

30/09/2015: EUR 8.1 bn (EaD, Basel III)



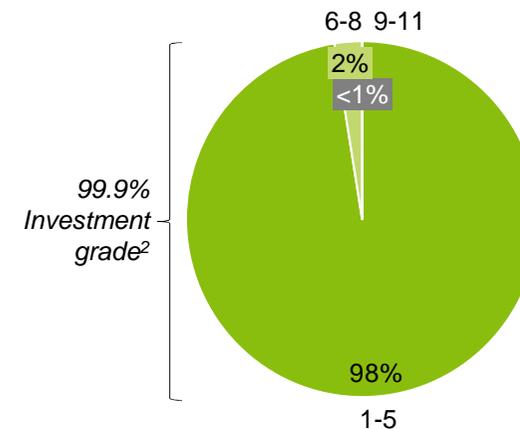
### Portfolio: Borrower classification<sup>1</sup>

30/09/2015: EUR 8.1 bn (EaD, Basel III)



### Portfolio: Internal ratings (EL classes)

30/09/2015: EUR 8.1 bn (EaD, Basel III)



Note: Figures may not add up due to rounding <sup>1</sup> See appendix for definition of borrower classification <sup>2</sup> EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

# Portfolio

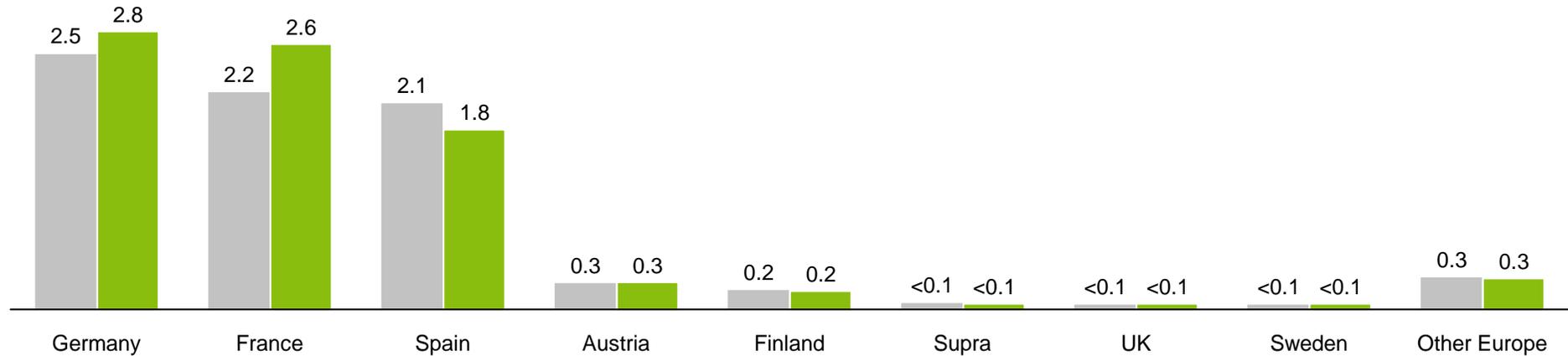
## Public Investment Finance (PIF)



### Regions

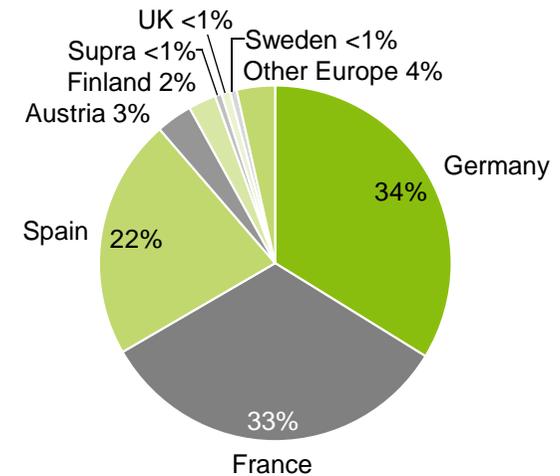
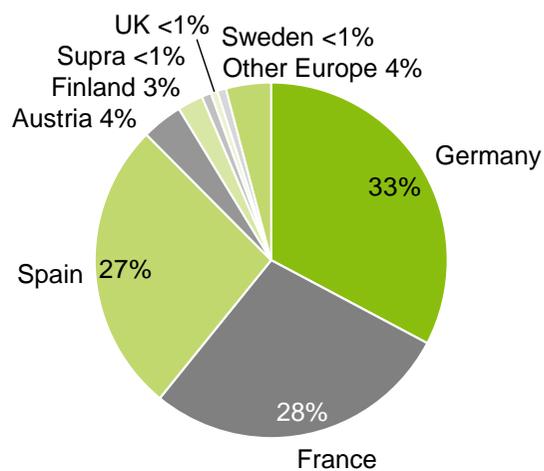
EUR billions (EaD, Basel III)

■ 31/12/2014 / Total: EUR 7.8 bn<sup>1</sup>  
■ 30/09/2015 / Total: EUR 8.1 bn



31/12/2014<sup>1</sup>

30/09/2015



Note: Figures may not add up due to rounding <sup>1</sup> Restated; figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.5 bn) into VP (as of 01/01/15)

# Portfolio

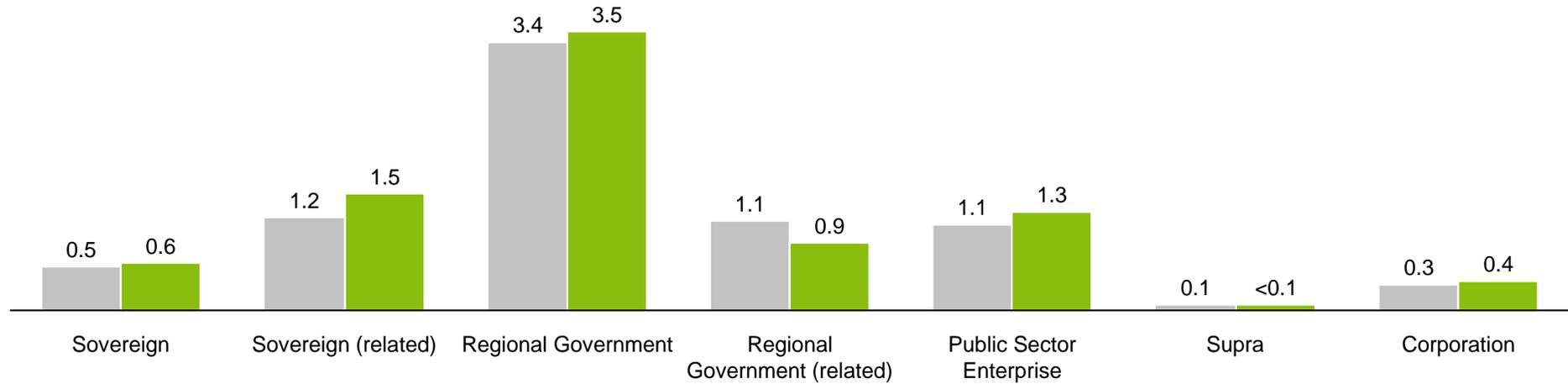
## Public Investment Finance (PIF)



### Borrower classification<sup>1</sup>

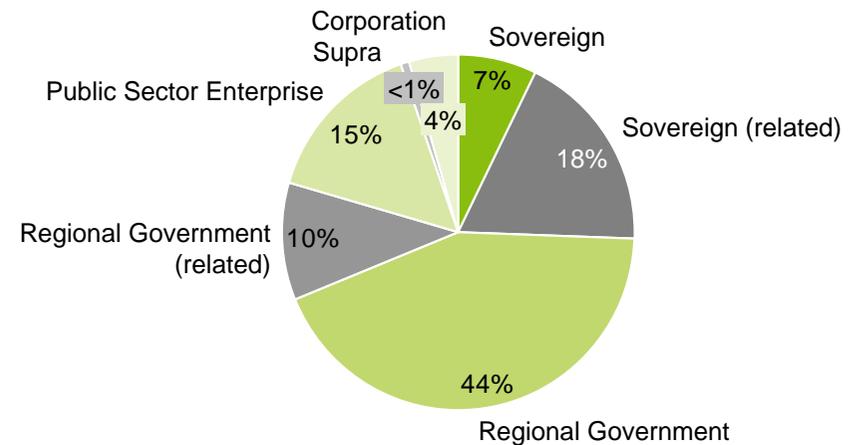
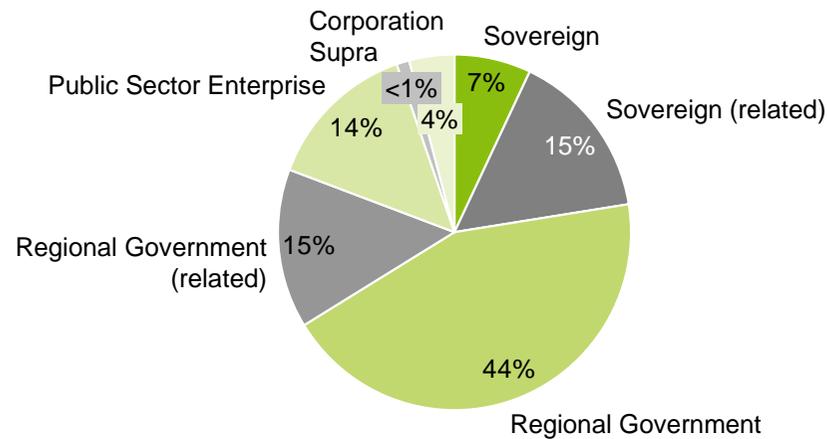
EUR billions (EaD, Basel III)

■ 31/12/2014 / Total: EUR 7.8 bn<sup>2</sup>  
■ 30/09/2015 / Total: EUR 8.1 bn



31/12/2014<sup>2</sup>

30/09/2015



Note: Figures may not add up due to rounding    1 See appendix for definition of borrower classification    2 Restated; figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.5 bn) into VP (as of 01/01/15)

# Portfolio

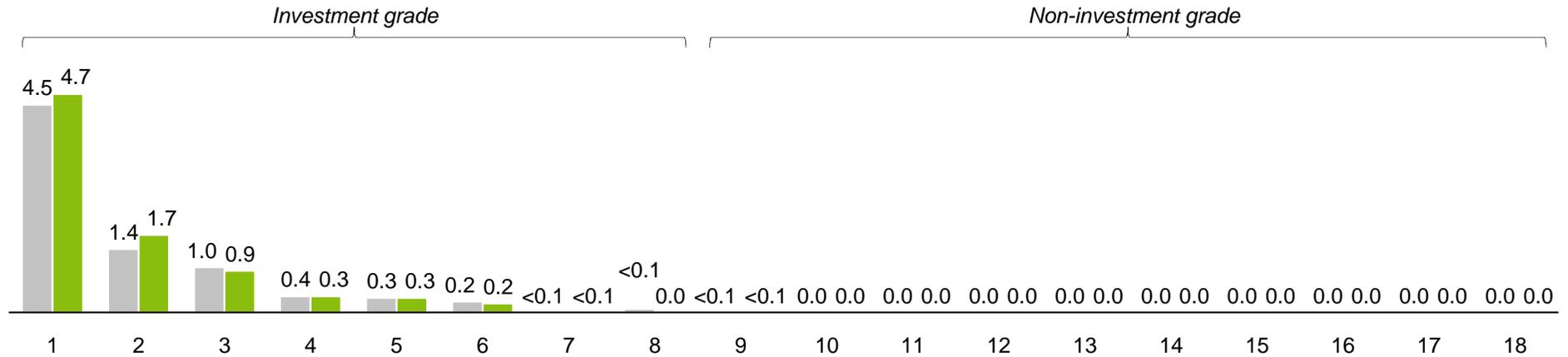
## Public Investment Finance (PIF)



### Internal ratings (EL classes)

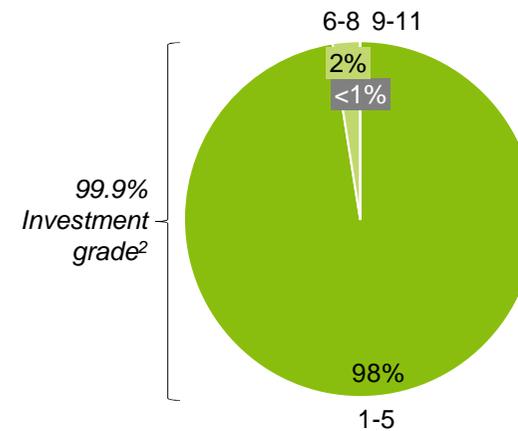
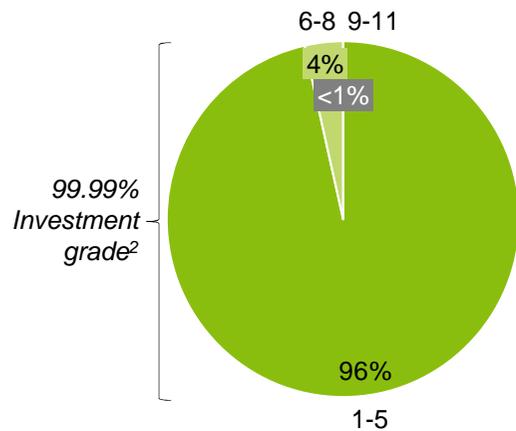
EUR billions (EaD, Basel III)

■ 31/12/2014 / Total: EUR 7.8 bn<sup>1</sup>  
■ 30/09/2015 / Total: EUR 8.1 bn



31/12/2014<sup>1</sup>

30/09/2015



Note: Figures may not add up due to rounding <sup>1</sup> Restated; figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.5 bn) into VP (as of 01/01/15) <sup>2</sup> EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

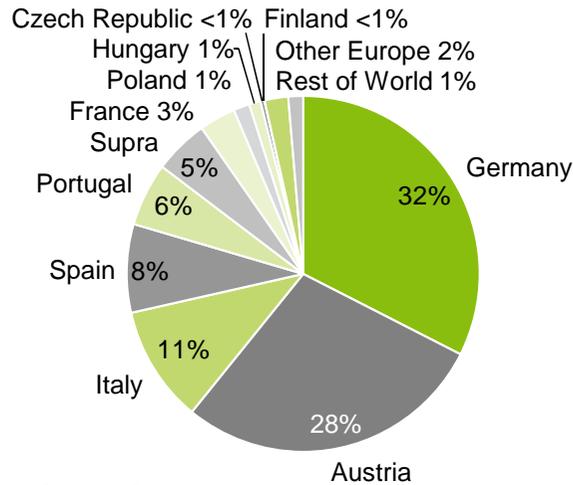
# Portfolio

## Value Portfolio (VP)



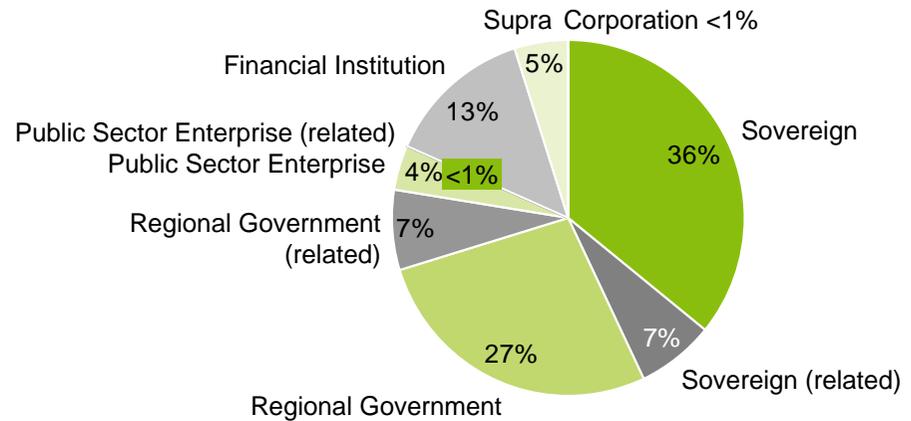
### Portfolio: Regions

30/09/2015: EUR 22.7 bn (EaD, Basel III)<sup>1</sup>



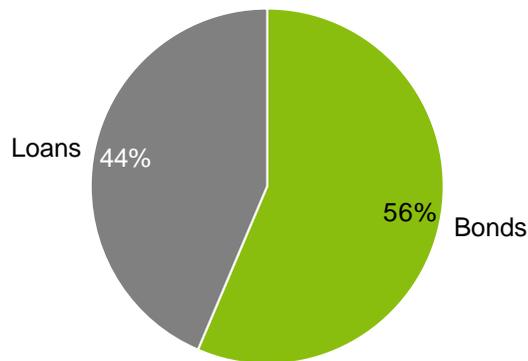
### Portfolio: Borrower classification<sup>2</sup>

30/09/2015: EUR 22.7 bn (EaD, Basel III)<sup>1</sup>



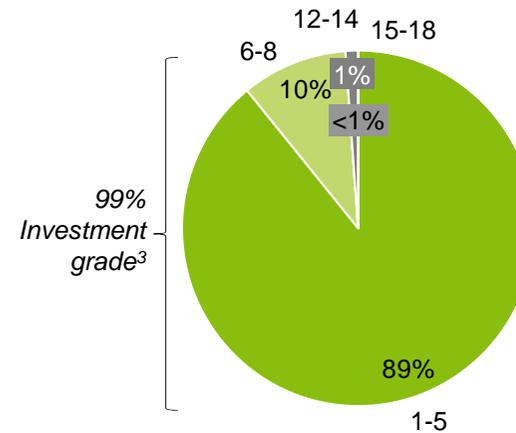
### Portfolio: Product class

30/09/2015: EUR 22.7 bn (EaD, Basel III)<sup>1</sup>



### Portfolio: Internal ratings (EL classes)

30/09/2015: EUR 22.7 bn (EaD, Basel III)<sup>1</sup>



Note: Figures may not add up due to rounding    1 Excl. FMS-WM guaranteed exposure    2 See appendix for definition of borrower classification    3 EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

# Portfolio

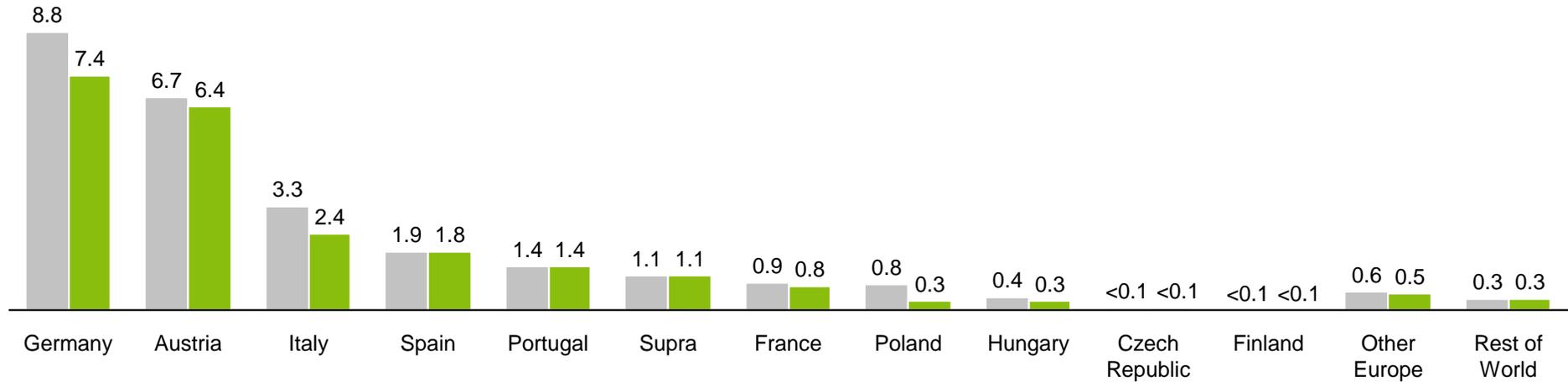
## Value Portfolio (VP)



### Regions

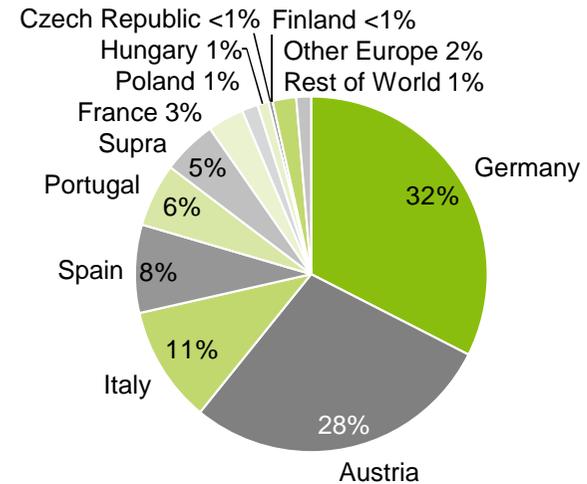
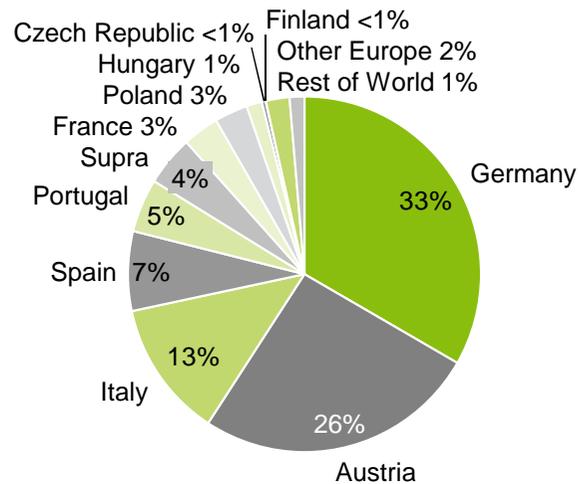
EUR billions (EaD, Basel III)<sup>1</sup>

■ 31/12/2014 / Total: EUR 26.2 bn<sup>2</sup>  
 ■ 30/09/2015 / Total: EUR 22.7 bn



31/12/2014<sup>2</sup>

30/09/2015



Note: Figures may not add up due to rounding    1 Excl. FMS-WM guaranteed exposure    2 Restated; figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.5 bn) into VP (as of 01/01/15)

# Portfolio

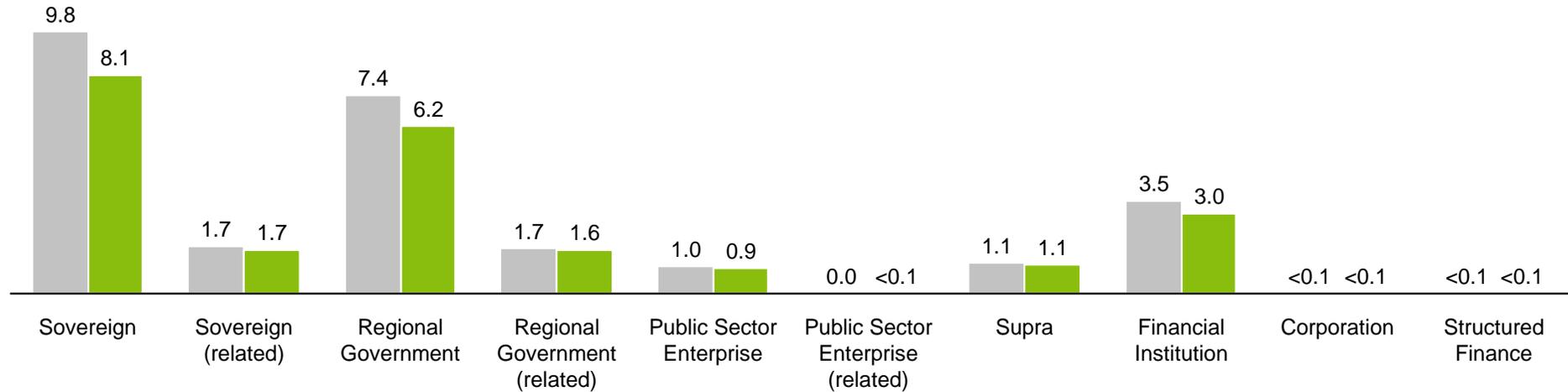
## Value Portfolio (VP)



### Borrower classification<sup>1</sup>

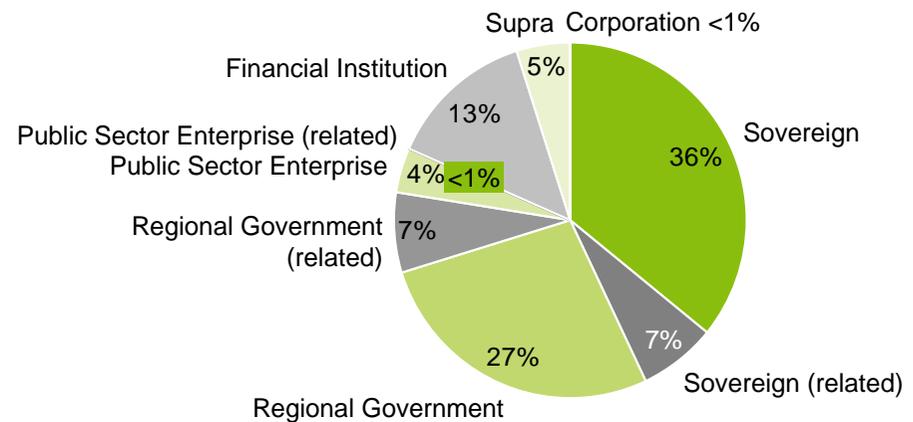
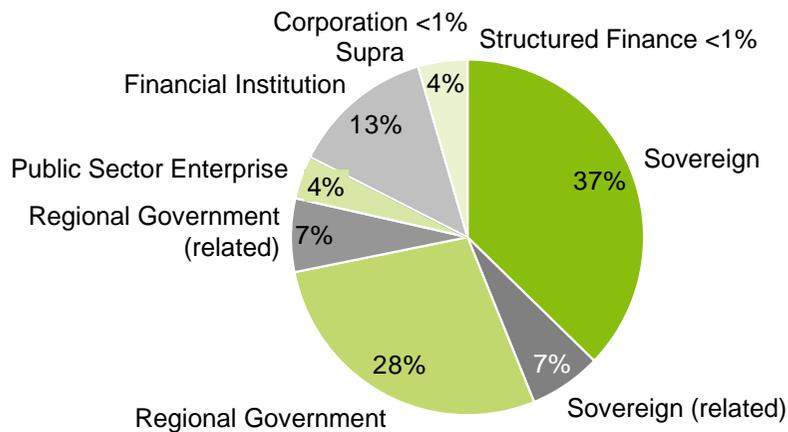
EUR billions (EaD, Basel III)<sup>2</sup>

■ 31/12/2014 / Total: EUR 26.2 bn<sup>3</sup>  
 ■ 30/09/2015 / Total: EUR 22.7 bn



31/12/2014<sup>3</sup>

30/09/2015



Note: Figures may not add up due to rounding <sup>1</sup> See appendix for definition of borrower classification <sup>2</sup> Excl. FMS-WM guaranteed exposure <sup>3</sup> Restated; figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.5 bn) into VP (as of 01/01/15)

# Portfolio

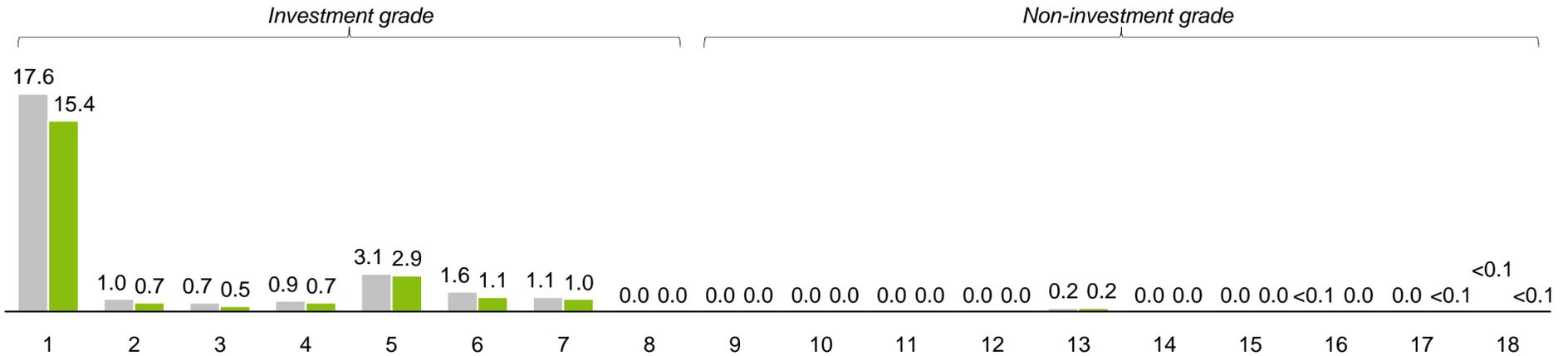
## Value Portfolio (VP)



### Internal ratings (EL classes)

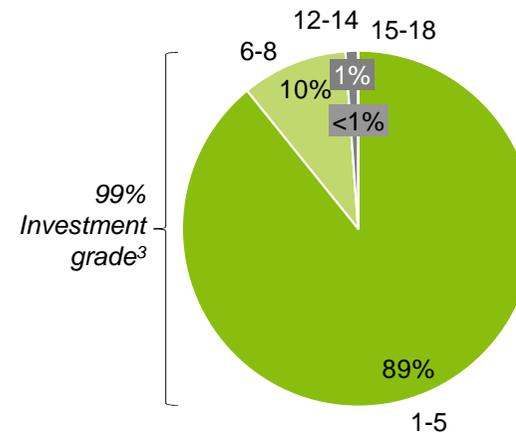
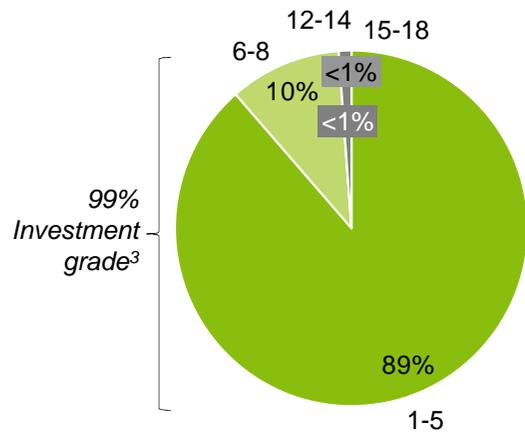
EUR billions (EaD, Basel III)<sup>1</sup>

■ 31/12/2014 / Total: EUR 26.2 bn<sup>2</sup>  
■ 30/09/2015 / Total: EUR 22.7 bn



31/12/2014<sup>2</sup>

30/09/2015



Note: Figures may not add up due to rounding <sup>1</sup> Excl. FMS-WM guaranteed exposure <sup>2</sup> Restated; figures retrospectively adjusted for transfer of Italian PIF portfolio (EUR 1.5 bn) into VP (as of 01/01/15) <sup>3</sup> EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

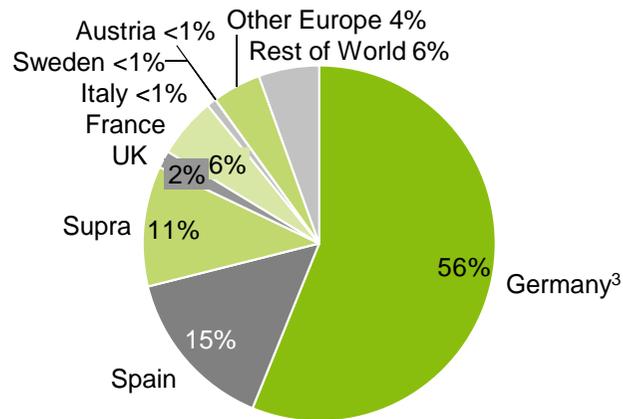
# Portfolio

## Consolidation & Adjustments (C&A)



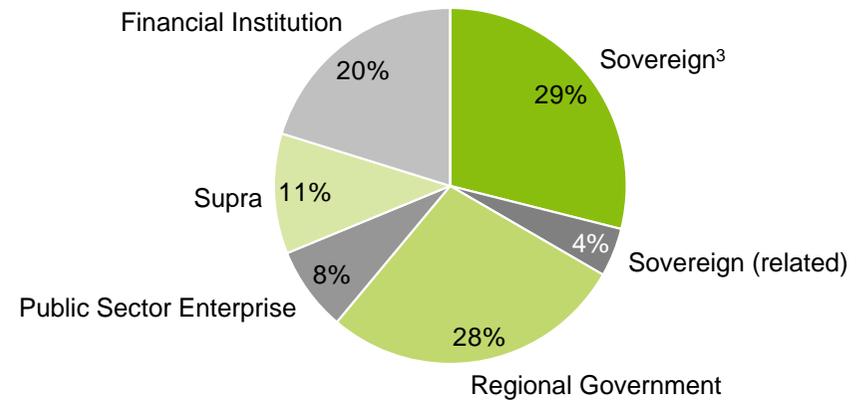
### Portfolio: Regions

30/09/2015: EUR 5.3 bn (EaD, Basel III)<sup>1,2</sup>



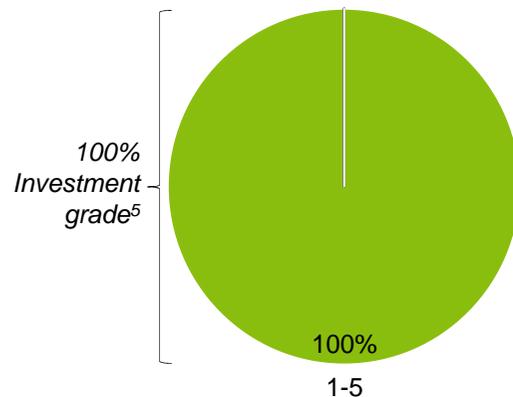
### Portfolio: Borrower classification<sup>4</sup>

30/09/2015: EUR 5.3 bn (EaD, Basel III)<sup>1,2</sup>



### Portfolio: Internal ratings (EL classes)

30/09/2015: EUR 5.3 bn (EaD, Basel III)<sup>1,2</sup>



Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure 2 Excl. intra-group exposure 3 Incl. Bundesbank accounts (09/15: EUR 0.3 bn; 12/14: EUR 51 million) 4 See appendix for definition of borrower classification 5 EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

# Portfolio

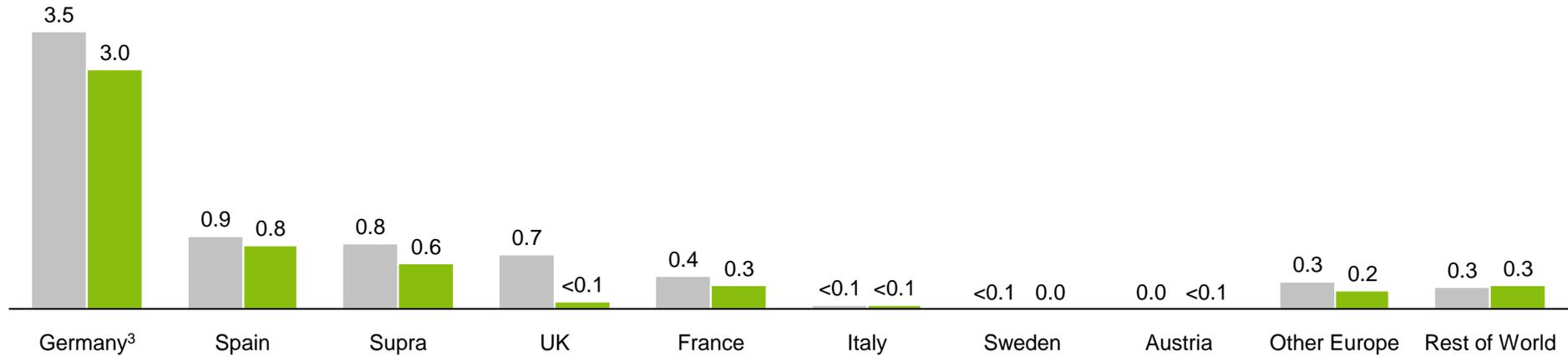
## Consolidation & Adjustments (C&A)



### Regions

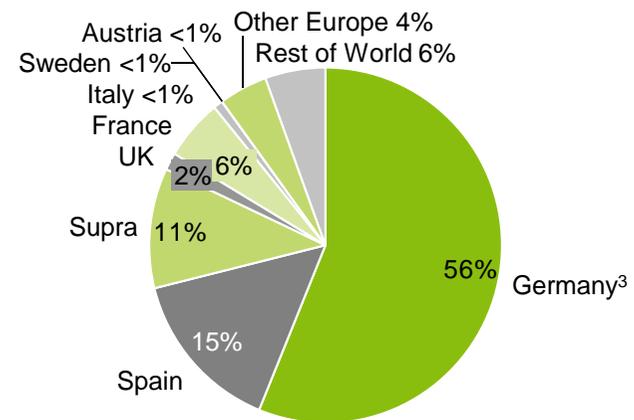
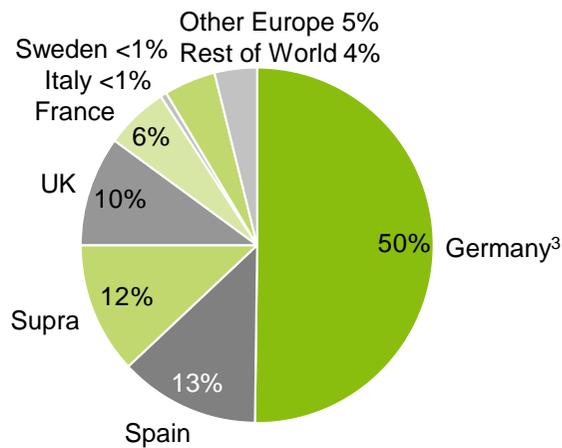
EUR billions (EaD, Basel III)<sup>1,2</sup>

■ 31/12/2014 / Total: EUR 6.9 bn  
 ■ 30/09/2015 / Total: EUR 5.3 bn



31/12/2014

30/09/2015



Note: Figures may not add up due to rounding 1 Excl. FMS-WM guaranteed exposure 2 Excl. intra-group exposure 3 Incl. Bundesbank accounts (09/15: EUR 0.3 bn; 12/14: EUR 51 million)

# Portfolio

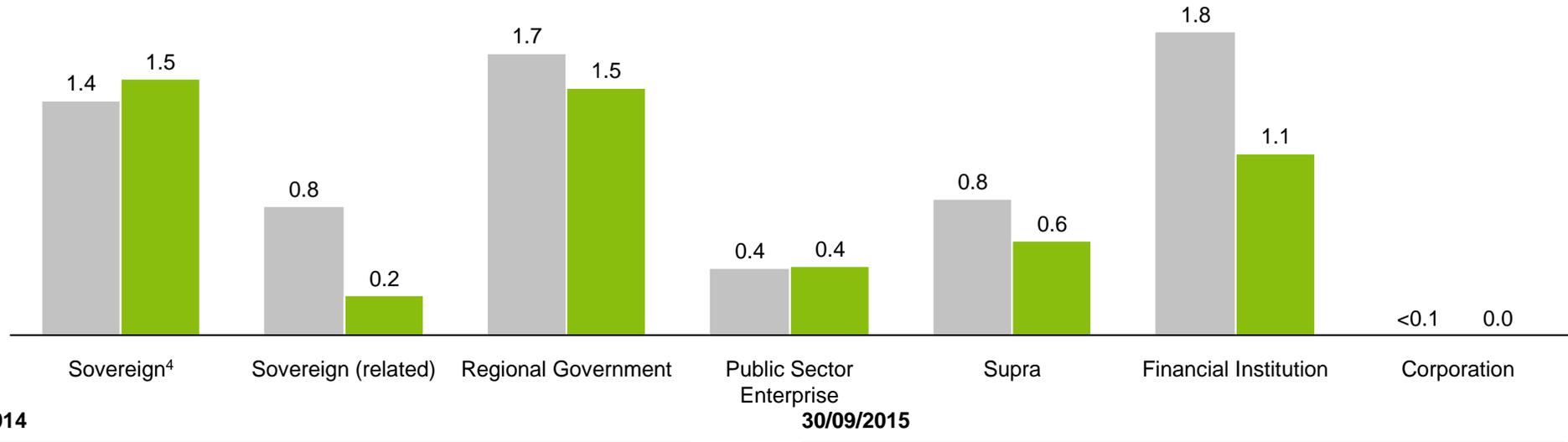
## Consolidation & Adjustments (C&A)



### Borrower classification<sup>1</sup>

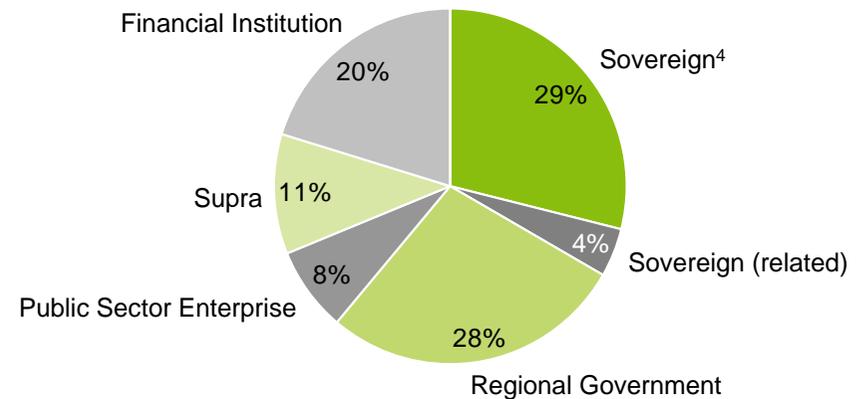
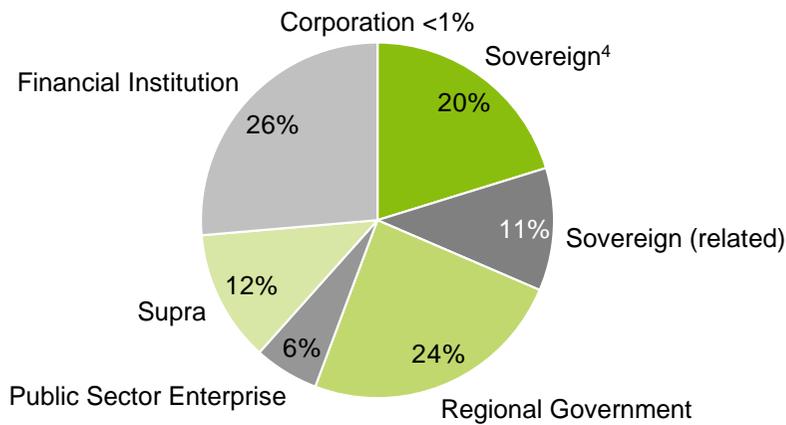
EUR billions (EaD, Basel III)<sup>2,3</sup>

31/12/2014 / Total: EUR 6.9 bn  
 30/09/2015 / Total: EUR 5.3 bn



31/12/2014

30/09/2015



Note: Figures may not add up due to rounding 1 See appendix for definition of borrower classification 2 Excl. FMS-WM guaranteed exposure 3 Excl. intra-group exposure 4 Incl. Bundesbank accounts (09/15: EUR 0.3 bn; 12/14: EUR 51 million)

# Portfolio

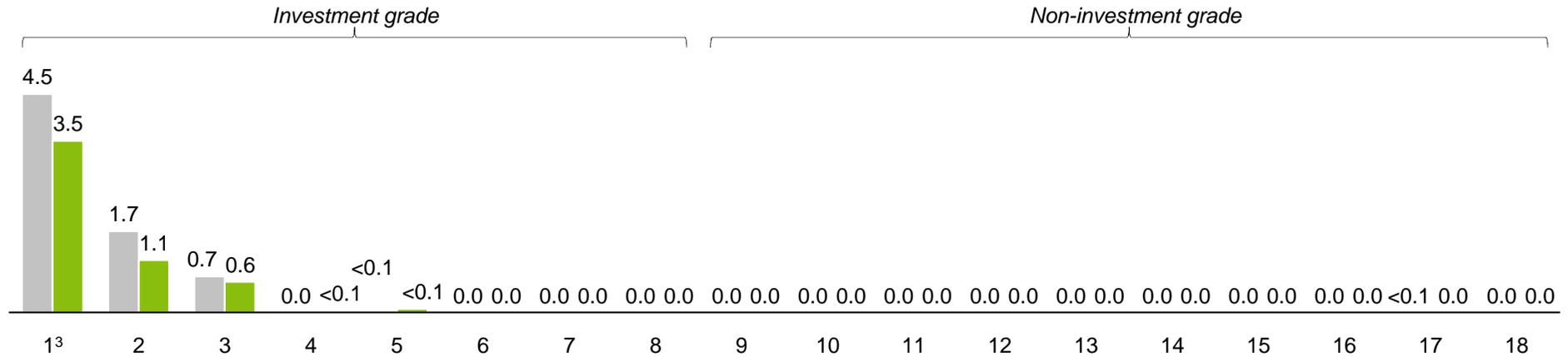
## Consolidation & Adjustments (C&A)



### Internal ratings (EL classes)

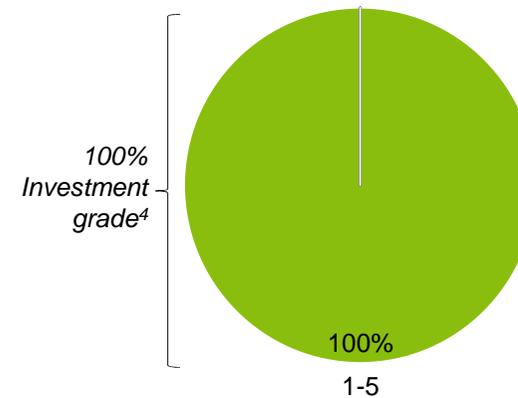
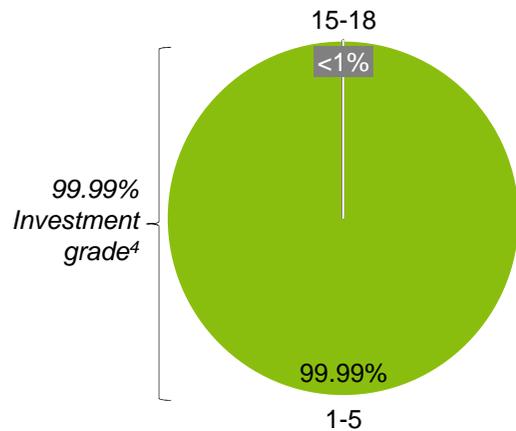
EUR billions (EaD, Basel III)<sup>1,2</sup>

31/12/2014 / Total: EUR 6.9 bn  
 30/09/2015 / Total: EUR 5.3 bn



31/12/2014

30/09/2015



Note: Figures may not add up due to rounding  
 1 Excl. FMS-WM guaranteed exposure  
 2 Excl. intra-group exposure  
 3 Incl. Bundesbank accounts (09/15: EUR 0.3 bn; 12/14: EUR 51 million)  
 4 EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

# Funding

## Public benchmark issuances since 2013



Type	WKN	Launch Date	Maturity Date	Size	Spread <sup>1</sup>	Coupon	Issue/Reoffer Price
Senior Unsecured	A1RFBU	17.01.2013	19.07.2016	EUR 500 mn	+138bp	2.000%	99.587%
Mortgage Pfandbrief	A1RFBY	23.01.2013	30.01.2017	EUR 500 mn	+8bp	0.875%	99.585%
Senior Unsecured (1 <sup>st</sup> Tap)	A1RFBU	14.02.2013	19.07.2016	EUR 360 mn	+109bp	2.000%	100.382%
Mortgage Pfandbrief	A1R052	11.03.2013	18.03.2020	EUR 500 mn	+25bp	1.500%	99.487%
Mortgage Pfandbrief	A1R058	08.05.2013	16.05.2016	GBP 200 mn	+50bp <sup>2</sup>	3mL+45bp	99.852%
Public Sector Pfandbrief	A1R06C	22.05.2013	29.05.2028	EUR 500 mn	+40bp	2.375%	98.612%
Mortgage Pfandbrief (1 <sup>st</sup> Tap)	A1R052	28.05.2013	18.03.2020	EUR 250 mn	+16bp	1.500%	100.835%
Mortgage Pfandbrief (1 <sup>st</sup> Tap)	A1PG3M	28.05.2013	20.12.2019	GBP 75 mn	+83bp <sup>3</sup>	1.875%	99.589%
Mortgage Pfandbrief (1 <sup>st</sup> Tap)	A1R058	05.08.2013	16.05.2016	GBP 50 mn	+50bp <sup>2</sup>	3mL+45bp	99.810%
Mortgage Pfandbrief (2 <sup>nd</sup> Tap)	A1PG3M	20.08.2013	20.12.2019	GBP 50 mn	+90bp <sup>3</sup>	1.875%	95.493%
Mortgage Pfandbrief	A1X256	21.08.2013	28.08.2018	EUR 500 mn	+9bp	1.375%	99.803%
Pub. Sec. Pfandbrief (1 <sup>st</sup> Tap)	A1R06C	22.08.2013	29.05.2028	EUR 200 mn	+25bp	2.375%	94.052%
Senior Unsecured	A1X26E	02.09.2013	11.09.2017	EUR 500 mn	+115bp	2.250%	99.799%
Mortgage Pfandbrief (1 <sup>st</sup> Tap)	A1RFBY	04.10.2013	30.01.2017	EUR 100 mn	-1.5bp	0.875%	100.127%
Mortgage Pfandbrief	A1X3LT	14.01.2014	21.01.2022	EUR 500 mn	+17bp	1.875%	99.362%
Mortgage Pfandbrief (2 <sup>nd</sup> Tap)	A1MLUW	13.02.2014	03.06.2019	EUR 50 mn	+10bp	2.125%	104.988%
Mortgage Pfandbrief	A11QAP	18.03.2014	25.03.2019	EUR 500 mn	+14bp	1.000%	99.400%
Senior Unsecured (1 <sup>st</sup> Tap)	A1X26E	03.06.2014	11.09.2017	EUR 150 mn	+72bp	2.250%	103.278%
Mortgage Pfandbrief (2 <sup>nd</sup> Tap)	A1RFBY	23.06.2014	30.01.2017	EUR 150 mn	-5bp	0.875%	101.466%
Mortgage Pfandbrief (1 <sup>st</sup> Tap)	A11QAP	18.08.2014	25.03.2019	EUR 175 mn	+4.5 bp	1.000%	101.915%
Mortgage Pfandbrief	A11QA31	02.09.2014	08.09.2017	EUR 500 mn	+0 bp	0.250%	99.827%
Mortgage Pfandbrief (2 <sup>nd</sup> Tap)	A11QAP	05.09.2014	25.03.2019	EUR 75 mn	+3.3 bp	1.000%	102.534%
Mortgage Pfandbrief	A12UAW2	23.09.2014	29.09.2017	GBP 300 mn	+42 bp <sup>2</sup>	3mL+40 bp	99.941%
Senior Unsecured (2 <sup>nd</sup> Tap)	A1X26E	06.11.2014	11.09.2017	EUR 100 mn	+62bp	2.250%	103.836%
Senior Unsecured	A12UA6	13.01.2015	20.01.2017	EUR 500 mn	+78bp	0.875%	99.874%
Senior Unsecured (1 <sup>st</sup> Tap)	A12UAR	19.01.2015	17.09.2019	EUR 200 mn	+100bp	1.50%	100.918%
Mortgage Pfandbrief	A13SV81	23.07.2015	30.07.2020	EUR 500 mn	-14 bp	0.25%	99.819%
Senior Unsecured	A13SWA	08.10.2015	15.01.2018	EUR 500 mn	+140bp	1.375%	99.826%

1 vs. mid-swap 2 vs. 3mGBP-Libor 3 vs. UK Gilts

# Ratings

## Mandated ratings



as of 12 November 2015

	S&P <sup>1</sup>	DBRS	Moody's <sup>2</sup>
<b>Pfandbrief ratings</b>			
Public Sector Pfandbrief			Aa1
Mortgage Pfandbrief			Aa1
<b>Bank ratings</b>			
Long-term	BBB	BBB	
Outlook/Trend	Negative	Stable	
Short-term	A-2	R-2 (high)	
Stand-alone rating <sup>3</sup>	bbb-	BBB	

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Note: The above list does not include all ratings    1 Pfandbrief Rating mandate terminated by pbb on 11 November 2015    2 Moody's withdrew the Unsecured Bank Ratings on June 29, 2015, following the termination of the mandate by pbb    3 S&P: Stand-alone credit profile; DBRS: Intrinsic Assessment

## Definition of borrower classifications

Borrower classification	Definition
<b>Sovereign</b>	Direct and indirect obligations of Central Governments, Central Banks and National Debt Agencies
<b>Sovereign (related)</b>	Indirect obligations of Non Sovereigns with an explicit first call guarantee by a Sovereign
<b>Regional Government</b>	Direct and indirect obligations of Regional, Provincial and Municipal Governments
<b>Regional Government (related)</b>	Indirect obligations of Non Regional Government with an explicit first call guarantee by a Regional Government
<b>Public Sector Enterprise</b>	Direct obligations of administrative bodies and non commercial/non-profit undertakings
<b>Public Sector Enterprise (related)</b>	Indirect obligations of Non Public Sector Enterprise with an explicit first call guarantee by a Public Sector Enterprise
<b>Financial Institution</b>	Direct and indirect obligations of Universal Banks, Investment Banks, Mortgage Institutions, Brokerages and other banks or Basel regulated institution
<b>Corporation</b>	Direct and indirect obligations of enterprises, established under corporate law and operating in a for profit or competitive environment
<b>Structured Finance</b>	Obligations of an SPV which references the risk of an underlying pool of securitised assets, either synthetically via CDS or directly, the tranches issued by the SPV have different seniority to each other
<b>Supranational</b>	Direct obligations to international Organisations and International Investment and Development Banks
<b>Other</b>	Direct obligations to Individuals

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