

pbb shows continued good performance
– PBT of EUR 56 mn in Q2/17

Results Q2/H1 2017

Analyst Conference Call

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 - 2 Financials**
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Highlights

pbb shows continued good performance – for the full-year, PBT now expected at upper end or slightly above guidance of EUR 150-170 mn

- ➔ **Pre-tax profit** of EUR 56 mn in Q2/17 up +19% q-o-q and +33% y-o-y (H1/17: EUR 103 mn; +18% y-o-y)
 - Solid **NII** (Q2/17: EUR 103 mn; H1/17: EUR 206 mn) based on relatively stable gross new business margin levels and reduced funding costs y-o-y, resulting in remarkably resilient net portfolio margin
 - Small net release of **LLPs** (Q2/17: EUR 2 mn, H1/17: nil), benefiting from portfolio quality and supportive market environment
 - **GAE** up but in line with expectation (Q2/17: EUR 52 mn, H1/17: EUR 102 mn)

- ➔ **New business** in H1/17 slightly up y-o-y (EUR 5.0 bn; H1/16: EUR 4.7 bn) while overall approach remains cautious and markets stay highly competitive
 - REF: EUR 4.5 bn (H1/16: EUR 4.5 bn)
 - PIF: EUR 0.5 bn (H1/16: EUR 0.2 bn)

- ➔ **Strategic financing volume** up in Q2/17 to EUR 32.0 bn (EUR +0.2 bn; H1/17: EUR +0.5 bn)
 - non-strategic Value Portfolio down to EUR 14.6 bn (Q2/17: EUR -0.9 bn; H1/17: EUR -1.2 bn)

- ➔ For the full-year, PBT now expected **at upper end or slightly above guidance** of EUR 150-170 mn

| | |
|-------------------------------------|---|
| <p>CRE markets</p> | <ul style="list-style-type: none"> ■ Diverse picture in Europe and US – while UK and US transaction volumes recede since 2016/2017, Continental Europe shows overall solid performance ■ Continental Europe: Yields further down but fundamentals (office take-up, vacancy rates, rents, etc.) remain strong – more cautious on <ul style="list-style-type: none"> – Scandinavia and CEE (esp. logistic properties) – retail properties ■ UK: GBP weakness acts as further incentive for overseas investors – London prime yields still remain at record lows despite Brexit uncertainty ■ US: Despite overall concerns, solid development expected for office market in New York and Boston |
| <p>Strategic initiatives</p> | <ul style="list-style-type: none"> ■ Strategic initiatives well underway ■ US business in plan <ul style="list-style-type: none"> – applications for representative office submitted – staffing well advanced ■ Digital PIF platform <ul style="list-style-type: none"> – structuring phase completed – development phase ongoing |
| <p>Regulation</p> | <ul style="list-style-type: none"> ■ Individual ECB model review likely to be completed in H2/17 and expected to result in higher risk weights – ECB „TRIM“ still underway ■ Basel IV regulation still in discussion, uncertainty remains ■ Multitude of new regulatory requirements since 2016 (e.g. IFRS 9, MiFID II, MaRisk, BAIT/ IT-requirements, DSGVO, etc.) need more resources and back-up, operating as well as project wise (one-off) |

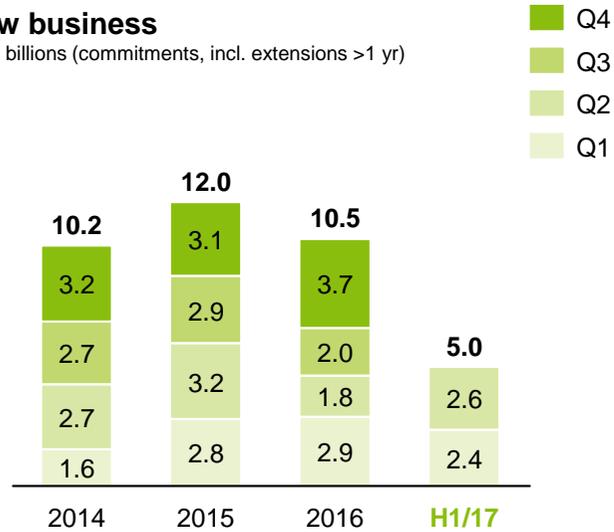
Highlights

Operating and financial overview



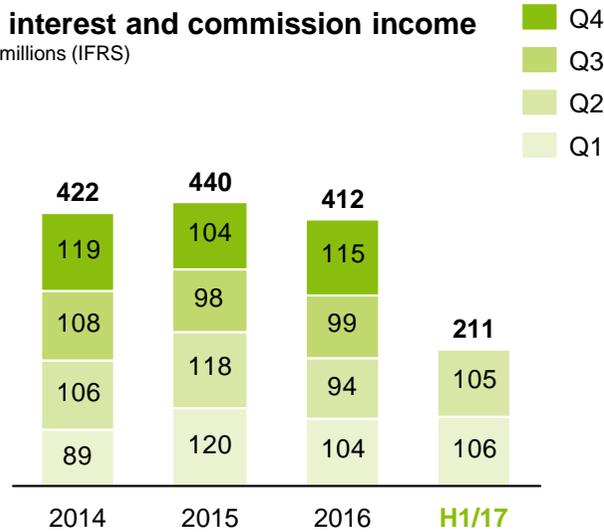
New business

EUR billions (commitments, incl. extensions >1 yr)



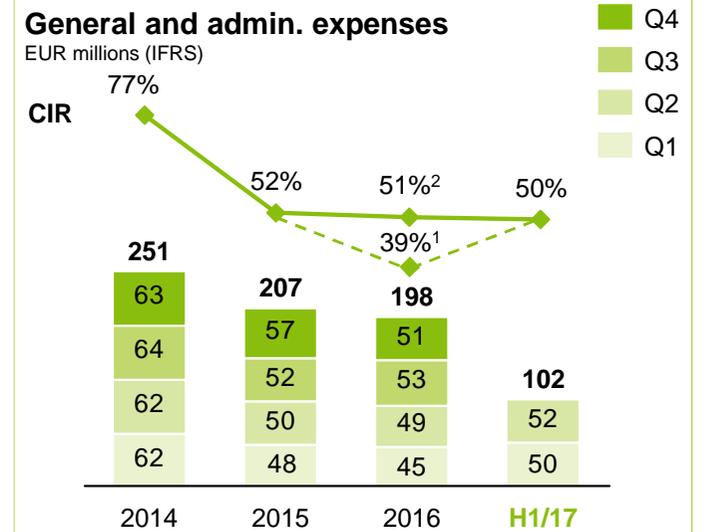
Net interest and commission income

EUR millions (IFRS)



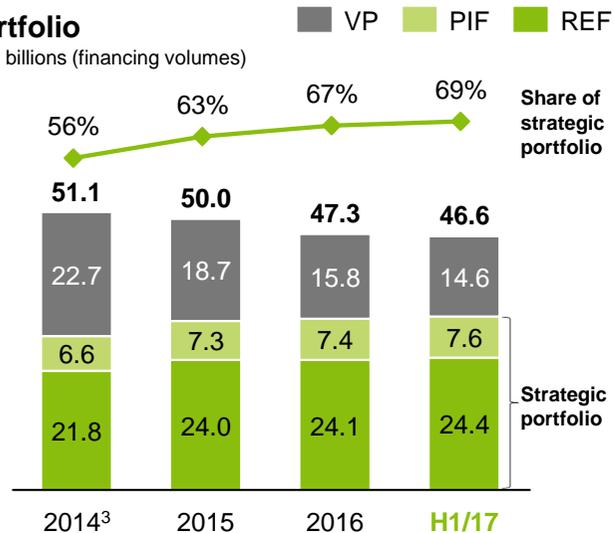
General and admin. expenses

EUR millions (IFRS)



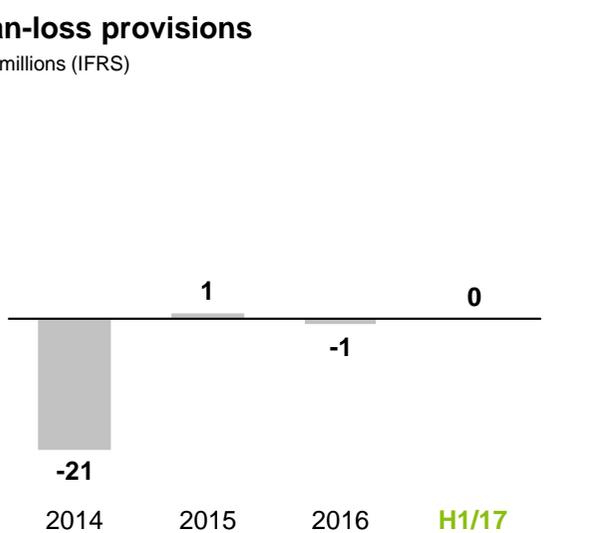
Portfolio

EUR billions (financing volumes)



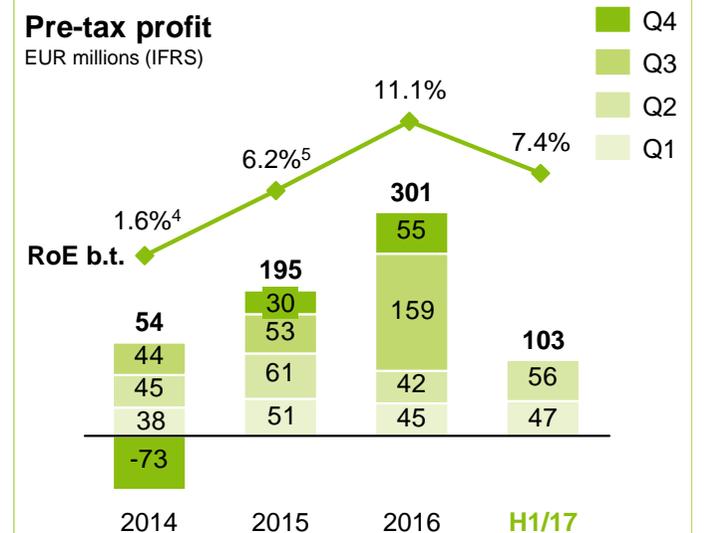
Loan-loss provisions

EUR millions (IFRS)



Pre-tax profit

EUR millions (IFRS)



Note: Figures may not add up due to rounding. 1 Reported incl. extraordinary HETA-gain. 2 adjusted for HETA-effect. 3 Restated; figures retrospectively adjusted for transfer of Italian PIF portfolio into VP (as of 01/01/15). 4 Incl. EUR 1 bn silent participation of Sonderfonds Finanzmarktstabilisierung (FMS). 5 Calculation based on average equity; EUR 1 bn silent participation of Sonderfonds Finanzmarktstabilisierung (FMS) included until redemption in July 2015.

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Income statement

Underlying NII with positive development over the last quarters, benefiting from relatively stable margin levels and reduced funding costs

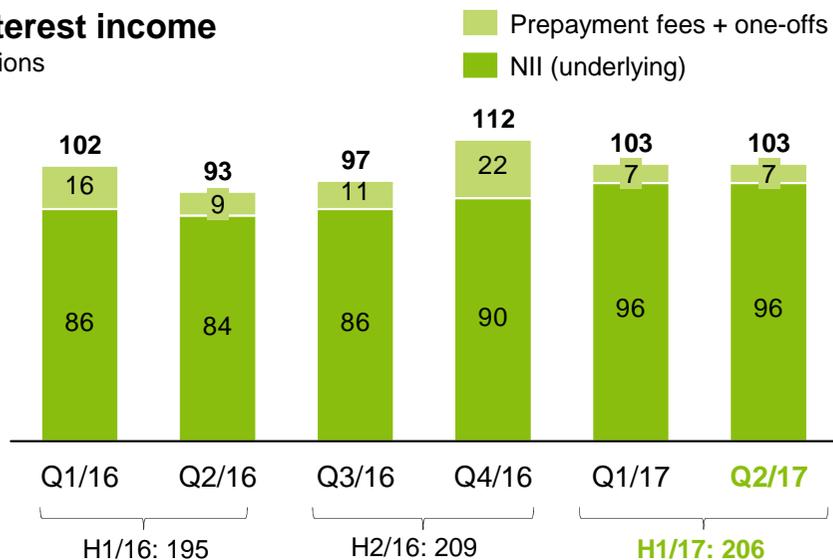
Income from lending business

EUR millions

| | Q2/16 | Q2/17 | H1/16 | H1/17 |
|---------------------------------|-----------|------------|------------|------------|
| Net interest income | 93 | 103 | 195 | 206 |
| <i>thereof: Prepayment fees</i> | 3 | 8 | 14 | 16 |
| <i>One-off effects</i> | 6 | -1 | 11 | -2 |
| Net fee and commission income | 1 | 2 | 3 | 5 |
| Total | 94 | 105 | 198 | 211 |

Net interest income

EUR millions



Key drivers Q2/H1 2017:

- NII up y-o-y, less supported by prepayment fees and positive one-off effects but benefiting from stable underlying NII
 - Avg. strategic portfolio at EUR 31.8 bn in H1/17 vs. EUR 31.3 bn in H1/16
 - Total average portfolio margin slightly up y-o-y
 - Refinancing costs down – maturities of liabilities with higher costs vs. lower new funding costs

- NII continues to be influenced by following major base effects:
 - Value Portfolio run-down
 - Funding surplus due to seasonally strong Q1 funding activities
 - Low returns from investments of equity/liquidity book

Income statement

LLPs stay low, benefiting from portfolio quality and remaining supportive market environment

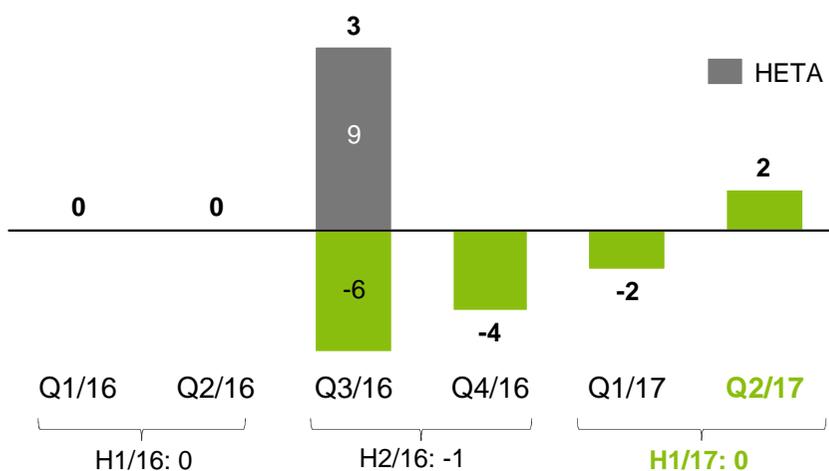
Loan-loss provisions

EUR millions

| | Q2/16 | Q2/17 | H1/16 | H1/17 |
|----------------------------|-------|----------|-------|-------|
| Specific allowances | -2 | - | -1 | -4 |
| <i>Additions</i> | -3 | -1 | -3 | -5 |
| <i>Releases</i> | 1 | 1 | 2 | 1 |
| Portfolio-based allowances | 2 | 2 | - | 4 |
| Other allowances | - | - | 1 | - |
| Recoveries from write-offs | - | - | - | - |
| Total | - | 2 | - | - |

Key drivers Q2/H1 2017:

- (Net) release of EUR 2 mn portfolio-based LLPs in Q2/17, but no new (net) additions to specific LLPs – total LLPs in H1/17 at 'zero'
- Coverage ratio¹ up to 29% (12/16: 26%), benefiting from decrease in NPLs



¹ "SLLPs" in relation to "Book value of receivables with SLLPs"

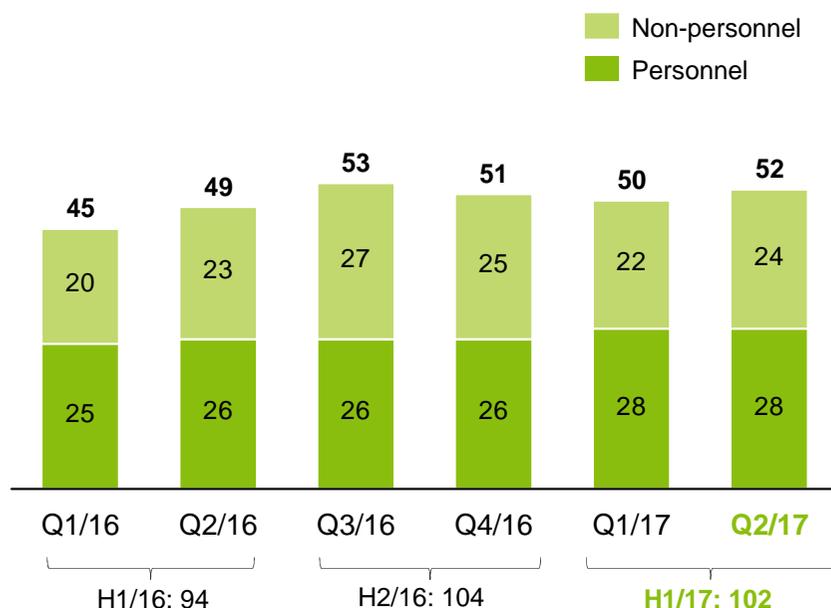
Income statement

Operating costs determined by regulatory requirements and project investments – further increase expected from H2/17

General and administrative expenses

EUR millions

| | Q2/16 | Q2/17 | H1/16 | H1/17 |
|-------------------------|-------|-------|-------|-------|
| General admin. expenses | -49 | -52 | -94 | -102 |
| Personnel | -26 | -28 | -51 | -56 |
| Non-personnel | -23 | -24 | -43 | -46 |
| CIR (%) | 53.8 | 49.5 | 51.9 | 50.2 |



Key drivers Q2/H1 2017:

- GAE up but in line with expectation
 - Personnel expenses: Last year benefited from releases of provisions made in prior years – no such effect in 2017
 - Non-personnel expenses include project related costs esp. for regulatory projects

- All in all, operating costs tightly managed
 - Headcount: 741 FTE (03/17: 739 FTE; 12/16: 756 FTE) below year-end expectation
 - However, project costs expected to increasingly weigh on overall cost level from H2/17
 - Regulatory costs
 - Investments in strategic initiatives

Income statement

Result from financial instruments: No major one-off effects in Q2/17

Result from financial instruments

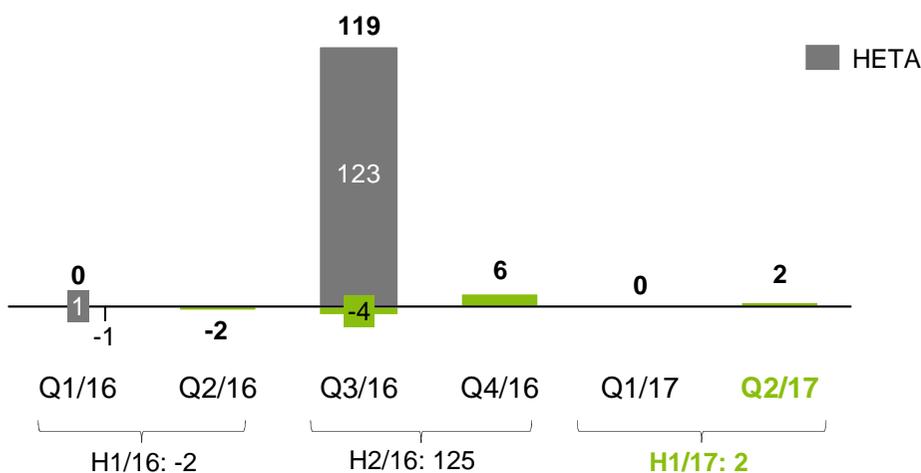
EUR millions

| | Q2/16 | Q2/17 | H1/16 | H1/17 |
|---------------------------------------|-----------|----------|-----------|----------|
| Net trading income | -2 | 2 | -7 | - |
| Net income from financial investments | 1 | - | 5 | 1 |
| <i>thereof: HETA</i> | - | - | 1 | - |
| Net income from hedging relationships | -1 | - | - | 1 |
| Total | -2 | 2 | -2 | 2 |

Key drivers Q2/H1 2017:

- NTI mainly driven by derivative valuation
 - EUR -2 mn pull-to-par effect from positive derivative fair values (H1/17: EUR -4 mn; H1/16: EUR -7 mn)
 - EUR 1 mn measurement effects from interest rate and FX derivatives (H1/17: EUR -1 mn; H1/16: EUR 8 mn)
 - EUR 3 mn bCVA effects (H1/17: EUR 5 mn; H1/16: EUR -8 mn)

- No major one-off effects in NFI - last year positively affected by gains from asset sales



Income statement

Result from other business activities: No major one-off effects in Q2/17

Result from other business activities

EUR millions

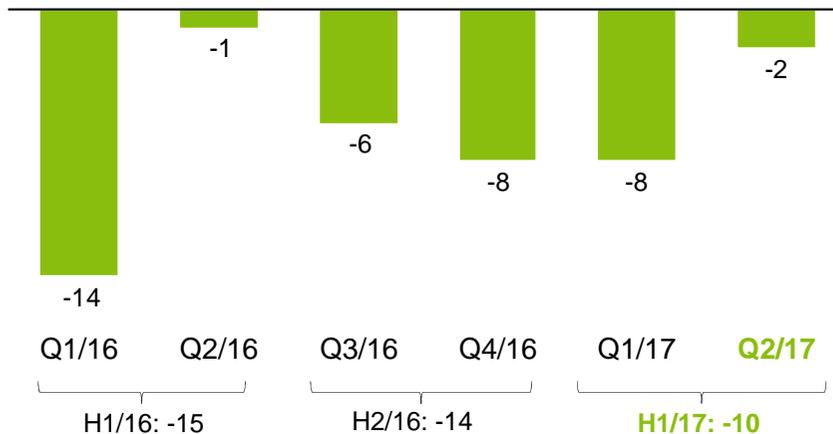
| | Q2/16 | Q2/17 | H1/16 | H1/17 |
|-------------------------------------|-------|-------|-------|-------|
| Net other operating income/expenses | -1 | -2 | -15 | -10 |
| <i>thereof: Bank levy</i> | - | 1 | -21 | -19 |
| Net miscellaneous income/expenses | - | 1 | - | 2 |

Key drivers Q2/H1 2017:

- Other operating income/expenses include bank levy of EUR -19 mn (Q2/17: EUR 1 mn release; Q1/17: EUR -20 mn); Q1/17 benefited from asset sales out of VP
- Miscellaneous result driven by release of restructuring provisions (Q2/17: EUR 1 mn; Q1/17: EUR 1 mn)

Net other operating income/expenses

EUR millions

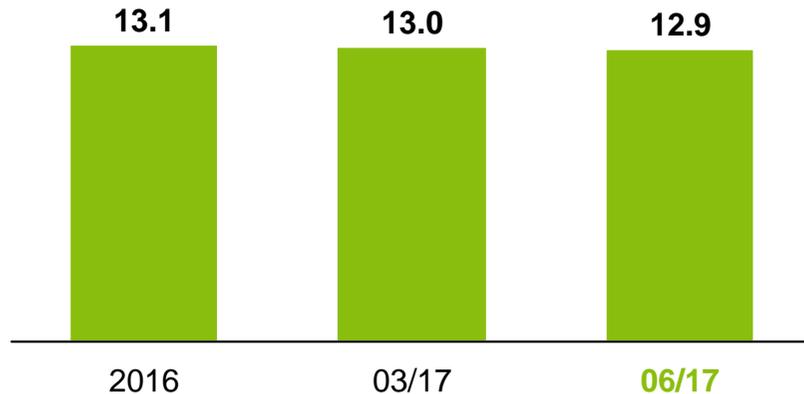


Capitalisation

Capitalisation remains strong, providing buffer for regulatory changes to come – own funds ratio up due to T2 issuances

Basel III: RWA

EUR billions (IFRS)¹



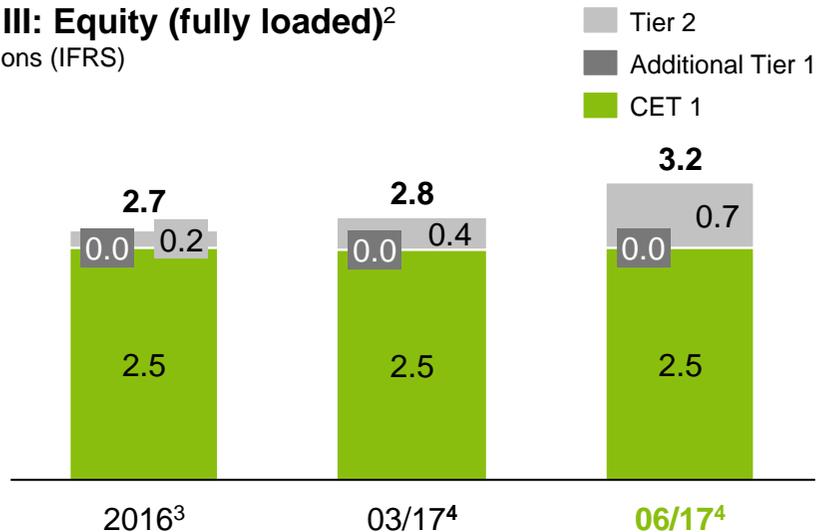
Basel III: Capital ratios (fully loaded)

% (IFRS)

| in % | 12/16 ³ | 03/17 ⁴ | 06/17 ⁴ | Mid-term targets |
|----------------|--------------------|--------------------|--------------------|------------------|
| CET 1 | 19.0 | 19.2 | 19.4 | >12.5 |
| Tier 1 | 19.0 | 19.2 | 19.4 | >16 |
| Own funds | 20.7 | 21.9 | 24.8 | 16-18 |
| Leverage ratio | 4.2 | 4.3 | 4.3 | >3.5 |

Basel III: Equity (fully loaded)²

EUR billions (IFRS)



Key drivers Q2/H1 2017:

- CET1 ratio slightly up due to further reduced RWA; own funds ratio strongly up due to new T2 issuances
- pbb aims at capital buffers to provide cushion for RWA challenges business growth and cyclical risks
 - ECB model review expected to be completed in H2/17
 - ECB 'TRIM' and Basel IV pending

SREP requirements⁵:

- CET1 ratio: 9.0% (requirement 2017); 10.25% (fully-loaded)
- Own funds ratio: 12.5% (requirement 2017); 13.75% (fully-loaded)

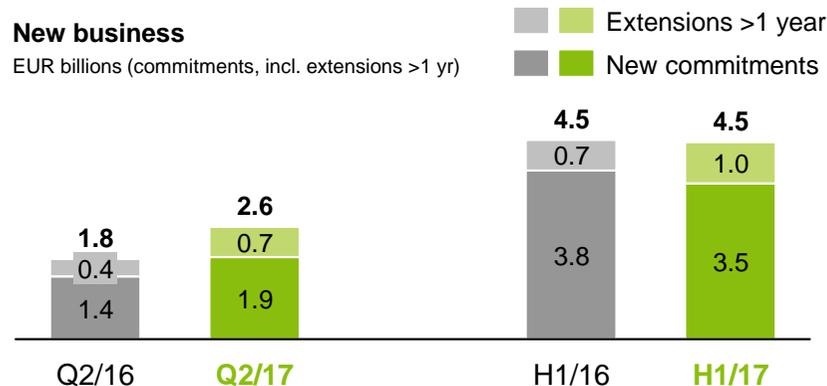
Note: Figures may not add up due to rounding ¹ No transitional rules to be applied ² Simulation based on full implementation of CRR; actual figures may vary significantly from simulation ³ Incl. full-year result, post proposed dividend ⁴ Excl. interim result ⁵ Incl. capital conservation buffer, excl. countercyclical buffer

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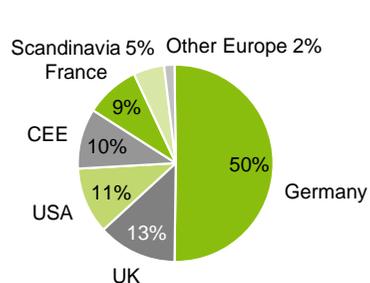
Segment reporting: Real Estate Finance (REF)

New business on solid level – US with 11% share in new business



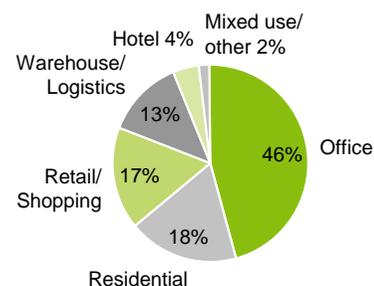
Regions

H1/17: EUR 4.5 bn



Property types

H1/17 EUR 4.5 bn



| New business | H1/16 | 2016 | H1/17 |
|---------------------------------------|-------|------|-------|
| Total volume (EUR bn) | 4.5 | 9.5 | 4.5 |
| <i>thereof: Extensions >1 year</i> | 0.7 | 1.6 | 1.0 |
| No. of deals | 84 | 189 | 105 |
| Average maturity (years) ¹ | ~5.2 | ~5.1 | ~5.1 |
| Average LTV (%) ² | 63 | 62 | 60 |
| Average gross margin (bp) | ~170 | >175 | >165 |

| Income statement (IFRS, EUR mn) | Q2/16 | Q2/17 | H1/16 | H1/17 |
|--|-----------|-----------|-----------|-----------|
| Operating income | 74 | 86 | 142 | 159 |
| <i>thereof: Net interest income</i> | 75 | 84 | 152 | 167 |
| <i>Net commission income</i> | 1 | 2 | 3 | 5 |
| <i>Other revenues</i> | -2 | - | -13 | -13 |
| Loan-loss provisions | - | 2 | - | -1 |
| General administrative expenses | -37 | -41 | -73 | -81 |
| Pre-tax profit | 37 | 48 | 69 | 79 |
| Key indicators | Q2/16 | Q2/17 | H1/16 | H1/17 |
| CIR (%) | 50.0 | 47.7 | 51.4 | 50.9 |
| RoE before tax (%) | 28.0 | 32.7 | 26.1 | 26.5 |
| Equity (EUR bn, excl. revaluation reserve) | 0.5 | 0.6 | 0.5 | 0.6 |
| RWA (EUR bn) | 6.3 | 6.5 | 6.3 | 6.5 |
| Financing volume (EUR bn) | 24.0 | 24.4 | 24.0 | 24.4 |

Key drivers H1/17:

- New business volume on solid level
 - Avg. gross margin in Q2/17 recovered to quarterly mid-term average; Q1/17 affected by high German share (Q2/17: ~170 bp; Q1/17: >160bp)
 - Continued cautious growth of US business (11% share)
 - Avg. LTV down to 60%
- Financing volume slightly up y-o-y and q-o-q (EUR 24.4 bn; 03/17: EUR 24.1 bn; 06/16: EUR 24.0 bn)
- Positive financial segment performance mainly driven by strong NII; operating costs up in line with expectation; LLPs remain low

Note: Figures may not add up due to rounding 1 Legal maturities 2 New commitments; avg. LTV (extensions): 57%; H1/16: 56%; 2016: 56%

Segment reporting: Public Investment Finance (PIF)

New business and financing volumes up y-o-y, mainly driven by good demand in Q1/17

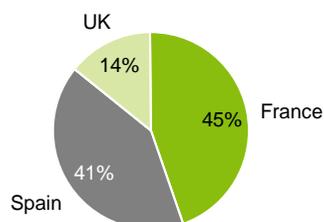
New business

EUR billions (commitments)



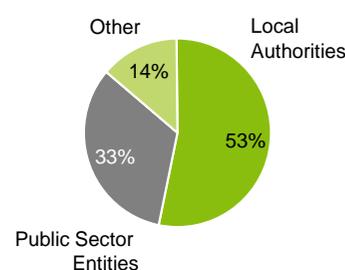
Regions

H1/17: EUR 0.5 bn



Counterparty Types

H1/17: EUR 0.5 bn



| New business | H1/16 | 2016 | H1/17 |
|---------------------------------------|-------|------|-------|
| Total volume (EUR bn) | 0.2 | 1.0 | 0.5 |
| No. of deals | 8 | 28 | 14 |
| Average maturity (years) ¹ | ~8.2 | ~8.8 | ~9.0 |
| Average gross margin (bp) | >90 | ~85 | >90 |

| Income statement (IFRS, EUR mn) | Q2/16 | Q2/17 | H1/16 | H1/17 |
|--|----------|----------|----------|----------|
| Operating income | 9 | 9 | 18 | 14 |
| <i>thereof: Net interest income</i> | 9 | 9 | 18 | 18 |
| Loan-loss provisions | - | - | - | - |
| General administrative expenses | -7 | -8 | -13 | -14 |
| Pre-tax profit | 2 | 1 | 5 | - |
| Key indicators | Q2/16 | Q2/17 | H1/16 | H1/17 |
| CIR (%) | 77.8 | 88.9 | 72.2 | 100.0 |
| RoE before tax (%) | 2.7 | 1.4 | 3.2 | 0.0 |
| Equity (EUR bn, excl. revaluation reserve) | 0.3 | 0.3 | 0.3 | 0.3 |
| RWA (EUR bn) | 1.4 | 1.4 | 1.4 | 1.4 |
| Financing volume (EUR bn, nominal) | 7.3 | 7.6 | 7.3 | 7.6 |

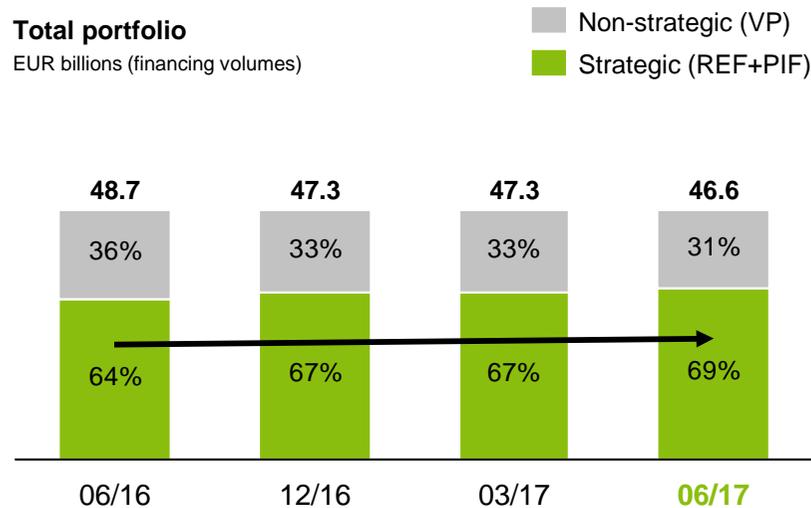
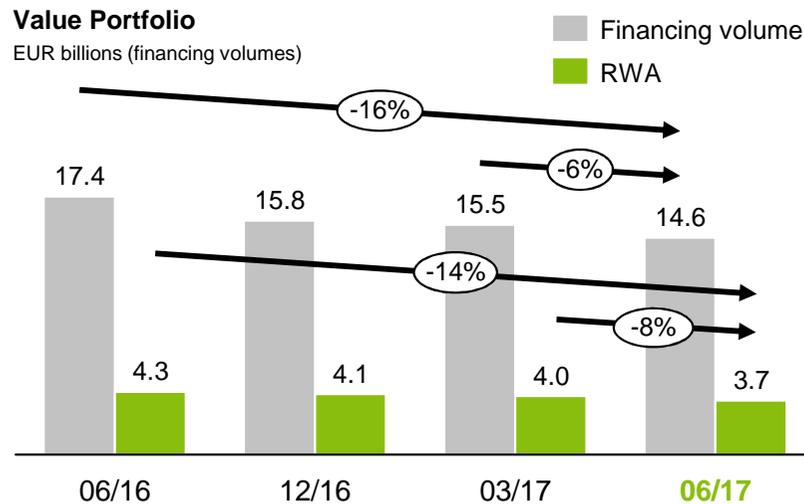
Key drivers H1/17:

- New business volume up y-o-y, mainly driven by good demand in Spain and UK in Q1/17
 - Ongoing standstill of ECA aircraft financing in Germany
 - Avg. gross margin stable
- Financing volume slightly down in Q2/17 (EUR -0.1 bn), but up y-o-y (EUR +0.3 bn)
- Financial segment performance influenced by allocation effects – prior year more benefited from these effects

Note: Figures may not add up due to rounding ¹ Weighted average lifetime

Segment reporting: Value Portfolio (VP)

Run-down of non-strategic Value Portfolio continued in line with strategy – financial performance affected by one-offs



| Income statement (IFRS, EUR mn) | Q2/16 | Q2/17 | H1/16 | H1/17 |
|--|----------|----------|-----------|-----------|
| Operating income | 8 | 9 | 19 | 28 |
| <i>thereof: Net interest income</i> | 8 | 9 | 22 | 19 |
| <i>Other revenues</i> | - | - | -3 | 9 |
| Loan-loss provisions | - | - | - | 1 |
| General administrative expenses | -5 | -3 | -8 | -7 |
| Pre-tax profit/loss | 3 | 6 | 11 | 22 |
| Key indicators | Q2/16 | Q2/17 | H1/16 | H1/17 |
| CIR (%) | 62.5 | 33.3 | 42.1 | 25.0 |
| RoE before tax (%) | 0.7 | 1.6 | 1.3 | 2.9 |
| Equity (EUR bn, excl. revaluation reserve) | 1.5 | 1.5 | 1.5 | 1.5 |
| RWA (EUR bn) | 4.3 | 3.7 | 4.3 | 3.7 |
| Financing volume (EUR bn, nominal) | 17.4 | 14.6 | 17.4 | 14.6 |

Key drivers H1/17:

- Financing volume further down in line with strategy (-6% q-o-q; -16% y-o-y)
- Financial segment performance mainly influenced by lower interest bearing assets but higher one-offs from asset sales in Q1/17

Note: Figures may not add up due to rounding

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Portfolio

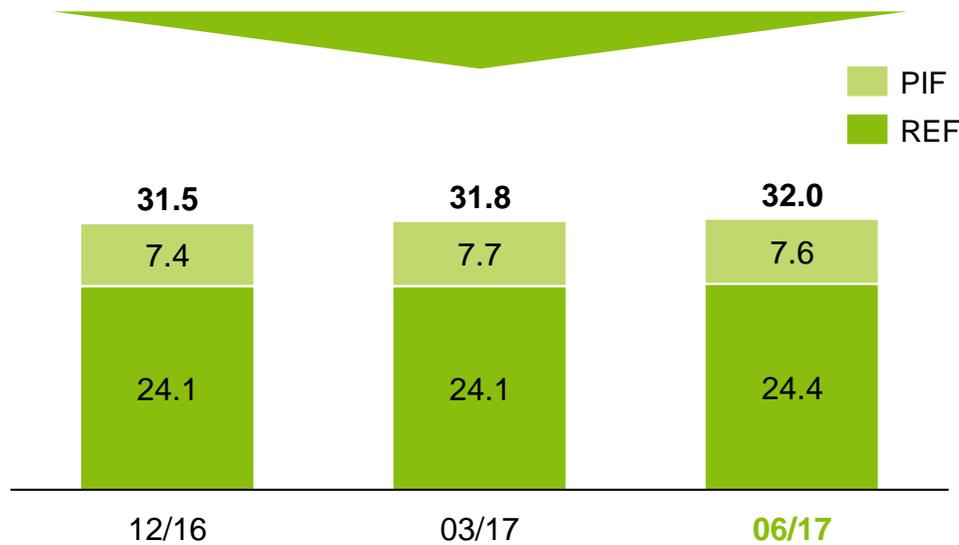
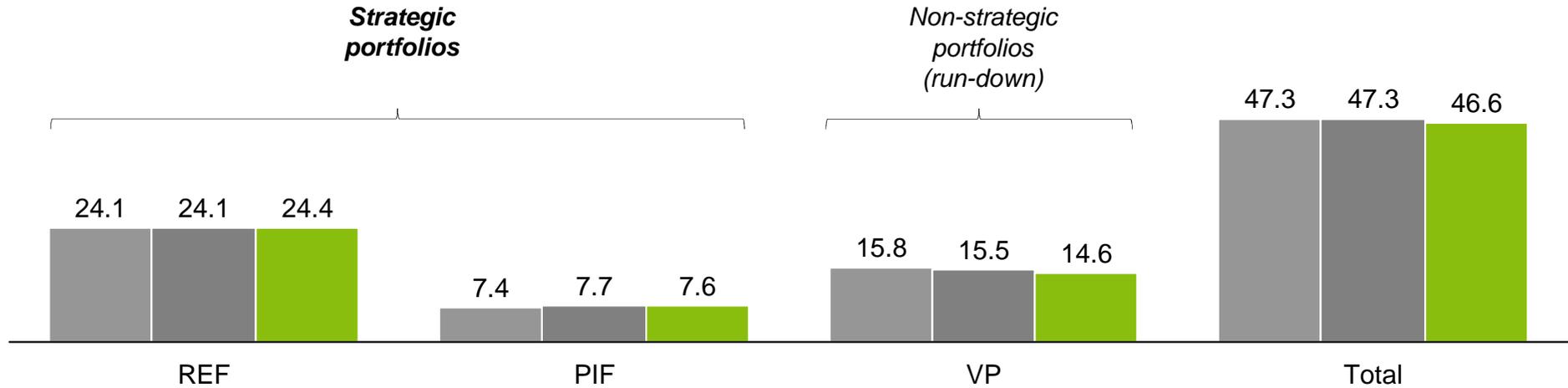
Strategic portfolio up in Q2/17



Total portfolio

EUR billions (financing volumes)

12/16 03/17 06/17



Key drivers Q2/H1 2017:

- Strategic portfolio up in Q2/17 (EUR +0.2 bn; +0.5 bn ytd), based on solid new business volume in REF
- Run-down of non-strategic Value Portfolio continued in line with strategy

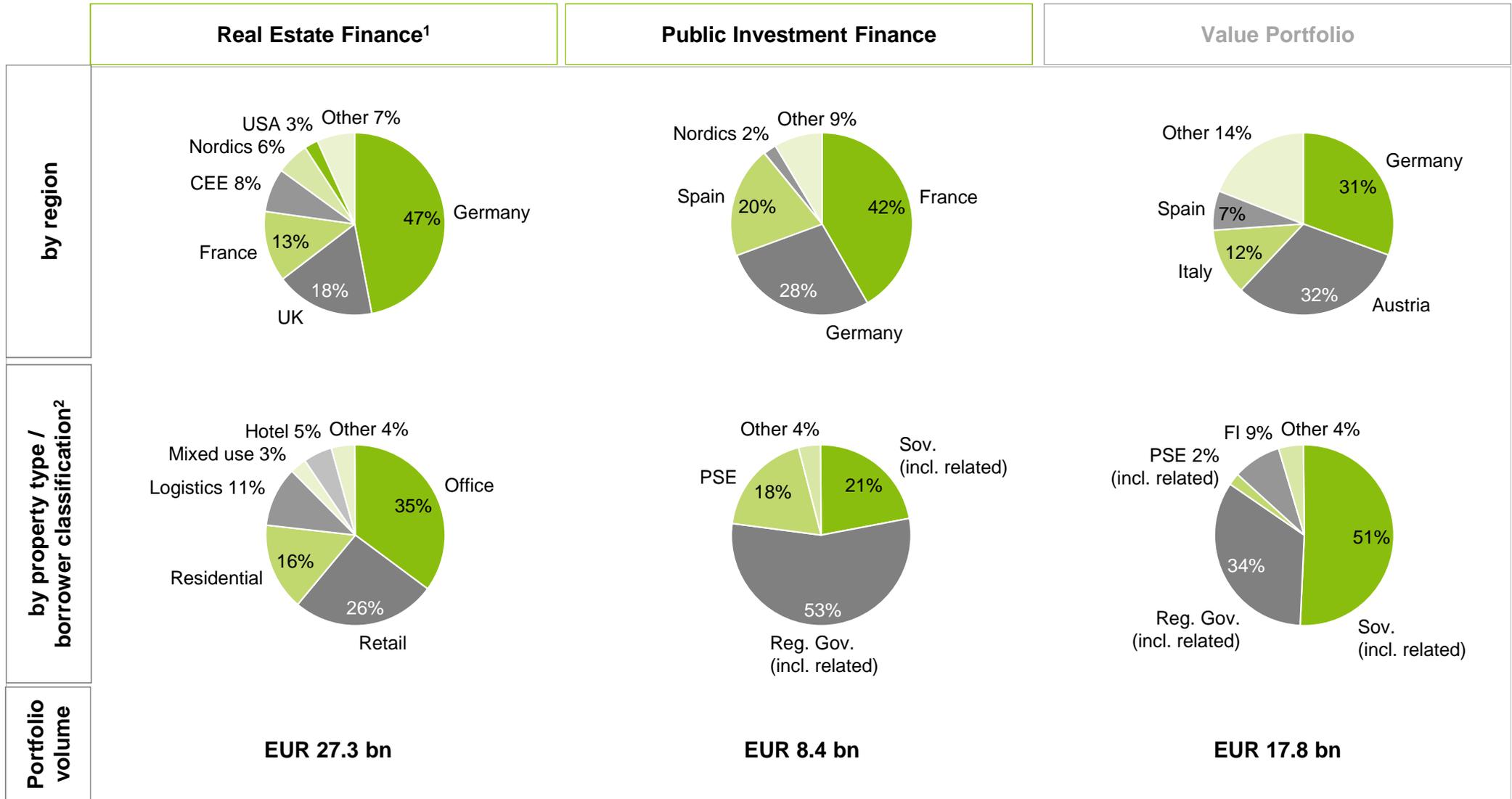
Note: Figures may not add up due to rounding

Portfolio

Stable and well diversified portfolio with continued focus on European markets, particularly on Germany – continued cautious growth of US business



30/06/2017 (EaD, Basel III)



Note: Figures may not add up due to rounding 1 Excl. intra-group exposure 2 See appendix for definition of borrower classification

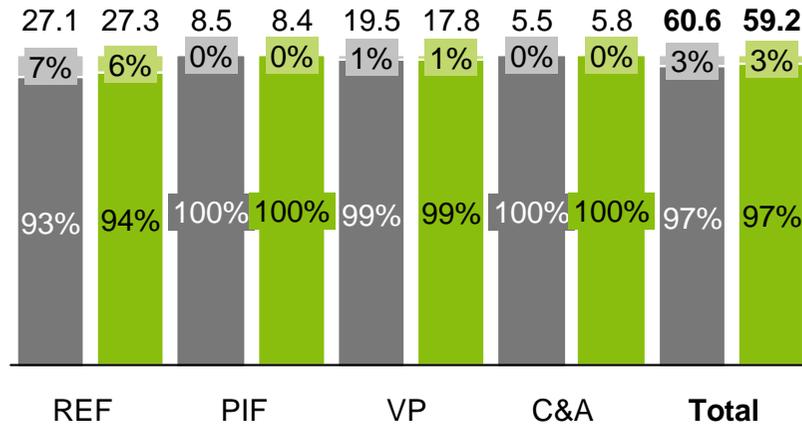
Portfolio

Conservative business and risk strategy to continue – stable high portfolio quality with 97% investment-grade, avg. LTV of 56%



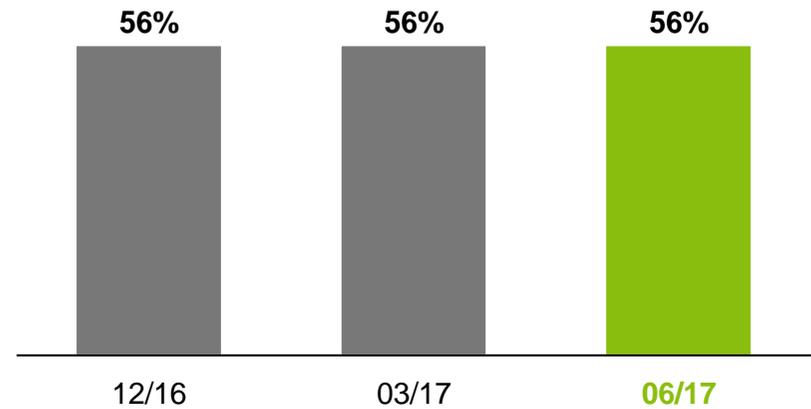
Total portfolio: Internal ratings (EL classes)

EUR billions (EaD, Basel III)



REF Portfolio: Avg. weighted LTVs

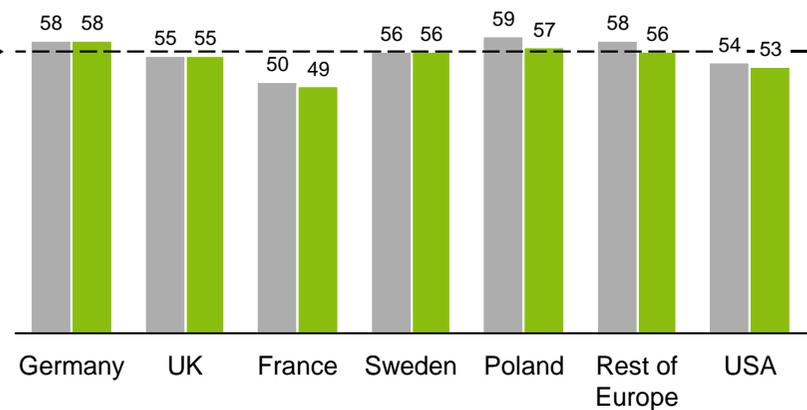
% (commitments)²



12/16
06/17

■ Non-investment grade¹
■ Investment grade¹

12/16 + 06/17: Ø 56%



■ 12/16 ■ 06/17

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

Portfolio

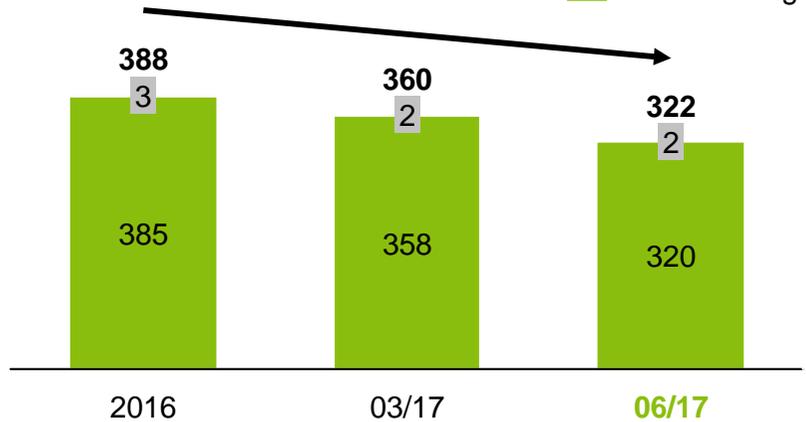
Further reduction of problem loans – problem loan ratio of the total portfolio down to 0.5%



Total problem loans

EUR millions (EaD, Basel III)

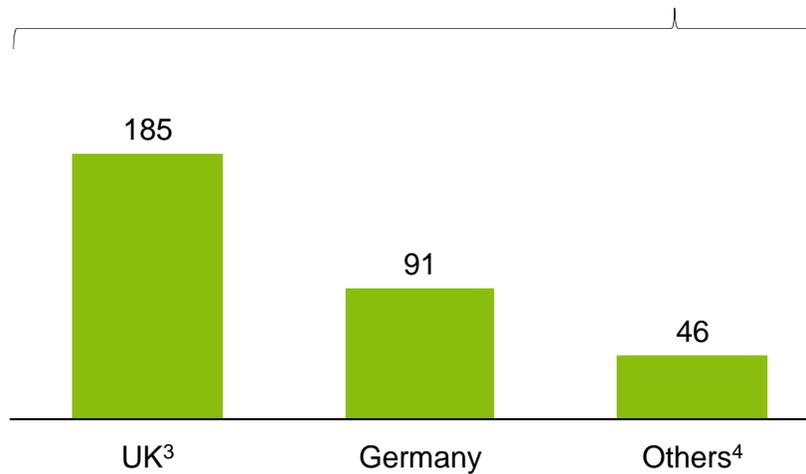
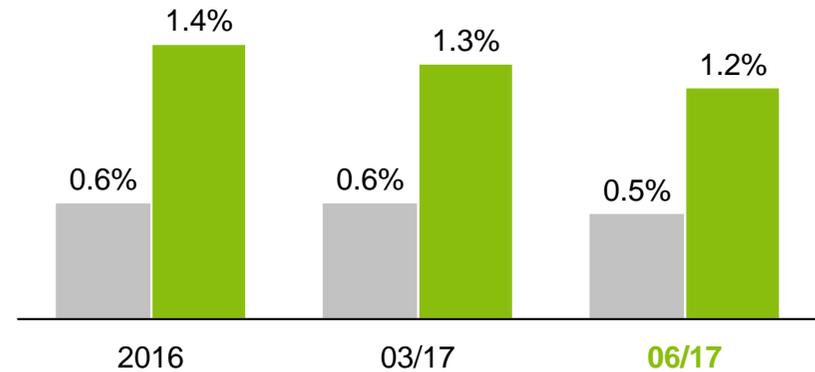
Workout¹
Restructuring²



Problem loan ratio

% (EaD, Basel III)

Total portfolio
Real Estate Finance



Key drivers Q2/H1 2017:

- Further reduction of problem loans
 - Successful restructuring
 - REF only
 - 0.5% of total portfolio
- Estate UK-3: Expert mandated, process ongoing

Note: Figures may not add up due to rounding. ¹ PD class 30: No signs that the deal will recover soon, compulsory measures necessary. ² PD class 28+29: Payments more than 90 days overdue or criteria acc. to respective policy apply. ³ Estate UK-3 'technically' shown as problem loan – properties sold, but synthetic securitisation has not yet allocated loss. ⁴ Incl. Spain, Hungary, Italy, Finland

Agenda

- 1 Highlights
- 2 Financials
- 3 Segment reporting & New business
- 4 Portfolio
- 5 **Funding**
- 6 Summary & Outlook

Appendix

Contact details

Funding

Focus on currency matched Pfandbrief funding – inaugural Tier 2 benchmark issued in June



New long-term funding

EUR billions¹

H1/16: EUR 3.5 bn

H1/17: EUR 4.0 bn²

Spread
(Ø, bp)³

22 34 127

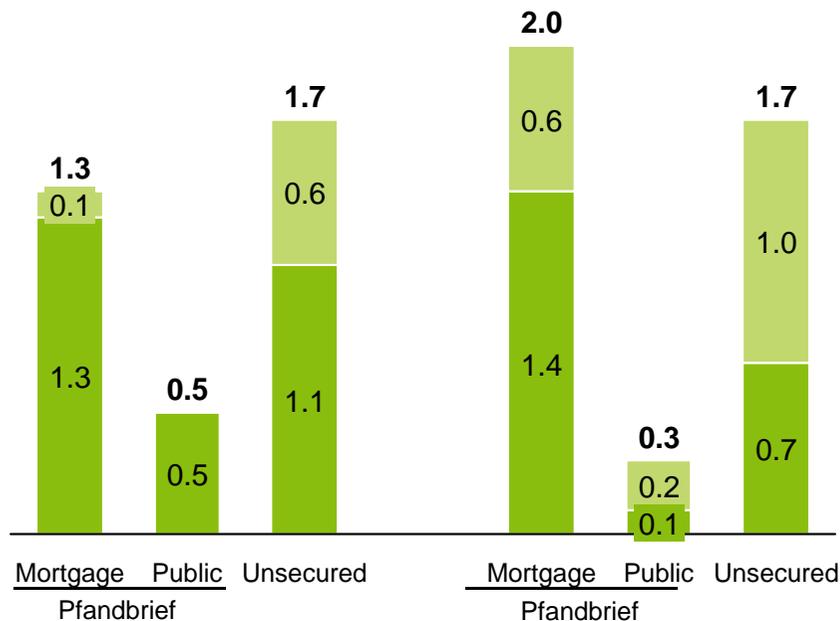
22 11 80

Tenor
(Ø, yrs)⁴

7.7 19 5.7

6.2 2.8 6.3

■ Private placements
■ Benchmark issuances



Pfandbriefe

- Focus on currency matched funding:
 - Mortgage Pfandbriefe: GBP 300 mn, SEK 2.6bn; first USD Mortgage Pfandbrief benchmark USD 600 mn placed in April
 - Public Pfandbriefe: USD 100 mn

Senior Unsecured

- EUR 500 mn + EUR 150 mn benchmarks issued in January and February
- In addition, strong private placements
- EUR 120 mn senior preferred issued (Structured Notes rated A-)

AT1/Tier 2

- EUR 350 mn Hybrid Tier 1 redeemed in June
- pbb restarted issuance of Tier 2 in 2016; new issuance volume of EUR 0.5 bn in H1/17
- In June, inaugural EUR 300 mn T2 benchmark issued

pbb direkt

- Total volume stable at EUR 3.4 bn (12/16: EUR 3.4 bn); average maturity⁵ at 3.7 years (12/16: 3.4 yrs)

Funding structure and liquidity

- ALM profile and liquidity position remain comfortable (NSFR >100%; LCR >150%)

Note: Figures may not add up due to rounding 1 Excl. money market and deposit business 2 Excl. Tier 2 issuances 3vs. 3M Euribor 4 Initial weighted average maturity 5 Initial weighted average maturity of term deposits

Funding

Senior unsecured spreads have significantly converged



Spread development of pbb Senior Unsecured Benchmarks vs peers and iTraxx Bank Senior
(Spread vs. 6m Euribor)



Source: Bloomberg 1 Excl. money market and deposit business

Agenda

- 1 Highlights**
- 2 Financials**
- 3 Segment reporting & New business**
- 4 Portfolio**
- 5 Funding**
- 6 Summary & Outlook**

Appendix

Contact details

Summary & Outlook

pbb remains well on track – PBT for the full-year now expected at upper end or slightly above guidance of EUR 150-170 mn



- ➔ **pbb remains well on track** despite remaining headwinds – Q2/17 with good operating and financial performance
 - **New business** up q-o-q while overall approach remains cautious and markets stay highly competitive, resulting in slight increase of **strategic portfolio**
 - Solid **earnings development in lending business**, reflecting remarkably resilient net portfolio margin based on relatively stable gross new business margin level and reduced funding costs
 - **Operating and risk costs** in line or better than initial expectations – however, regulatory projects and strategic investments expected to increasingly weigh on overall cost level in H2/17

- ➔ **New business full-year target confirmed** at EUR 10.5-12.5 bn

- ➔ **Portfolio growth** affected by higher than expected prepayments; **full-year expectation changed from significant to moderate growth**

- ➔ PBT for the full-year now expected **at upper end or slightly above guidance** of EUR 150-170 mn

- ➔ **Major challenges** continue to be the highly competitive market environment as well as the impact from regulation, in particular on costs and risk weights

Appendix

Key figures

pbb Group



| Income statement (EUR millions) | 2014 | 2015 | 2016 | H1/17 |
|---|-------------------|------------------|--------------|--------------|
| Net interest income | 421 | 426 | 404 | 206 |
| Net fee and commission income | 1 | 14 | 8 | 5 |
| Net trading income | -30 | 15 | -6 | - |
| Net income from financial investments | -77 | -32 | 125 | 1 |
| Net income from hedging relationships | -3 | 11 | 6 | 1 |
| Net other operating income/expenses | 14 | -34 | -29 | -10 |
| Operating income | 326 | 400 | 508 | 203 |
| Loan-loss provisions | -21 | 1 | -1 | - |
| General and administrative expenses | -251 | -207 | -198 | -102 |
| Net miscellaneous income/expenses | - | 1 | -8 | 2 |
| Profit or loss before tax | 54 | 195 | 301 | 103 |
| Income taxes | -50 | 35 | -104 | -18 |
| Net income/loss | 4 | 230 | 197 | 85 |
| Key ratios (%) | 2014 | 2015 | 2016 | H1/17 |
| CIR | 77.0 | 51.8 | 39.0 | 50.2 |
| RoE before tax | 1.6 | 6.2 ² | 11.1 | 7.4 |
| RoE after tax | 0.1 | 7.4 ² | 7.3 | 6.1 |
| Balance sheet (EUR billions) | 12/14 | 12/15 | 12/16 | 06/17 |
| Total assets | 74.9 ⁴ | 66.8 | 62.6 | 60.7 |
| Equity (excl. revaluation reserve) | 3.4 | 2.7 | 2.8 | 2.7 |
| <i>thereof: Silent participation</i> ³ | 1.0 | - | - | - |
| Financing volume | 51.1 | 50.0 | 47.3 | 46.6 |
| Regulatory capital ratios ⁵ | 12/14 | 12/15 | 12/16 | 06/17 |
| RWA (EUR bn) | 15.2 ⁶ | 13.4 | 13.1 | 12.9 |
| CET 1 ratio – phase in (%) ⁷ | 22.2 ⁶ | 18.9 | 19.5 | 19.4 |
| Personnel | 12/14 | 12/15 | 12/16 | 06/17 |
| Employees (FTE) | 808 | 785 | 756 | 741 |

Note: Annual results 2014-2016 audited included until redemption on 6 July 2015
 1 Revised due to retrospective first time adoption of IFRS 10
 2 Calculation based on average equity; EUR 1 bn silent participation of Sonderfonds Finanzmarktstabilisierung (FMS)
 3 EUR 1 bn FMS silent participation redeemed on 6 July 2015
 4 Revised due to IAS 8.14 et seq
 5 Basel III transitional rules
 6 Retrospectively adjusted
 7 incl. full-year result, excl. interim result, post proposed dividend

Key figures

pbb Group Q2/16 vs. Q2/17



| Income statement (EUR millions) | REF | | PIF | | VP | | C&A | | pbb Group | |
|---------------------------------------|-----------|-----------|----------|----------|----------|----------|----------|----------|-----------|------------|
| | Q2/16 | Q2/17 | Q2/16 | Q2/17 | Q2/16 | Q2/17 | Q2/16 | Q2/17 | Q2/16 | Q2/17 |
| Net interest income | 75 | 84 | 9 | 9 | 8 | 9 | 1 | 1 | 93 | 103 |
| Net fee and commission income | 1 | 2 | - | - | - | - | - | - | 1 | 2 |
| Net trading income | -2 | 2 | - | - | - | - | - | - | -2 | 2 |
| Net income from financial investments | - | - | 1 | - | - | - | - | - | 1 | - |
| Net income from hedging relationships | - | 1 | -1 | - | - | -1 | - | - | -1 | - |
| Net other operating income/expenses | - | -3 | - | - | - | 1 | -1 | - | -1 | -2 |
| Operating income | 74 | 86 | 9 | 9 | 8 | 9 | - | 1 | 91 | 105 |
| Loan-loss provisions | - | 2 | - | - | - | - | - | - | - | 2 |
| General and administrative expenses | -37 | -41 | -7 | -8 | -5 | -3 | - | - | -49 | -52 |
| Net miscellaneous income/expenses | - | 1 | - | - | - | - | - | - | - | 1 |
| Profit or loss before tax | 37 | 48 | 2 | 1 | 3 | 6 | - | 1 | 42 | 56 |
| Income taxes | | | | | | | | | -10 | -9 |
| Net income/loss | | | | | | | | | 32 | 47 |

Key figures

pbb Group H1/16 vs. H1/17



| Income statement (EUR millions) | REF | | PIF | | VP | | C&A | | pbb Group | |
|---------------------------------------|------------|------------|-----------|-----------|-----------|-----------|----------|----------|------------|------------|
| | H1/16 | H1/17 | H1/16 | H1/17 | H1/16 | H1/17 | H1/16 | H1/17 | H1/16 | H1/17 |
| Net interest income | 152 | 167 | 18 | 18 | 22 | 19 | 3 | 2 | 195 | 206 |
| Net fee and commission income | 3 | 5 | - | - | - | - | - | - | 3 | 5 |
| Net trading income | -7 | 2 | - | -1 | - | -1 | - | - | -7 | - |
| Net income from financial investments | 3 | - | 1 | 1 | 1 | - | - | - | 5 | 1 |
| Net income from hedging relationships | - | 1 | - | - | - | - | - | - | - | 1 |
| Net other operating income/expenses | -9 | -16 | -1 | -4 | -4 | 10 | -1 | - | -15 | -10 |
| Operating income | 142 | 159 | 18 | 14 | 19 | 28 | 2 | 2 | 181 | 203 |
| Loan-loss provisions | - | -1 | - | - | - | 1 | - | - | - | - |
| General and administrative expenses | -73 | -81 | -13 | -14 | -8 | -7 | - | - | -94 | -102 |
| Net miscellaneous income/expenses | - | 2 | - | - | - | - | - | - | - | 2 |
| Profit or loss before tax | 69 | 79 | 5 | - | 11 | 22 | 2 | 2 | 87 | 103 |
| Income taxes | | | | | | | | | -21 | -18 |
| Net income/loss | | | | | | | | | 66 | 85 |

Key figures

Real Estate Finance (REF)



| Income statement (EUR millions) | 2014 | 2015 | Q1/16 | Q2/16 | H1/16 | Q3/16 | Q4/16 | 2016 | Q1/17 | Q2/17 | H1/17 |
|---------------------------------------|------------------|------------|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|
| Net interest income | 294 | 308 | 77 | 75 | 152 | 82 | 87 | 321 | 83 | 84 | 167 |
| Net fee and commission income | 2 | 14 | 2 | 1 | 3 | 2 | 4 | 9 | 3 | 2 | 5 |
| Net trading income | -13 | 14 | -5 | -2 | -7 | 1 | 4 | -2 | - | 2 | 2 |
| Net income from financial investments | 14 | 18 | 3 | - | 3 | - | - | 3 | - | - | - |
| Net income from hedging relationships | -2 | 5 | - | - | - | 1 | 2 | 3 | - | 1 | 1 |
| Net other operating income/expenses | -13 | -1 | -9 | - | -9 | -3 | -16 | -28 | -13 | -3 | -16 |
| Operating income | 282 | 358 | 68 | 74 | 142 | 83 | 81 | 306 | 73 | 86 | 159 |
| Loan-loss provisions | -14 | 7 | - | - | - | -6 | 8 | 2 | -3 | 2 | -1 |
| General and administrative expenses | -160 | -160 | -36 | -37 | -73 | -41 | -42 | -156 | -40 | -41 | -81 |
| Net miscellaneous income/expenses | - | 1 | - | - | - | -4 | -2 | -6 | 1 | 1 | 2 |
| Pre-tax profit | 108 | 206 | 32 | 37 | 69 | 32 | 45 | 146 | 31 | 48 | 79 |
| Key ratios | 2014 | 2015 | Q1/16 | Q2/16 | H1/16 | Q3/16 | Q4/16 | 2016 | Q1/17 | Q2/17 | H1/17 |
| CIR (%) | 56.7 | 44.7 | 52.9 | 50.0 | 51.4 | 52.3 | 51.9 | 51.0 | 54.8 | 47.7 | 50.9 |
| RoE before tax (%) | 14.2 | 30.9 | 24.7 | 28.0 | 26.1 | 20.8 | 34.5 | 26.0 | 21.1 | 32.7 | 26.5 |
| Key figures | 12/14 | 12/15 | 03/16 | 06/16 | 06/16 | 09/16 | 12/16 | 12/16 | 03/17 | 06/17 | 06/17 |
| Equity (EUR bn) | 0.7 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| RWA (EUR bn) | 7.0 ¹ | 6.5 | 6.4 | 6.3 | 6.3 | 5.9 | 6.4 | 6.4 | 6.3 | 6.5 | 6.5 |
| Financing volume (EUR bn) | 21.8 | 24.0 | 24.1 | 24.0 | 24.0 | 24.0 | 24.1 | 24.1 | 24.1 | 24.4 | 24.4 |

Note: Annual results 2014-2016 audited; interim results unaudited. Figures 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) | 2014 | 2015 | Q1/16 | Q2/16 | H1/16 | Q3/16 | Q4/16 | 2016 | Q1/17 | Q2/17 | H1/17 |
|---------------------------------------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income | 40 | 44 | 9 | 9 | 18 | 7 | 10 | 35 | 9 | 9 | 18 |
| Net fee and commission income | - | - | - | - | - | - | - | - | - | - | - |
| Net trading income | -4 | - | - | - | - | -1 | - | -1 | -1 | - | -1 |
| Net income from financial investments | 3 | 5 | - | 1 | 1 | - | - | 1 | 1 | - | 1 |
| Net income from hedging relationships | - | 2 | 1 | -1 | - | - | 1 | 1 | - | - | - |
| Net other operating income/expenses | -4 | -10 | -1 | - | -1 | -1 | -4 | -6 | -4 | - | -4 |
| Operating income | 35 | 41 | 9 | 9 | 18 | 5 | 7 | 30 | 5 | 9 | 14 |
| Loan-loss provisions | - | - | - | - | - | - | - | - | - | - | - |
| General and administrative expenses | -31 | -28 | -6 | -7 | -13 | -7 | -6 | -26 | -6 | -8 | -14 |
| Net miscellaneous income/expenses | - | - | - | - | - | -1 | - | -1 | - | - | - |
| Pre-tax profit | 4 | 13 | 3 | 2 | 5 | -3 | 1 | 3 | -1 | 1 | - |
| Key ratios | 2014 | 2015 | Q1/16 | Q2/16 | H1/16 | Q3/16 | Q4/16 | 2016 | Q1/17 | Q2/17 | H1/17 |
| CIR (%) | 88.6 | 68.3 | 66.7 | 77.8 | 72.2 | >100 | 85.7 | 86.7 | >100 | 88.9 | 100.0 |
| RoE before tax (%) | 0.9 | 4.8 | 3.7 | 2.7 | 3.2 | -1.9 | 1.3 | 0.9 | -0.8 | 1.4 | 0.0 |
| Key figures | 12/14 | 12/15 | 03/16 | 06/16 | 06/16 | 09/16 | 12/16 | 12/16 | 03/17 | 06/17 | 06/17 |
| Equity (EUR bn) | 0.5 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| RWA (EUR bn) | 1.2 ¹ | 1.4 | 1.4 | 1.4 | 1.4 | 1.5 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Financing volume (EUR bn) | 6.6 | 7.3 | 7.3 | 7.3 | 7.3 | 7.2 | 7.4 | 7.4 | 7.7 | 7.6 | 7.6 |

Note: Annual results 2014-2016 audited; interim results unaudited. 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 figures

Value Portfolio (VP)



| Income statement (EUR millions) | 2014 ¹ | 2015 ¹ | Q1/16 | Q2/16 | H1/16 | Q3/16 ¹ | Q4/16 | 2016 ¹ | Q1/17 | Q2/17 | H1/17 |
|---------------------------------------|-------------------|-------------------|-----------|----------|-----------|--------------------|-----------|-------------------|-----------|----------|-----------|
| Net interest income | 79 | 68 | 14 | 8 | 22 | 7 | 12 | 41 | 10 | 9 | 19 |
| Net fee and commission income | -1 | - | - | - | - | - | -1 | -1 | - | - | - |
| Net trading income | -13 | 1 | - | - | - | -3 | - | -3 | -1 | - | -1 |
| Net income from financial investments | -94 | -55 | 1 | - | 1 | 123 | -3 | 121 | - | - | - |
| Net income from hedging relationships | -1 | 4 | - | - | - | - | 2 | 2 | 1 | -1 | - |
| Net other operating income/expenses | 31 | -23 | -4 | - | -4 | -2 | 11 | 5 | 9 | 1 | 10 |
| Operating income | 1 | -5 | 11 | 8 | 19 | 125 | 21 | 165 | 19 | 9 | 28 |
| Loan-loss provisions | -7 | -6 | - | - | - | 9 | -12 | -3 | 1 | - | 1 |
| General and administrative expenses | -60 | -19 | -3 | -5 | -8 | -5 | -3 | -16 | -4 | -3 | -7 |
| Net miscellaneous income/expenses | - | - | - | - | - | - | -1 | -1 | - | - | - |
| Pre-tax profit | -66 | -30 | 8 | 3 | 11 | 129 | 5 | 145 | 16 | 6 | 22 |
| Key ratios | 2014 ¹ | 2015 ¹ | Q1/16 | Q2/16 | H1/16 | Q3/16 ¹ | Q4/16 | 2016 ¹ | Q1/17 | Q2/17 | H1/17 |
| CIR (%) | >100 | n/a | 27.3 | 62.5 | 42.1 | 4.0 | 14.3 | 9.7 | 21.1 | 33.3 | 25.0 |
| RoE before tax (%) | -3.5 | -1.4 | 1.9 | 0.7 | 1.3 | 34.7 | 1.5 | 9.7 | 4.1 | 1.6 | 2.9 |
| Key figures | 12/14 | 12/15 | 03/16 | 06/16 | 06/16 | 09/16 | 12/16 | 12/16 | 03/17 | 06/17 | 06/17 |
| Equity (EUR bn) | 1.8 | 1.5 | 1.6 | 1.5 | 1.5 | 1.6 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| RWA (EUR bn) | 5.5 ² | 4.4 | 4.4 | 4.3 | 4.3 | 4.2 | 4.1 | 4.1 | 4.0 | 3.7 | 3.7 |
| Financing volume (EUR bn) | 22.7 | 18.7 | 17.9 | 17.4 | 17.4 | 16.6 | 15.8 | 15.8 | 15.5 | 14.6 | 14.6 |

Note: Annual results 2014-2016 audited; interim results unaudited. *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)* 1 Incl. extraordinary effects from value adjustments on HETA exposure: EUR -117 mn (2014); EUR -76 mn (Q1/15, 2015); EUR +132 mn (Q3/16, 2016) 2 Retrospectively adjusted

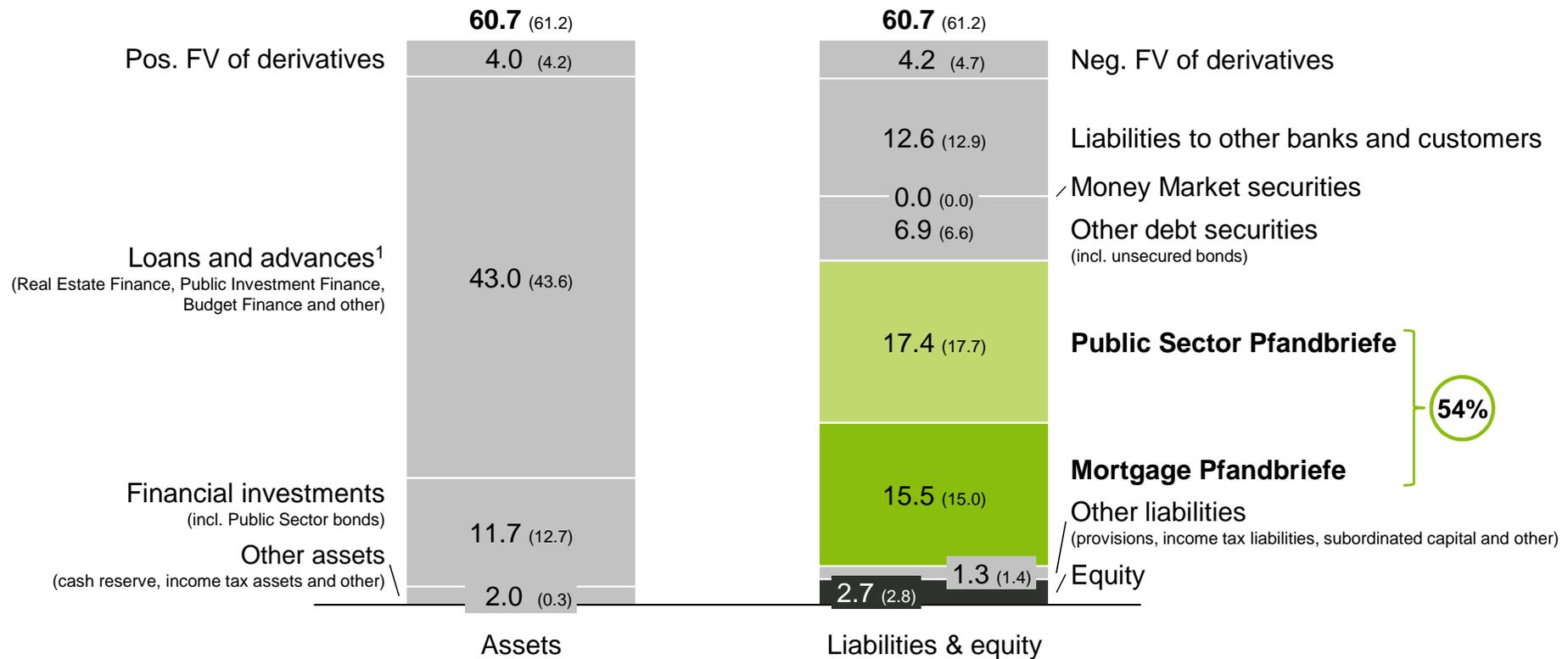
Balance sheet

Specialist lender with attractive German Pfandbrief as major funding instrument



Balance sheet: 30/06/2017 (31/03/2017)

IFRS, EUR billions



Note: Figures may not add up due to rounding 1 Incl. allowances for losses on loans and advances

Portfolio

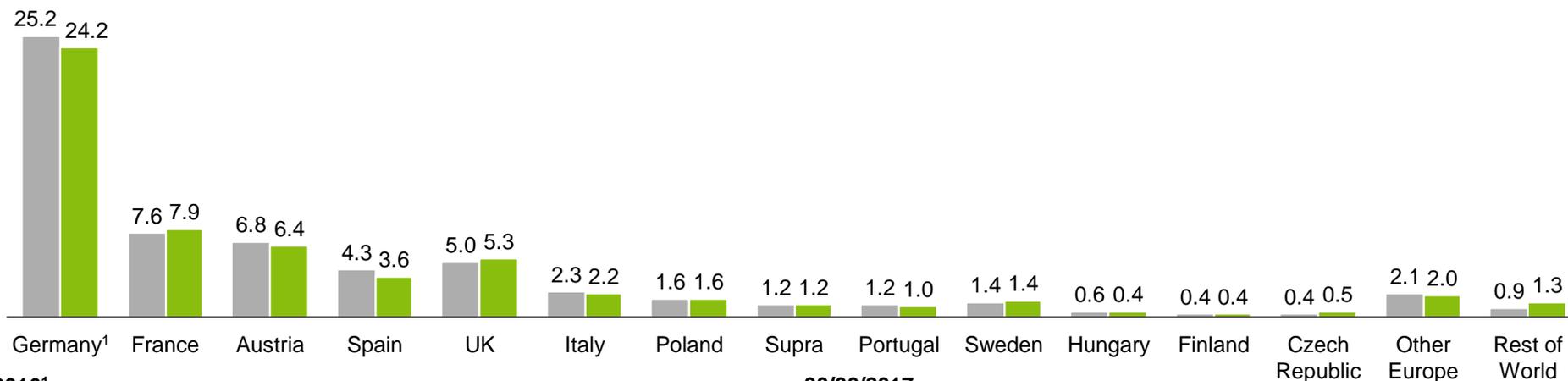
Total portfolio



Regions

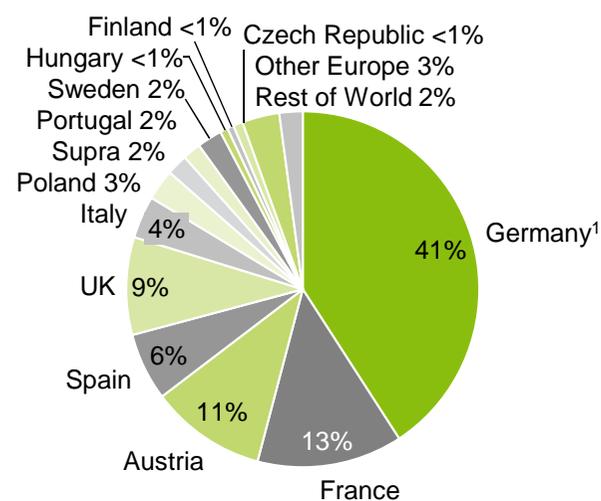
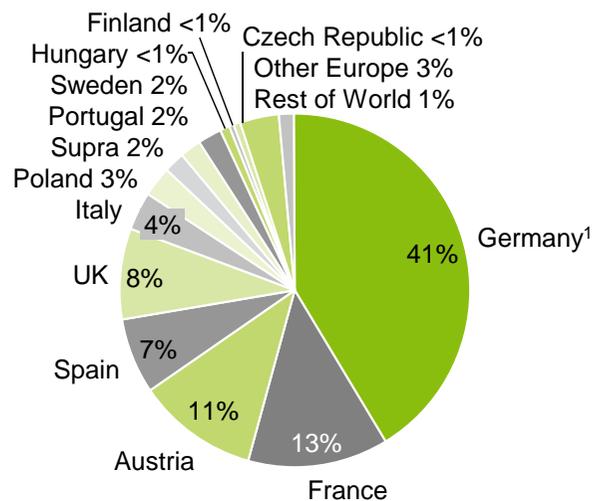
EUR billions (EaD, Basel III)

■ 31/12/2016 / Total: EUR 60.7 bn
 ■ 30/06/2017 / Total: EUR 59.4 bn



31/12/2016¹

30/06/2017



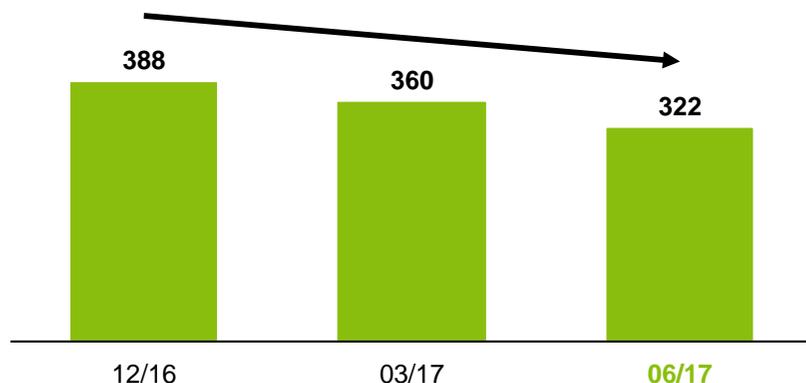
Note: Figures may not add up due to rounding 1 Incl. Bundesbank accounts (06/17: EUR 1.9 bn; 03/17: EUR 0.5 bn)

Portfolio

Problem loans

Total problem loans (only REF)

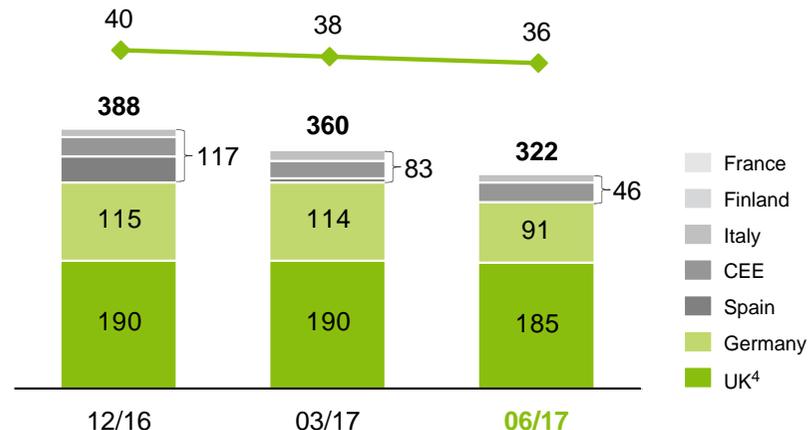
EUR millions (EaD, Basel III)



Regions

EUR million (EaD, Basel III)

No. of individual cases



Total problem loans

EUR millions (EaD)

| | 12/15 | | | | 12/16 | | | | 06/17 | | | |
|----------------------------------|------------|----------|------------|------------|------------|----------|----------|------------|------------|----------|----------|------------|
| | REF | PIF | VP | Total | REF | PIF | VP | Total | REF | PIF | VP | Total |
| Workout loans ¹ | 3 | - | - | 3 | 3 | - | - | 3 | 2 | - | - | 2 |
| Restructuring loans ² | 533 | - | 241 | 774 | 385 | - | - | 385 | 320 | - | - | 320 |
| Total | 536 | - | 241 | 777 | 388 | - | - | 388 | 322 | - | - | 322 |

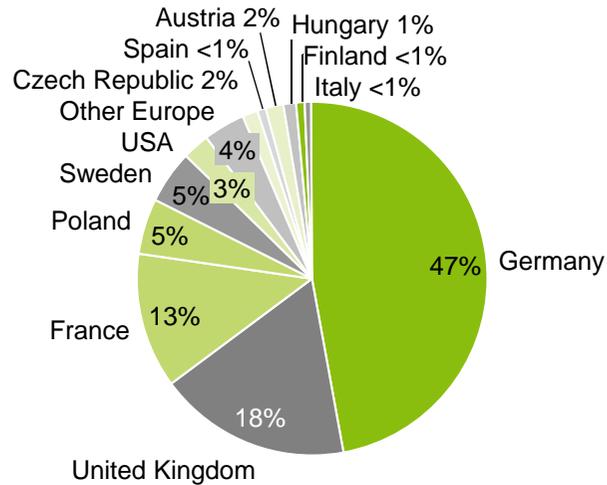
Note: Figures may not add up due to rounding 1 No signs that the deal will recover soon, compulsory measures necessary 2 Payments more than 90 days overdue or criteria acc. to respective policy apply
 3 Write-back of HETA exposure recognised in Q3/16; bonds have been sold in October 4 Estate UK-3 'technically' shown as problem loan – properties sold, but synthetic securitisation has not yet allocated loss

Portfolio

Real Estate Finance (REF)

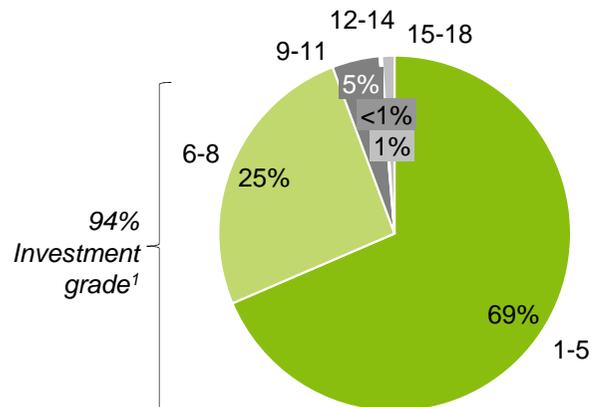
Portfolio: Regions

30/06/2017: EUR 27.3 bn (EaD, Basel III)



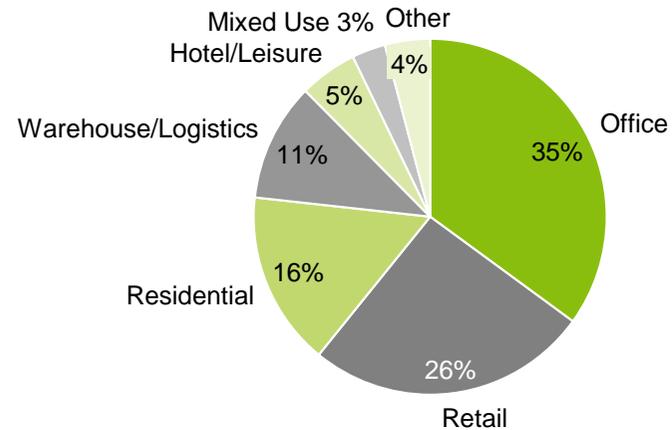
Portfolio: Internal Ratings (EL classes)

30/06/2017: EUR 27.3 bn (EaD, Basel III)



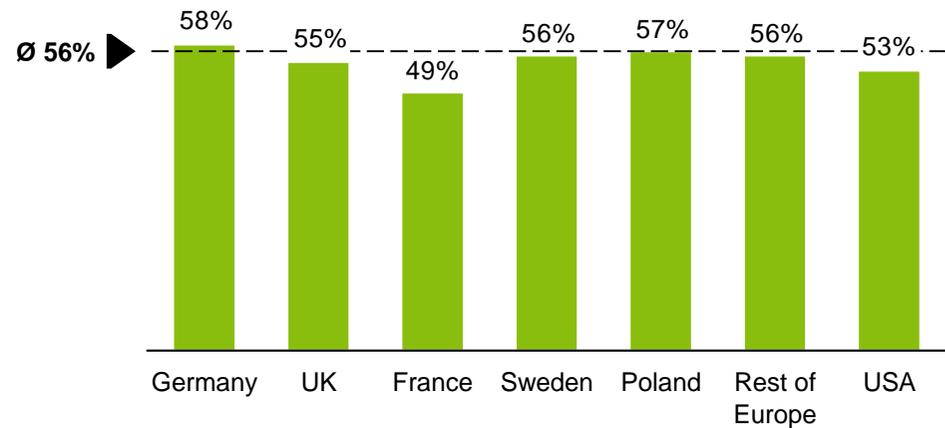
Portfolio: Property types

30/06/2017: EUR 27.3 bn (EaD, Basel III)



Portfolio: Avg. weighted LTVs

30/06/2017 (Commitments)²



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

Portfolio

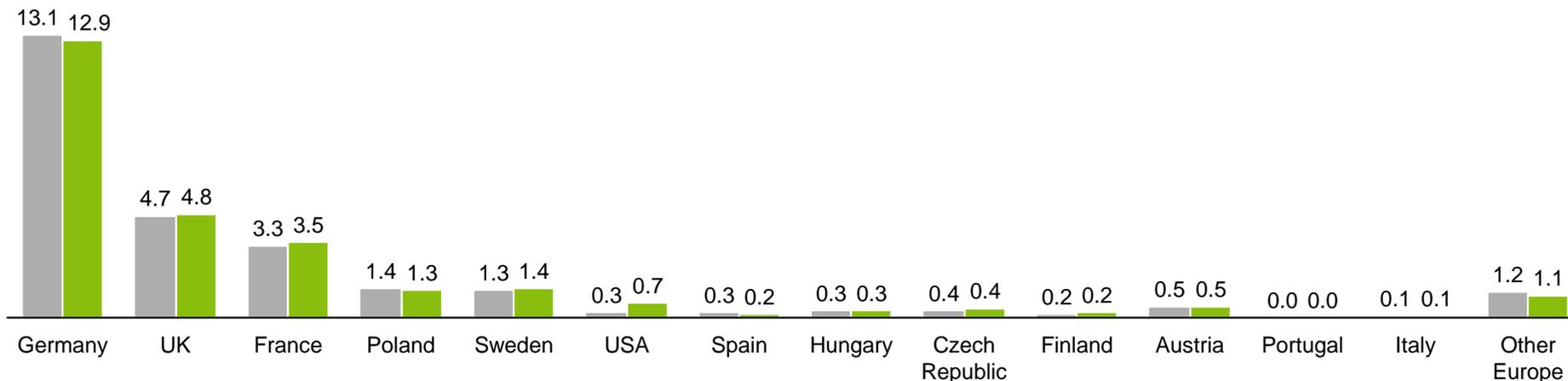
Real Estate Finance (REF)



Regions

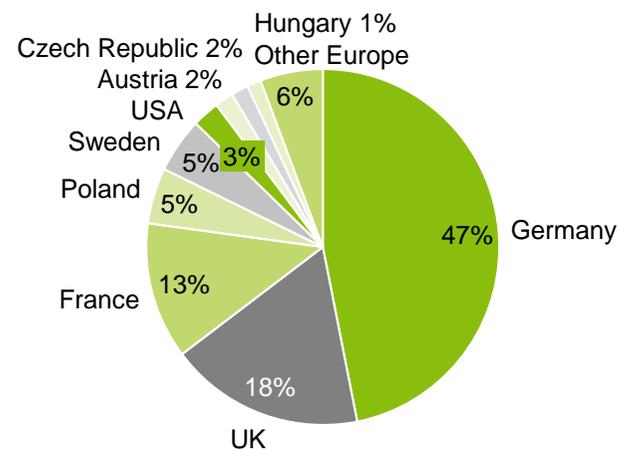
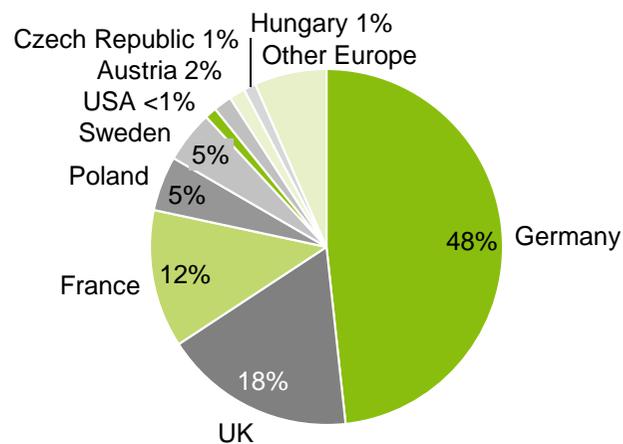
EUR billions (EaD, Basel III)

31/12/2016 / Total: EUR 27.1 bn
 30/06/2017 / Total: EUR 27.3 bn



31/12/2016

30/06/2017



Note: Figures may not add up due to rounding

Portfolio

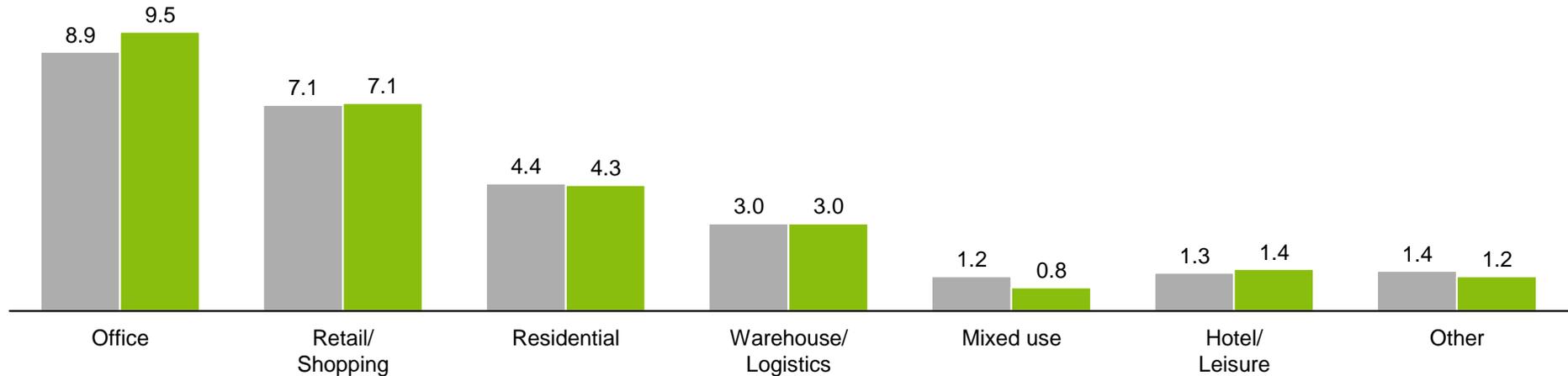
Real Estate Finance (REF)



Property types

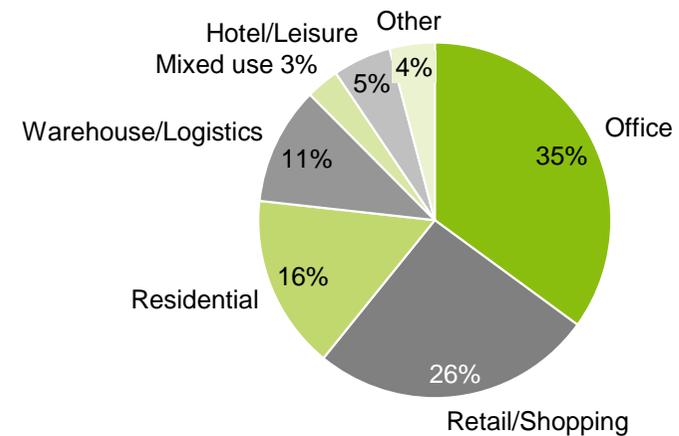
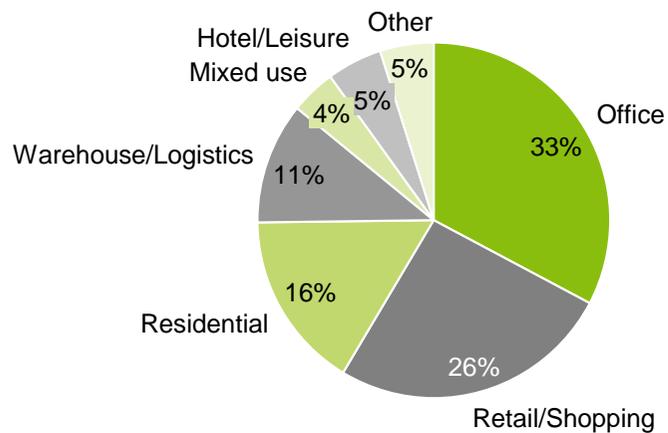
EUR billions (EaD, Basel III)

31/12/2016 / Total: EUR 27.1 bn
 30/06/2017 / Total: EUR 27.3 bn



31/12/2016

30/06/2017



Note: Figures may not add up due to rounding

Portfolio

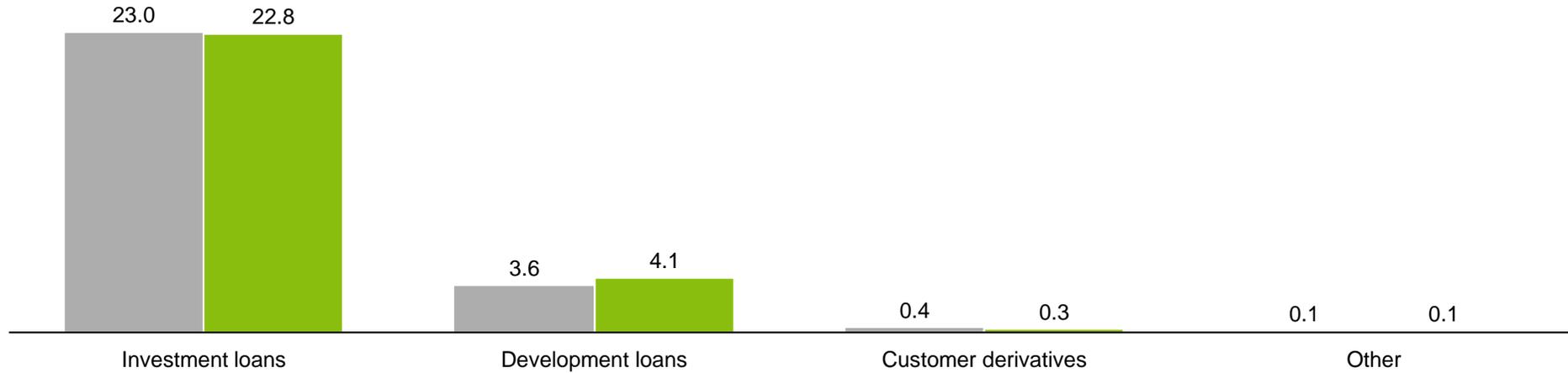
Real Estate Finance (REF)



Loan types

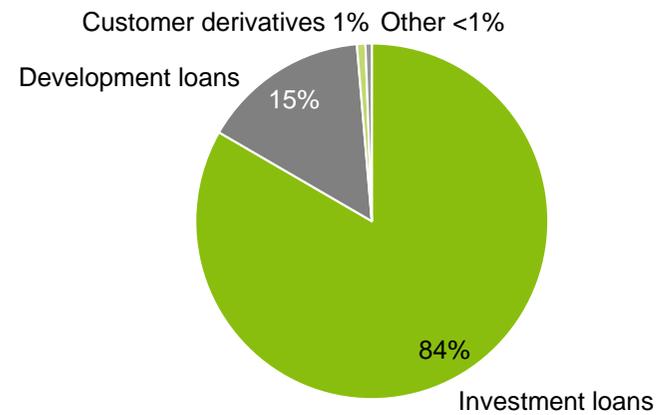
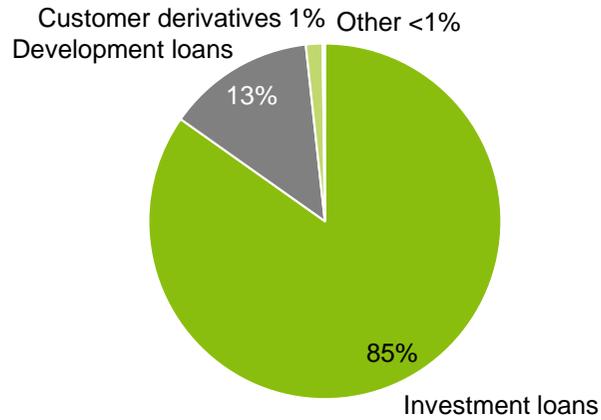
EUR billions (EaD, Basel III)

■ 31/12/2016 / Total: EUR 27.1 bn
 ■ 30/06/2017 / Total: EUR 27.3 bn



31/12/2016

30/06/2017



Note: Figures may not add up due to rounding

Portfolio

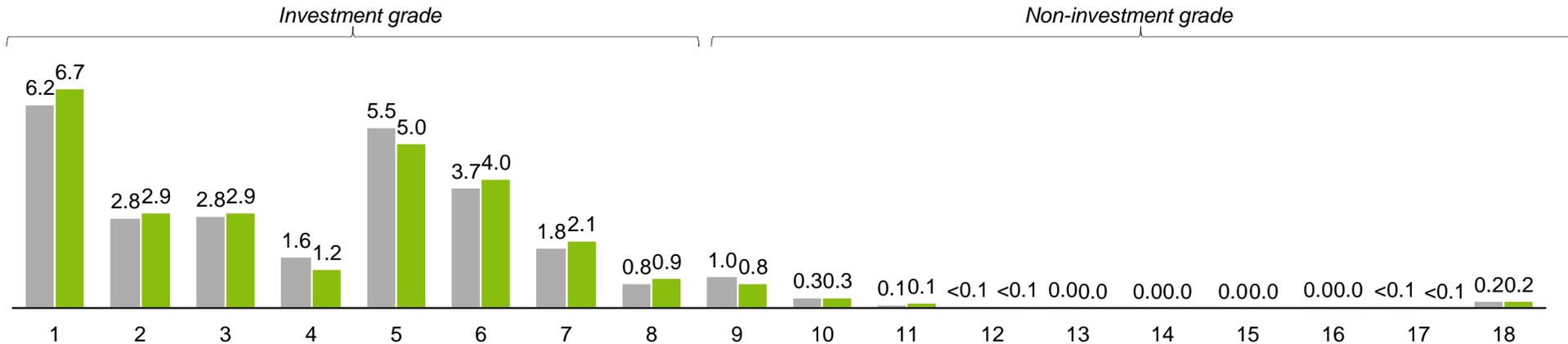
Real Estate Finance (REF)



Internal ratings (EL classes)

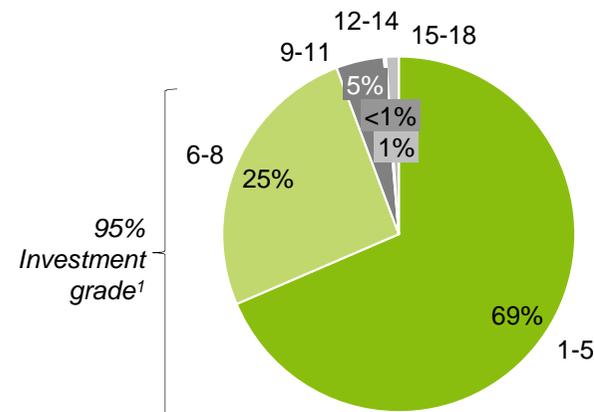
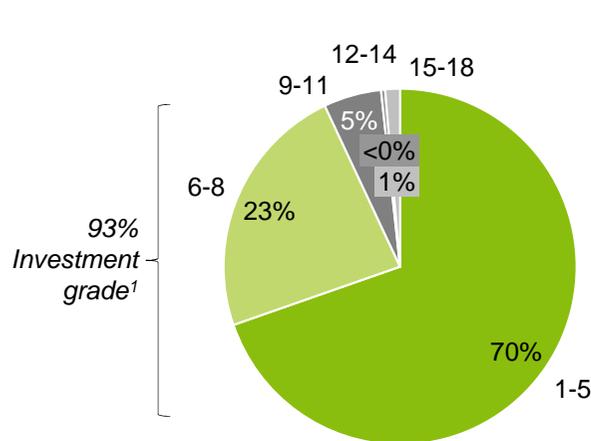
EUR billions (EaD, Basel III)

■ 31/12/2016 / Total: EUR 27.1 bn
■ 30/06/2017 / Total: EUR 27.3 bn



31/12/2016

30/06/2017



Note: Figures may not add up due to rounding 1 EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

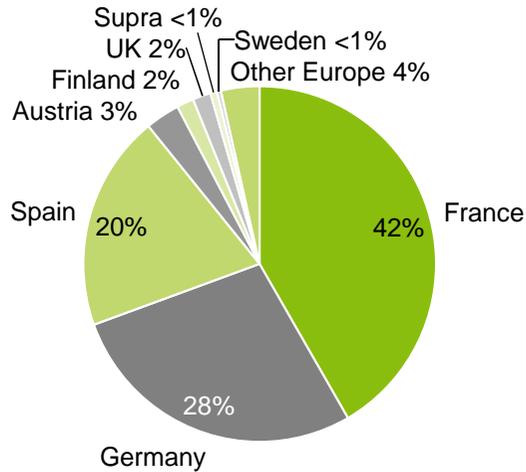
Portfolio

Public Investment Finance (PIF)



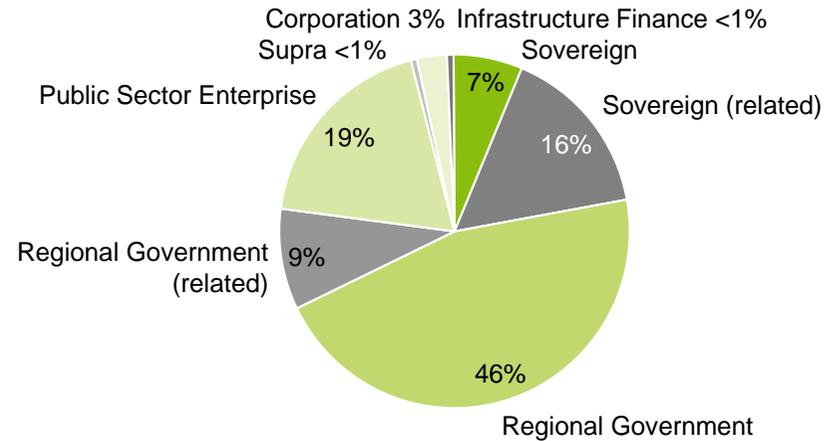
Portfolio: Regions

30/06/2017: EUR 8.4 bn (EaD, Basel III)



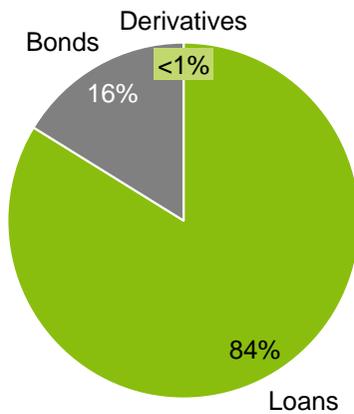
Portfolio: Borrower classification¹

30/06/2017 : EUR 8.4 bn (EaD, Basel III)



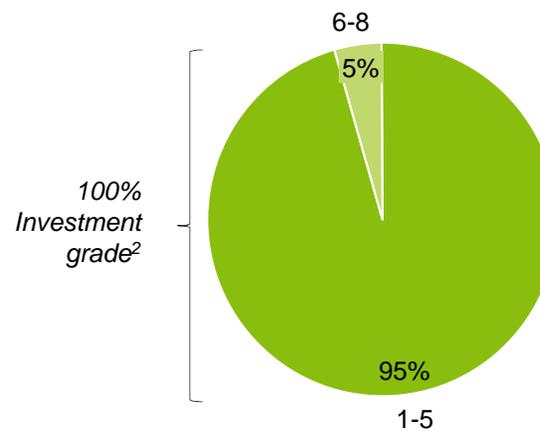
Portfolio: Product class

30/06/2017 : EUR 8.4 bn (EaD, Basel III)



Portfolio: Internal ratings (EL classes)

30/06/2017 : EUR 8.4 bn (EaD, Basel III)



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

Portfolio

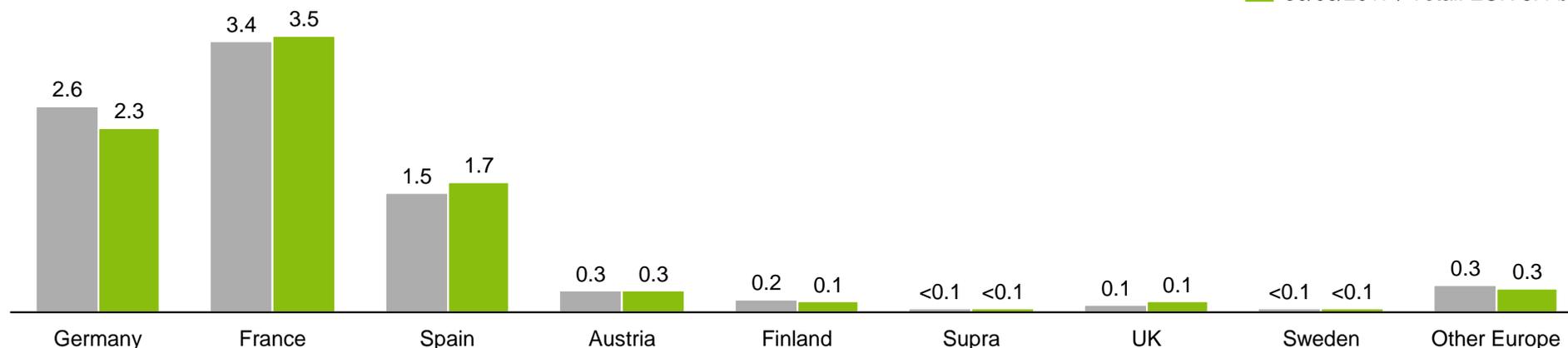
Public Investment Finance (PIF)



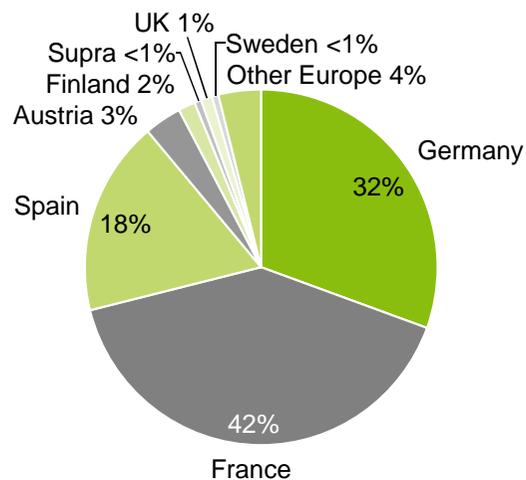
Regions

EUR billions (EaD, Basel III)

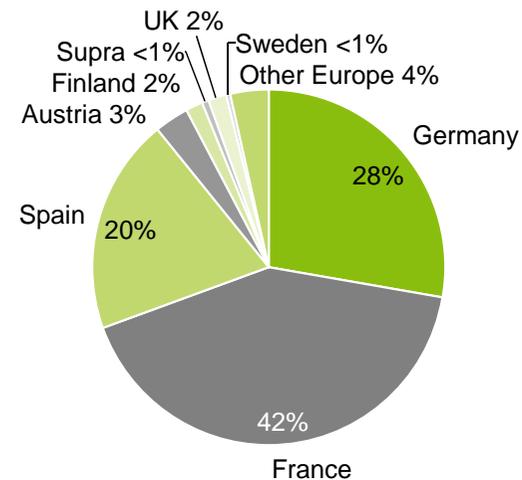
■ 31/12/2016 / Total: EUR 8.5 bn
 ■ 30/06/2017 / Total: EUR 8.4 bn



31/12/2016



30/06/2017



Note: Figures may not add up due to rounding

Portfolio

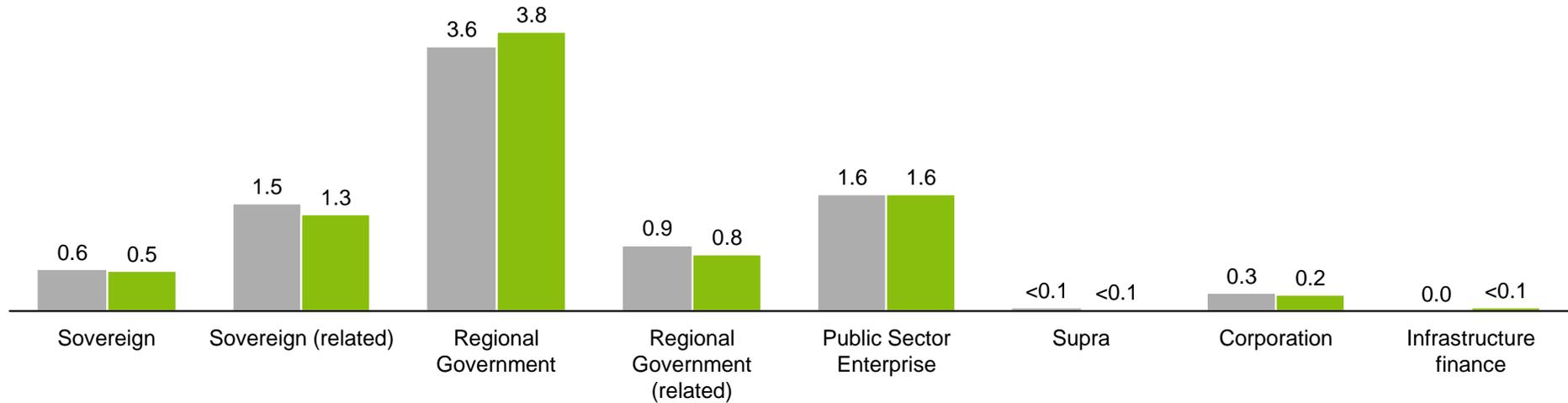
Public Investment Finance (PIF)



Borrower classification¹

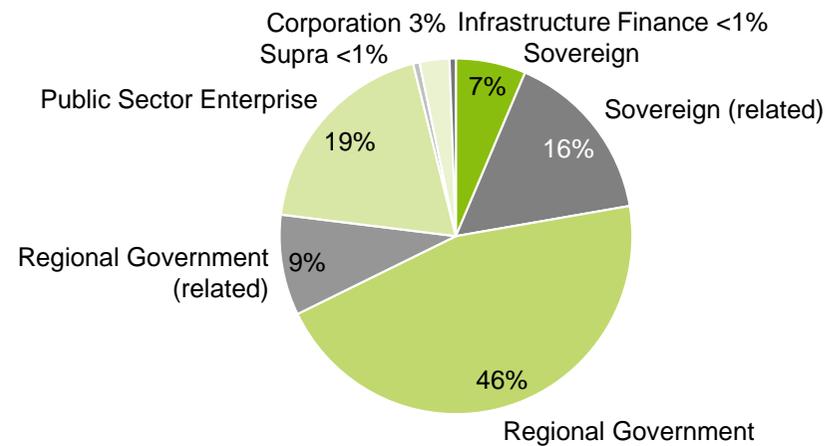
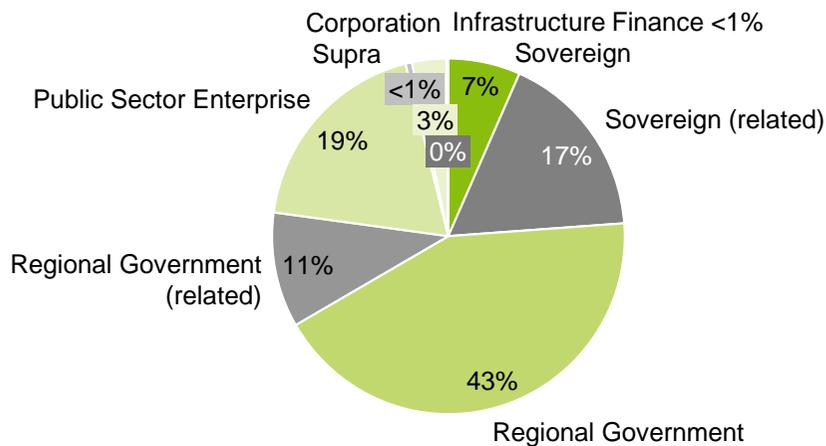
EUR billions (EaD, Basel III)

■ 31/12/2016 / Total: EUR 8.5 bn
 ■ 30/06/2017 / Total: EUR 8.4 bn



31/12/2016

30/06/2017



Note: Figures may not add up due to rounding ¹ See appendix for definition of borrower classification

Portfolio

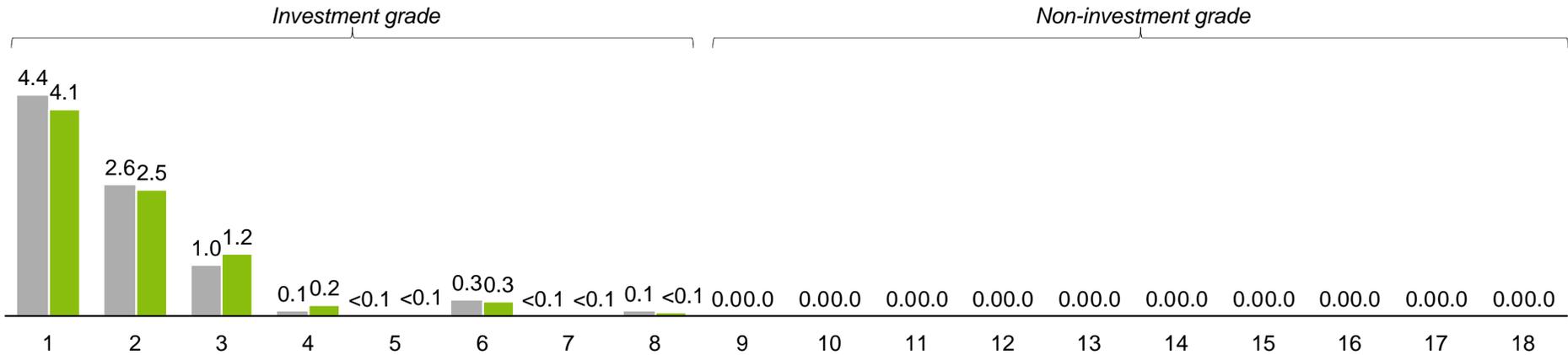
Public Investment Finance (PIF)



Internal ratings (EL classes)

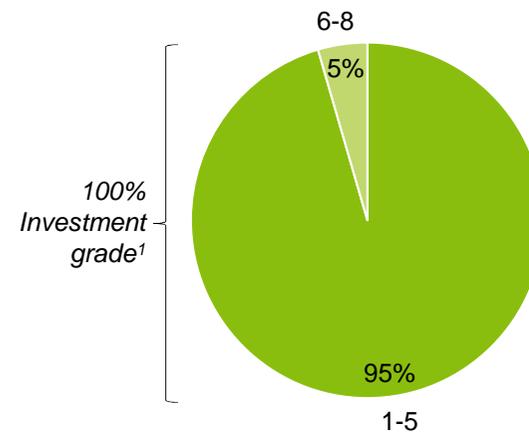
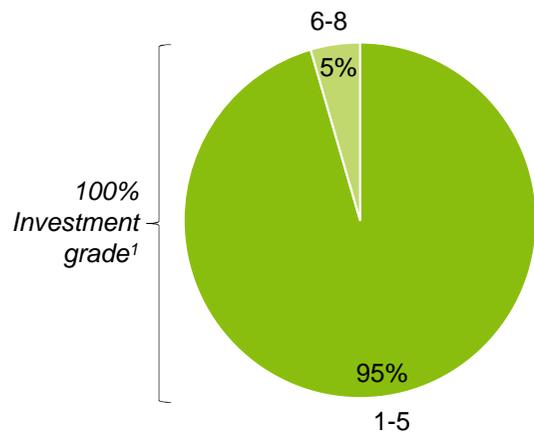
EUR billions (EaD, Basel III)

■ 31/12/2016 / Total: EUR 8.5 bn
 ■ 30/06/2017 / Total: EUR 8.5 bn



31/12/2016

30/06/2017



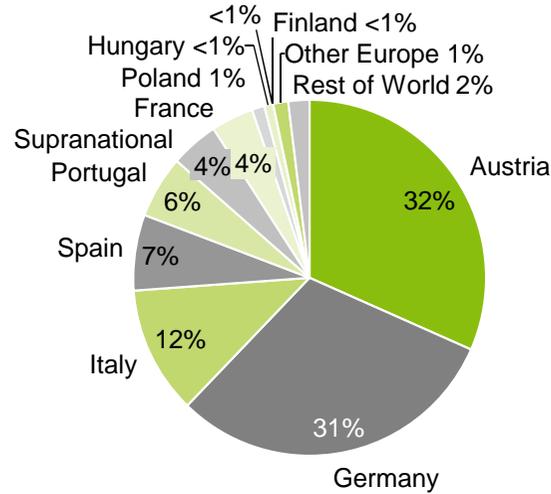
Note: Figures may not add up due to rounding 1 EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

Portfolio

Value Portfolio (VP)

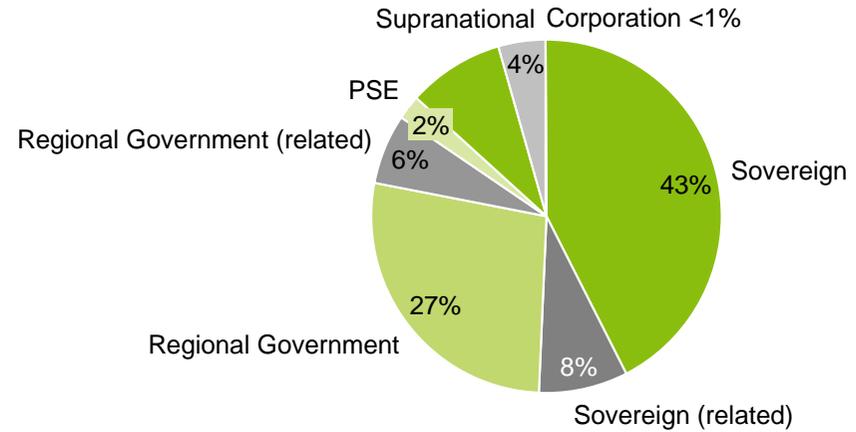
Portfolio: Regions

30/06/2017: EUR 17.8 bn (EaD, Basel III)



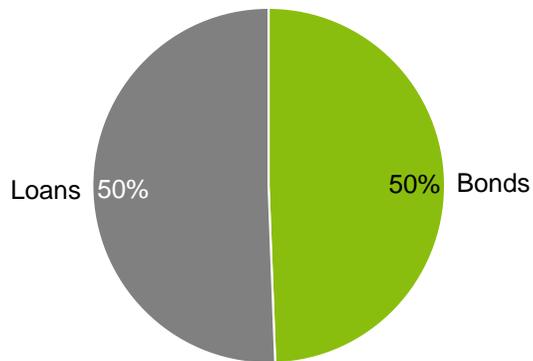
Portfolio: Borrower classification¹

30/06/2017 : EUR 17.8 bn (EaD, Basel III)



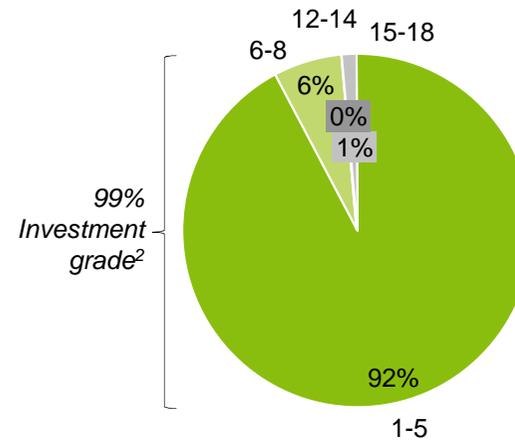
Portfolio: Product class

30/06/2017 : EUR 17.8 bn (EaD, Basel III)



Portfolio: Internal ratings (EL classes)

30/06/2017 : EUR 17.8 bn (EaD, Basel III)



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

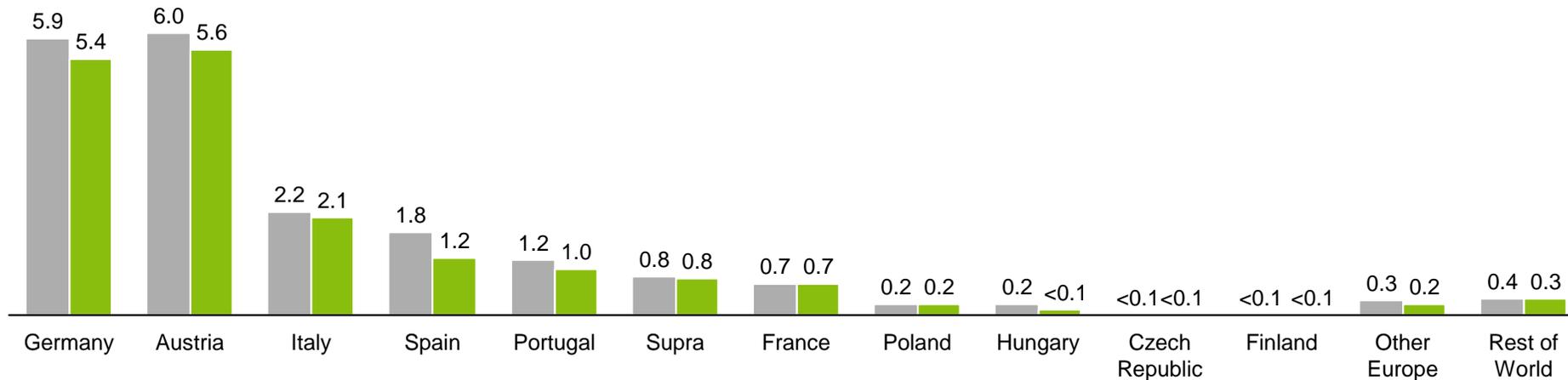
Portfolio

Value Portfolio (VP)

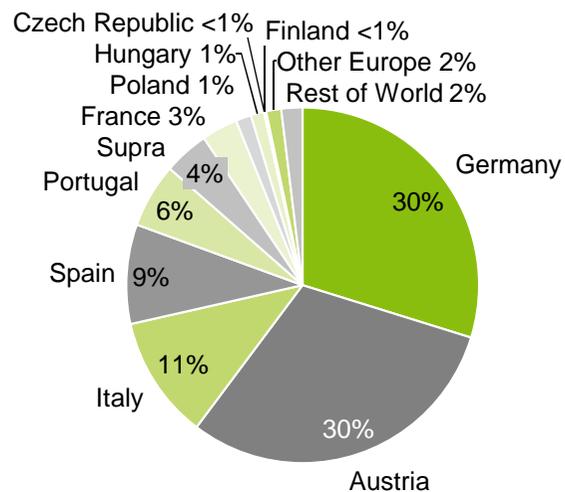
Regions

EUR billions (EaD, Basel III)

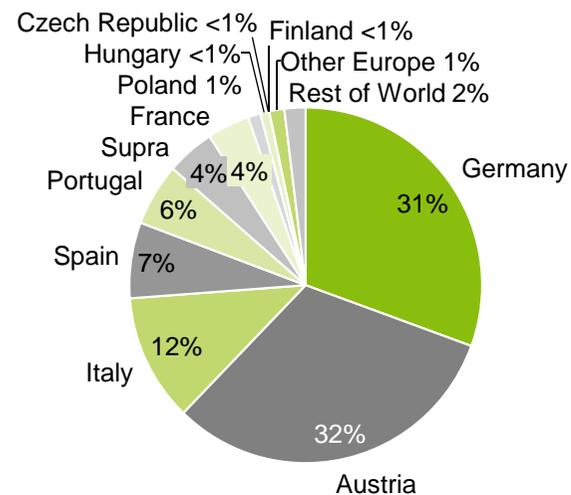
■ 31/12/2016 / Total: EUR 19.6 bn
 ■ 30/06/2017 / Total: EUR 17.8 bn



31/12/2016



30/06/2017



Note: Figures may not add up due to rounding

Portfolio

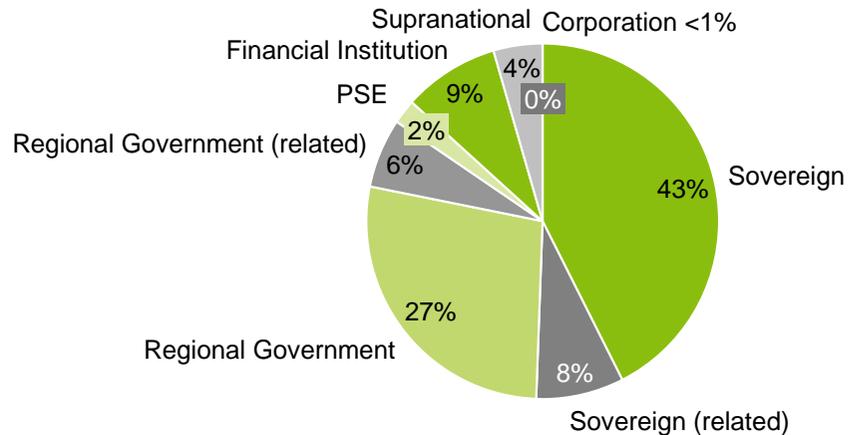
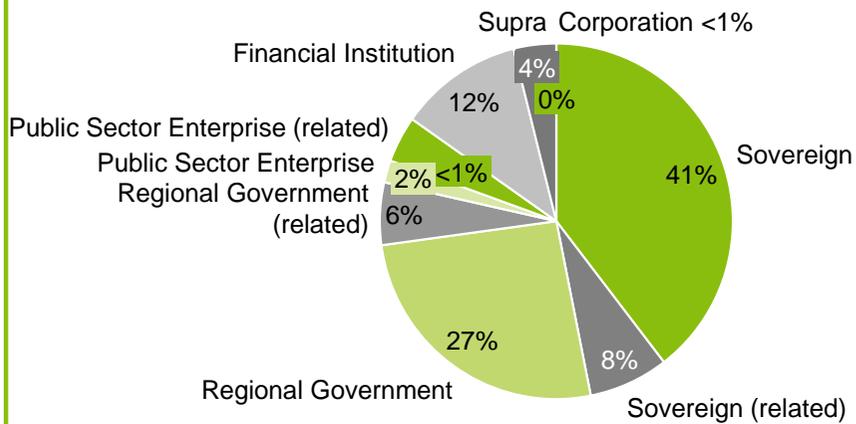
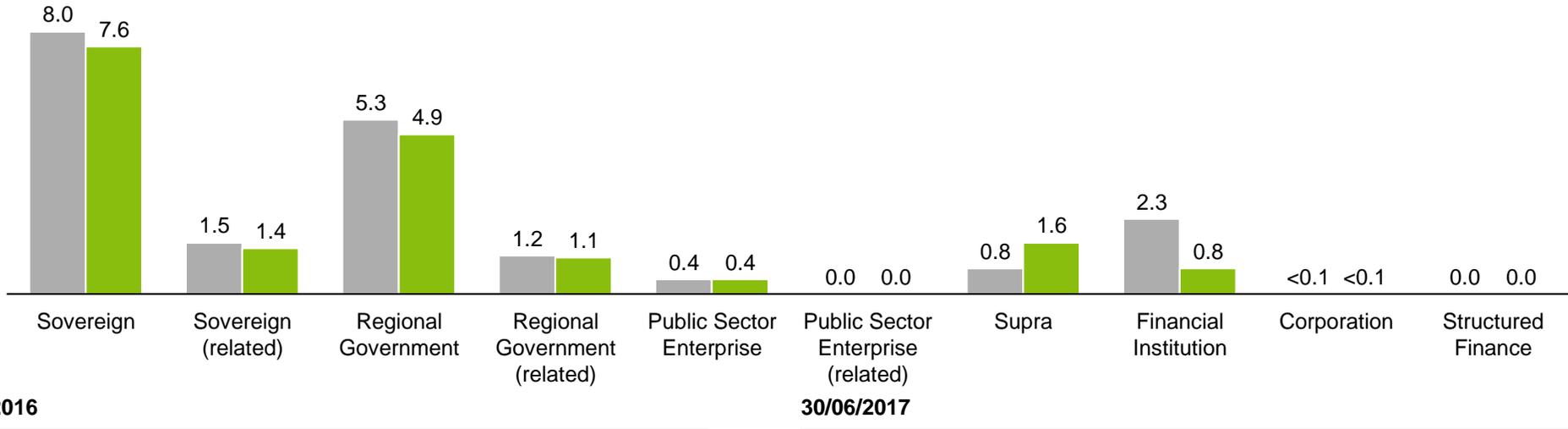
Value Portfolio (VP)



Borrower classification¹

EUR billions (EaD, Basel III)

■ 31/12/2016 / Total: EUR 19.6 bn
 ■ 30/06/2017 / Total: EUR 17.8 bn



Note: Figures may not add up due to rounding ¹ See appendix for definition of borrower classification

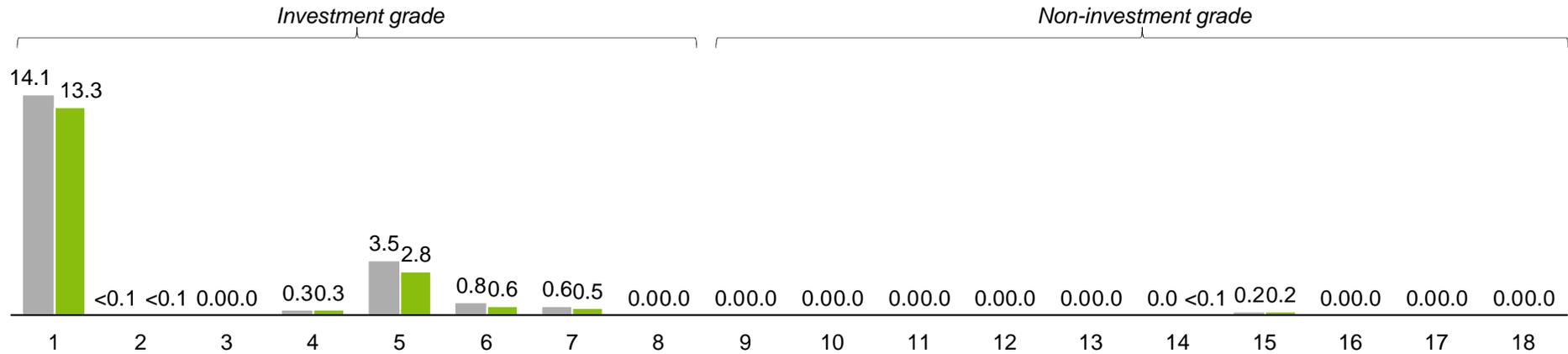
Portfolio

Value Portfolio (VP)

Internal ratings (EL classes)

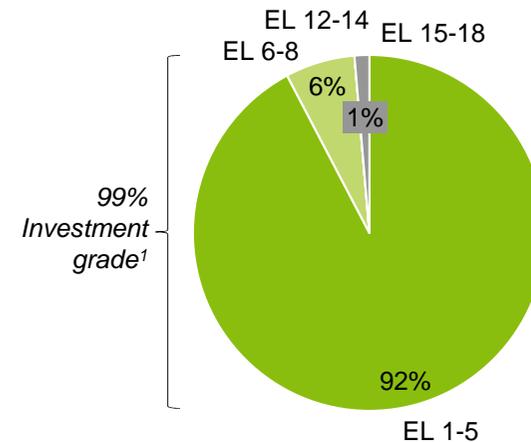
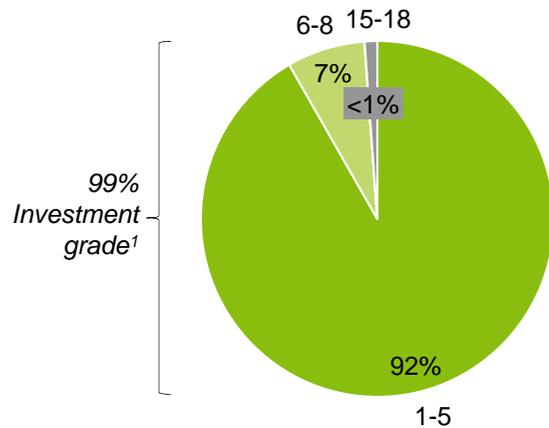
EUR billions (EaD, Basel III)

■ 31/12/2016 / Total: EUR 19.6 bn
■ 30/06/2017 / Total: EUR 17.8 bn



31/12/2016

30/06/2017



Note: Figures may not add up due to rounding 1 EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

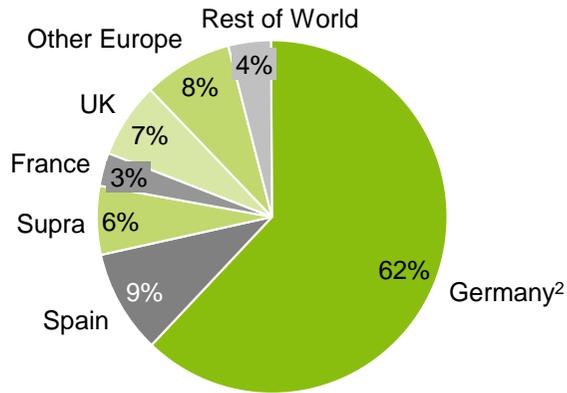
Portfolio

Consolidation & Adjustments (C&A)



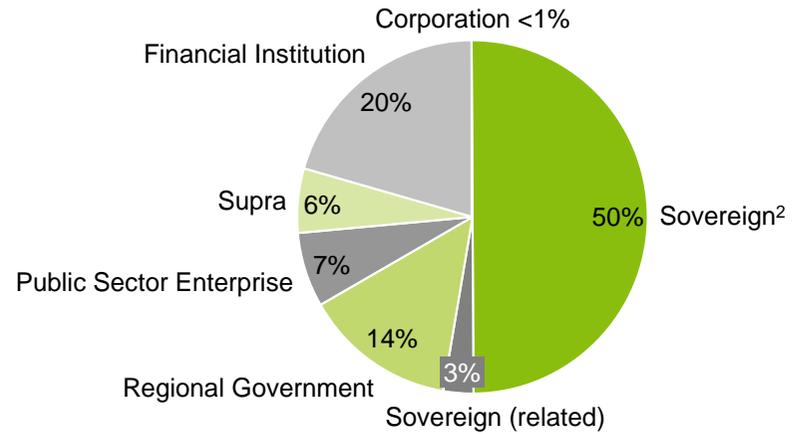
Portfolio: Regions

30/06/2017: EUR 5.8 bn (EaD, Basel III)¹



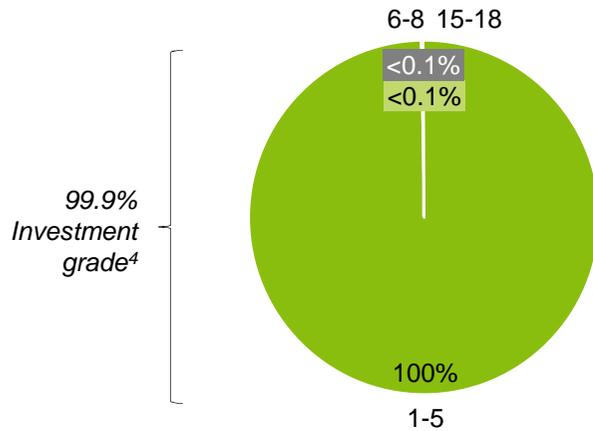
Portfolio: Borrower classification³

30/06/2017 : EUR 5.8 bn (EaD, Basel III)¹



Portfolio: Internal ratings (EL classes)

30/06/2017 : EUR 5.8 bn (EaD, Basel III)¹



Note: Figures may not add up due to rounding
 1 Excl. FMS-WM guaranteed exposure
 2 Incl. EUR 1.9 bn Bundesbank accounts
 3 See appendix for definition of borrower classification
 4 EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

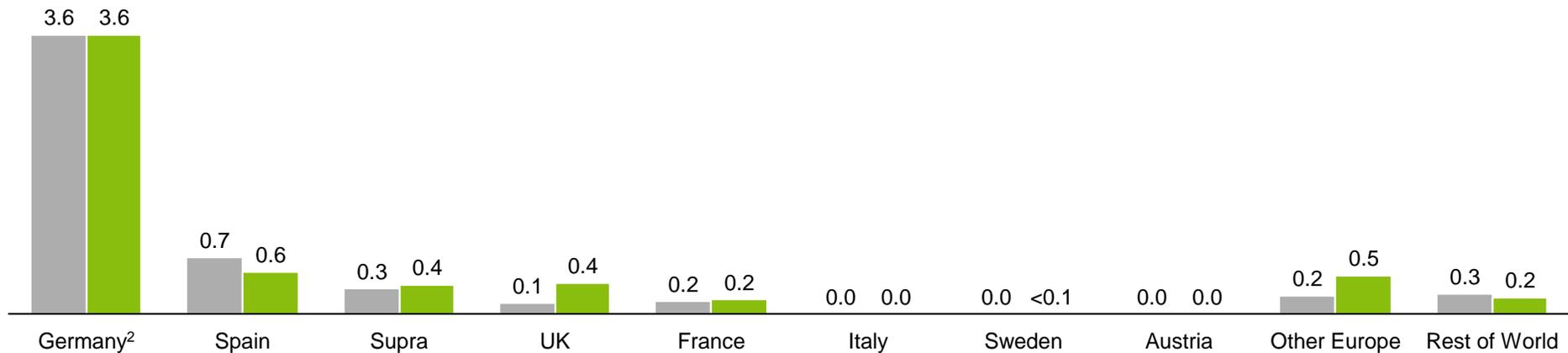
Portfolio Consolidation & Adjustments (C&A)



Regions

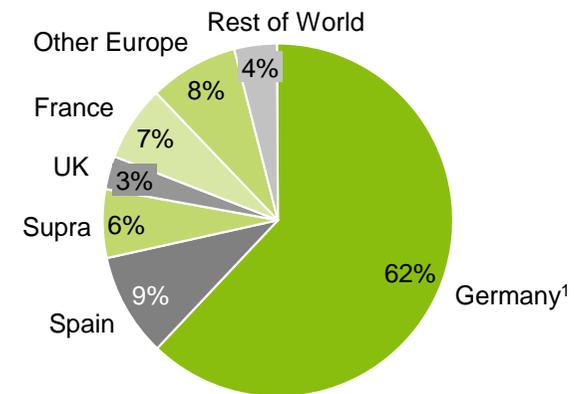
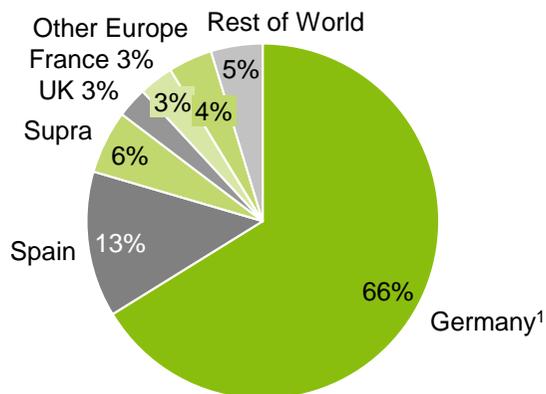
EUR billions (EaD, Basel III)

■ 31/12/2016 / Total: EUR 5.5 bn
 ■ 30/06/2017 / Total: EUR 5.8 bn



31/12/2016

30/06/2017



Note: Figures may not add up due to rounding 1 Incl. Bundesbank accounts (06/17: EUR 1.9 bn; 03/17: EUR 0.5 bn)

Portfolio

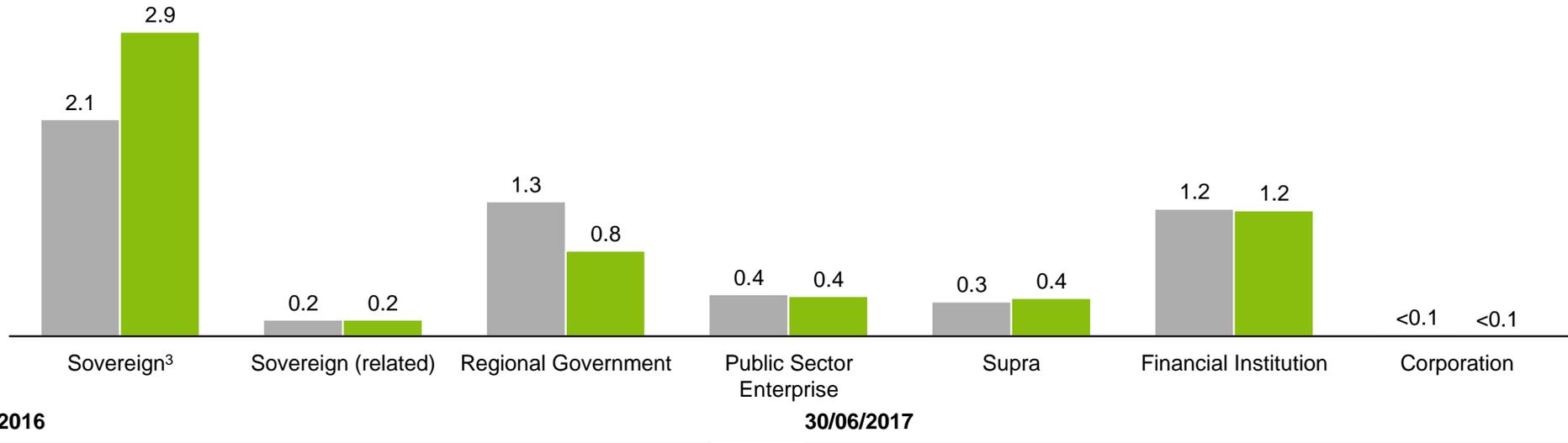
Consolidation & Adjustments (C&A)



Borrower classification¹

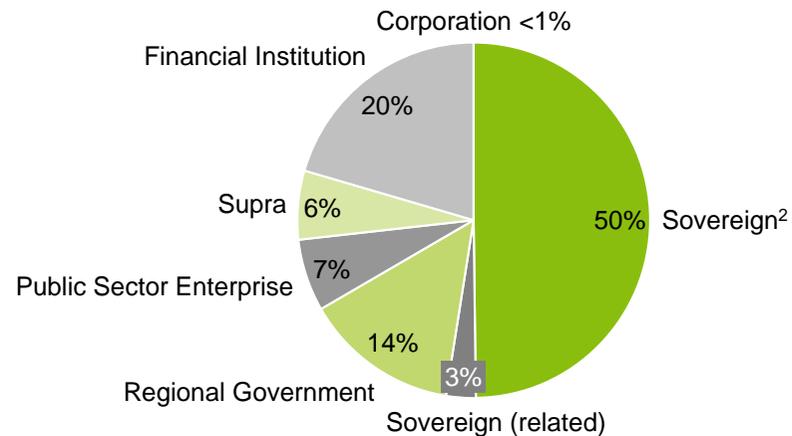
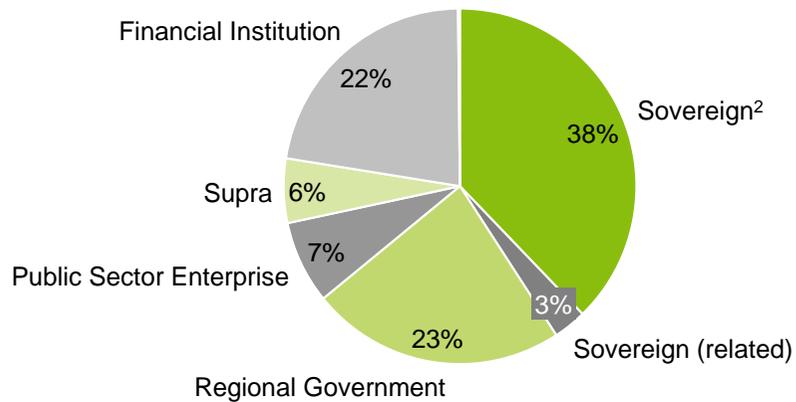
EUR billions (EaD, Basel III)

■ 31/12/2016 / Total: EUR 5.5 bn
 ■ 30/06/2017 / Total: EUR 5.8 bn



31/12/2016

30/06/2017



Note: Figures may not add up due to rounding 1 See appendix for definition of borrower classification 2 Incl. Bundesbank accounts (06/17: EUR 1.9 bn; 03/17: EUR 0.5 bn)

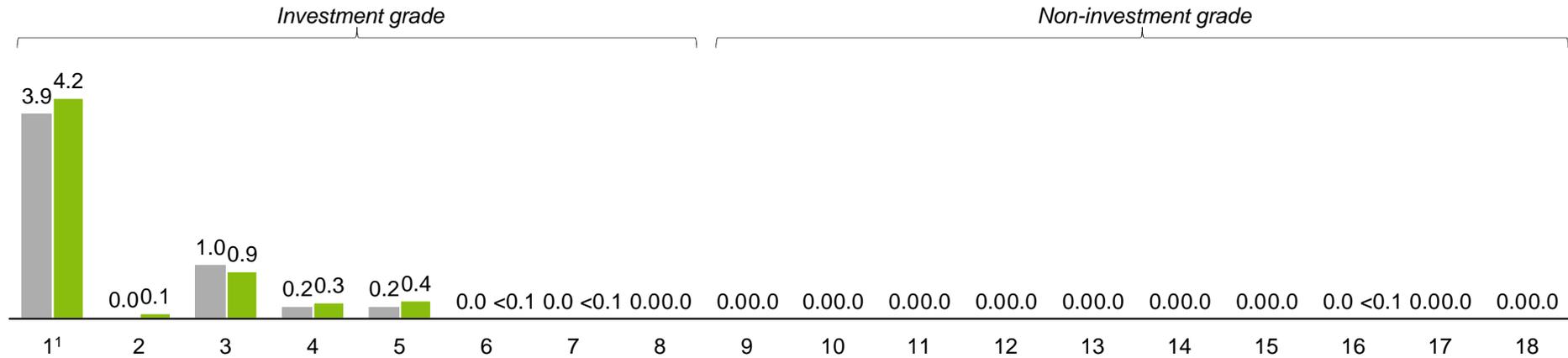
Portfolio Consolidation & Adjustments (C&A)



Internal ratings (EL classes)

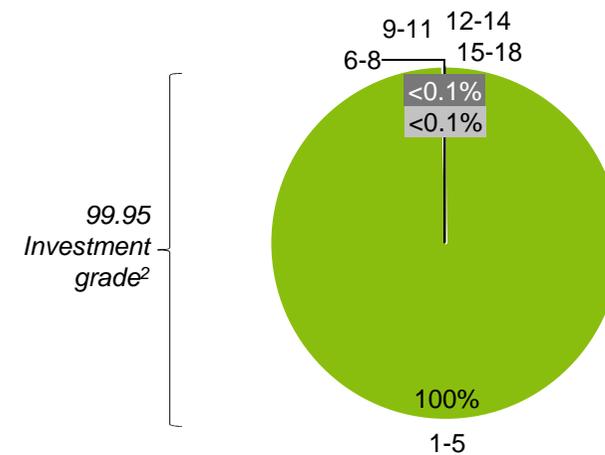
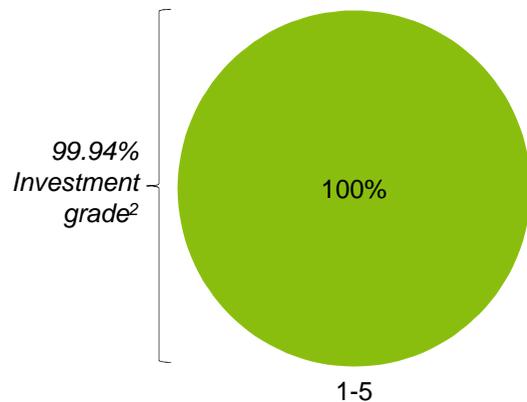
EUR billions (EaD, Basel III)

■ 31/12/2016 / Total: EUR 5.5 bn
■ 30/06/2017 / Total: EUR 5.8 bn



31/03/2017

30/06/2017



Note: Figures may not add up due to rounding 1 Incl. Bundesbank accounts (06/17: 1.9. bn; 03/17: EUR 0.5 bn) 2 EL Classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

Funding

Public benchmark issuances since 2015



| Type | WKN | Launch Date | Maturity Date | Size | Spread ¹ | Coupon | Issue/Reoffer Price |
|--|----------------------|-------------------|-------------------|-------------------|---------------------------|----------------------|---------------------|
| Senior Unsecured | A12UA6 | 13/01/2015 | 20/01/2017 | EUR 500 mn | +78 bp | 0.875% | 99.874% |
| <i>Senior Unsecured (1st Tap)</i> | <i>A12UAR</i> | <i>19/01/2015</i> | <i>17/09/2019</i> | <i>EUR 200 mn</i> | <i>+100 bp</i> | <i>1.50%</i> | <i>100.918%</i> |
| Mortgage Pfandbrief | A13SV8 | 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 | +140 bp | 1.375% | 99.826% |
| Public Sector Pfandbrief | A13SWB | 20/11/2015 | 27/11/2020 | EUR 500 mn | -4 bp | 0.125% | 99.900% |
| Mortgage Pfandbrief | A13SWC | 12/01/2016 | 19/01/2023 | EUR 750 mn | +8 bp | 0.50% | 99.221% |
| Senior Unsecured | A13SWD | 28/01/2016 | 04/02/2019 | EUR 500 mn | +140 bp | 1.25% | 99.816% |
| Mortgage Pfandbrief | A13SWE | 22/02/2016 | 01/03/2022 | EUR 500 mn | +8 bp | 0.20% | 99.863% |
| <i>Senior Unsecured (2nd Tap)</i> | <i>A12UAR</i> | <i>04/03/2016</i> | <i>17/09/2019</i> | <i>EUR 100 mn</i> | <i>+130 bp</i> | <i>1.50%</i> | <i>101.209%</i> |
| Public Sector Pfandbrief | A13SWG | 13/04/2016 | 20/04/2035 | EUR 500 mn | +25 bp | 1.25% | 99.647% |
| Senior Unsecured | A13SWH | 19/04/2016 | 27/04/2020 | EUR 500 mn | +125 bp | 1.125% | 99.751% |
| <i>Mortgage Pfandbrief (3rd Tap)</i> | <i>A1PG3M</i> | <i>11/07/2016</i> | <i>20/12/2019</i> | <i>GBP 100mn</i> | <i>+40 bp²</i> | <i>1.875%</i> | <i>102.817%</i> |
| Public Sector Pfandbrief | A2AAVU | 23/08/2016 | 30/08/2019 | USD 500 mn | +60 bp³ | 1.625% | 99.954% |
| <i>Mortgage Pfandbrief (4th Tap)</i> | <i>A1PG3M</i> | <i>19/10/2016</i> | <i>20/12/2019</i> | <i>GBP 25 mn</i> | <i>+38 bp²</i> | <i>1.875%</i> | <i>102.351%</i> |
| Senior Unsecured | CH0341440300 | 20/10/2016 | 02/11/2021 | CHF 100 mn | +80 bp⁴ | 0.30% | 100.074% |
| Mortgage Pfandbrief | A2ADASA | 05/01/2017 | 01/03/2022 | GBP 250 mn | +55 bp² | 3m-Libor +55 | 100.00% |
| <i>Mortgage Pfandbrief (5th Tap)</i> | <i>A1PG3M</i> | <i>16/01/2017</i> | <i>20/12/2019</i> | <i>GBP 50 mn</i> | <i>+50 bp²</i> | <i>1.875%</i> | <i>102.32%</i> |
| <i>Public Sector Pfandbrief (1st Tap)</i> | <i>A2AAVU</i> | <i>17/01/2017</i> | <i>30/08/2019</i> | <i>USD 100 mn</i> | <i>+55 bp³</i> | <i>1.625%</i> | <i>98,764%</i> |
| Senior Unsecured | A2DASD | 23/01/2017 | 29/01/2021 | EUR 500 mn | +90 bp | 0.875% | 99.797% |
| Mortgage Pfandbrief | A2DASJ | 01/02/2017 | 29/01/2021 | EUR 500 mn | -6 bp | 0.05% | 99.901% |
| Senior Unsecured | A2DASK | 08/02/2017 | 14/02/2020 | EUR 150 mn | +75 bp⁵ | 3m-Euribor+75 | 100.00% |
| Mortgage Pfandbrief | A2DASU | 25/04/2017 | 04/05/2020 | USD 600 mn | +55 bp³ | 2.25% | 99.827% |
| Tier 2 | XS01637926137 | 21/06/2017 | 28/06/2027 | EUR 300 mn | +275bp | 2.875% | 99.904% |
| <i>Mortgage Pfandbrief (1st Tap)</i> | <i>A2DASU</i> | <i>03/08/2017</i> | <i>04/05/2020</i> | <i>USD 100 mn</i> | <i>+40 bp³</i> | <i>2.25%</i> | <i>100.417%</i> |

1 vs. mid-swap 2 vs. 3m GBP-Libor 3 vs. 3m USD-Libor 4 vs. 6m CHF-Libor 5 vs 3m Euribor

Ratings

Mandated ratings as of 14 August 2017



| Bank ratings | S&P | DBRS | |
|--|----------|------------|----------------|
| Long-term | A- | BBB | |
| Outlook/Trend | Negative | Stable | |
| Short-term | A-2 | R-2 (high) | |
| Stand-alone rating ¹ | bbb | BBB | |
| Long Term Debt Ratings | | | |
| “Preferred” senior unsecured Debt ² | A- | BBB | |
| “Non-preferred” senior unsecured Debt ³ | BBB- | BBB | |
| Subordinated Debt | BB+ | BB (high) | |
| | | | Moody's |
| Public Sector Pfandbrief | | | Aa1 |
| Mortgage Pfandbrief | | | Aa1 |

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Note: The above list does not include all ratings 1 S&P: Stand-alone credit profile; DBRS: Intrinsic Assessment 2 S&P: "Senior Unsecured Debt"; DBRS: "Senior Unsecured Debt" 3 S&P: "Senior Subordinated Debt"; DBRS: "Senior Unsecured Debt"

Definition of borrower classifications

| Borrower classification | Definition |
|---|--|
| Sovereign | Direct and indirect obligations of Central Governments, Central Banks and National Debt Agencies |
| Sovereign (related) | Indirect obligations of Non Sovereigns with an explicit first call guarantee by a Sovereign |
| Regional Government | Direct and indirect obligations of Regional, Provincial and Municipal Governments |
| Regional Government (related) | Indirect obligations of Non Regional Government with an explicit first call guarantee by a Regional Government |
| Public Sector Enterprise | Direct obligations of administrative bodies and non commercial/non-profit undertakings |
| Public Sector Enterprise (related) | Indirect obligations of Non Public Sector Enterprise with an explicit first call guarantee by a Public Sector Enterprise |
| Financial Institution | Direct and indirect obligations of Universal Banks, Investment Banks, Mortgage Institutions, Brokerages and other banks or Basel regulated institution |
| Corporation | Direct and indirect obligations of enterprises, established under corporate law and operating in a for profit or competitive environment |
| Structured Finance | 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 |
| Supranational | Direct obligations to international Organisations and International Investment and Development Banks |
| Other | Direct obligations to Individuals |

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