

PBT of € 171 mn after 9 months

– full-year guidance raised to € 205-215 mn

Results Q3/9M 2018

12 November 2018

Disclaimer



- This presentation is not an offer or invitation to subscribe for or purchase any securities in any jurisdiction, including any jurisdiction of the United States. Securities may not be offered or sold in the United States absent registration or pursuant to an available exemption from registration under the U.S. Securities Act. Deutsche Pfandbriefbank AG (pbb) does not intend to conduct a public offering of securities in the United States.
- No warranty is given as to the accuracy or completeness of the information in this presentation. You must make your own independent investigation and appraisal of the business and financial condition of pbb and its direct and indirect subsidiaries and their securities. Nothing in this presentation shall form the basis of any contract or commitment whatsoever.
- This presentation may only be made available, distributed or passed on to persons in the United Kingdom in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply.
- This presentation may only be made available, distributed or passed on to persons in Australia who qualify as 'wholesale clients' as defined in section 761G of the Australian Corporations Act.
- This presentation is furnished to you solely for your information. You may not reproduce it or redistribute to any other person.
- This presentation contains forward-looking statements based on calculations, estimates and assumptions made by the company's top management and external advisors and are believed warranted. These statements may be identified by such words as 'may', 'plans', 'expects', 'believes' and similar expressions, or by their context and are made on the basis of current knowledge and assumptions. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. Such factors include general economic conditions, the conditions of the financial markets in Germany, in Europe, in the United States and elsewhere, the performance of pbb's core markets and changes in laws and regulations. No obligation is assumed to update any forward-looking statements.
- By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the noted limitations.

Agenda

1. **Highlights**
2. **Financials**
3. **New Business & Segment Reporting**
4. **Portfolio Profile**
5. **Funding**
6. **Capital**
7. **Summary & Outlook**

Appendix

Contact details

Highlights 9M/18

pbb shows continued good performance



- **PBT** of € 49 mn in Q3/18 (Q3/17: € 51 mn) results in € 171 mn in 9M/18 (+11% y-o-y; 9M/17: € 154 mn)
 - Strong **NII** (Q3/18: € 114 mn; 9M/18: € 334 mn), mainly benefitting from reduced funding costs and supported by higher interest-related fees and increased avg. strategic financing volume y-o-y
 - **GAE** slightly higher q-o-q, but remain on low level (Q3/18: € 48 mn; 9M/18: € 136 mn; 9M/17: 141)
 - **Risk provisioning** mainly driven by additions for UK loan exposures in the sub-segment Retail Shopping Centers in Q3/18 (Q3/18: € -17 mn; 9M/18: € -10 mn)
 - **One-off** gain from a conditional additional purchase price adjustment on Heta in Q2/18

- **Net income** of € 138 mn in 9M/18 (9M/17: € 126 mn); **EpS** at € 0.98¹ (9M/17: € 0.94) and **RoE after tax** at 6.2%¹ (9M/17: 6.0%)

- **New business**² of € 5.9 bn in 9M/18 down y-o-y (9M/17: € 7.4 bn) – pbb maintains conservative underwriting standards in unchanged highly competitive markets
 - REF: € 5.5 bn; gross interest margin relatively stable with ~160 bp (2017: >155 bp; 9M/17: >160 bp)
 - PIF: € 0.4 bn; some further increase expected in Q4/18

- **Strategic financing volume** up € +0.3 bn to € 32.3 bn in 9M/18 – REF up € +0.8 bn, while PIF is down € -0.4 bn; VP down € -0.4 bn to € 13.4 bn in line with strategy

- **New long-term funding** of € 4.2 bn (9M/17: € 5.3 bn) issued at significantly lower spreads y-o-y, supplemented by € 300 mn AT1 issued in Q2/18

- **Capitalisation** further improved with CET1 ratio of 19.7%³, benefitting from positive IFRS9 first time application effect (+0.8%-pts) and reduction of RWA mainly driven by LGD changes and maturities

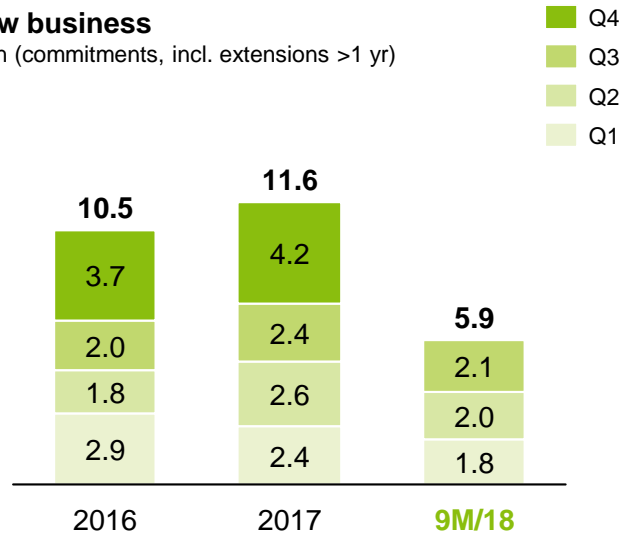
¹ Taking into account the pro-rata AT1 coupon for 2018 ² Incl. extensions >1 year ³ incl. interim result Q1/18, post max. calc. dividend acc. to ECB methodology

Highlights

Operating and financial overview

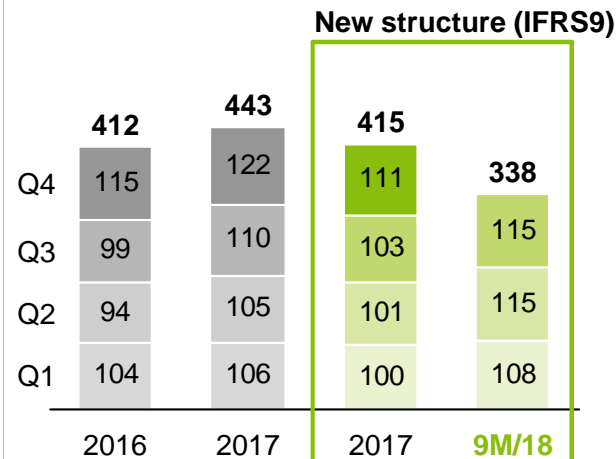
New business

€ bn (commitments, incl. extensions >1 yr)



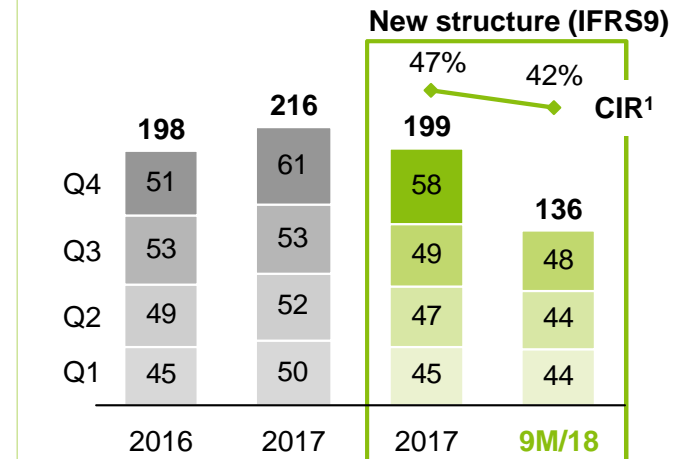
Net interest and commission income

€ mn (IFRS)



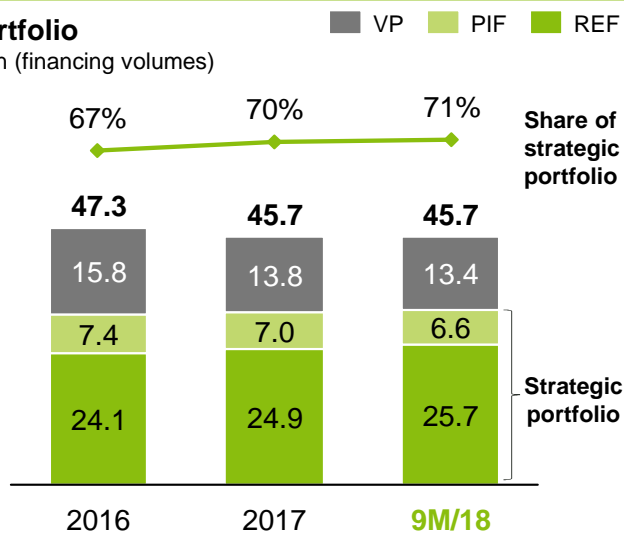
General and admin. expenses

€ mn (IFRS)



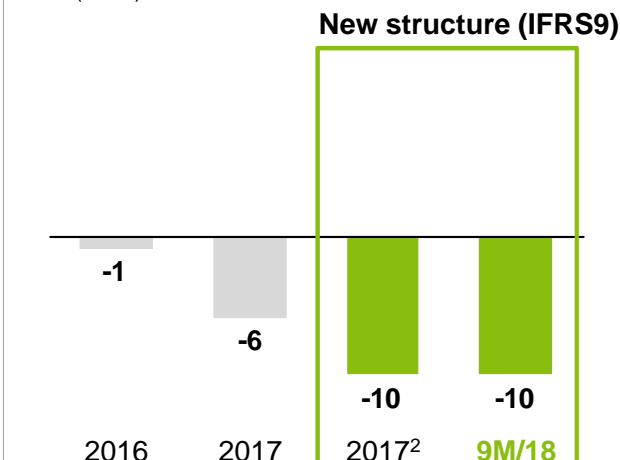
Portfolio

€ bn (financing volumes)



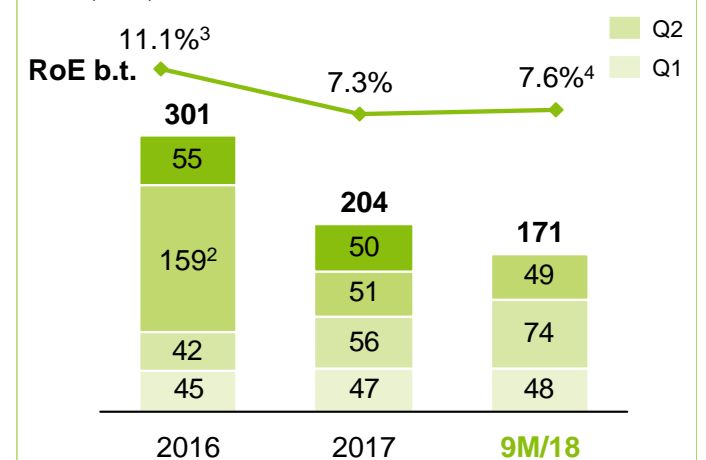
Net income from risk provisioning

€ mn (IFRS)



Pre-tax profit

€ mn (IFRS)



Note: Figures may not add up due to rounding. 1 New definition: CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income exposure. 2 9M/17: € -3 mn. 3 Incl. € +132 mn extraordinary gain from value adjustments on HETA. 4 Taking into account pro-rata AT1 coupon for 2018 (€ 12 mn pre-tax).

Agenda

1. **Highlights**
2. **Financials**
3. **New Business & Segment Reporting**
4. **Portfolio Profile**
5. **Funding**
6. **Capital**
7. **Summary & Outlook**

Appendix

Contact details

Income statement

Good performance based on continued solid underlying trends and one-off gain in Q2/18



Income statement (new structure following IFRS 9)¹

€ mn

	Q3/17	Q3/18	9M/17	9M/18
Operating Income	108	119	336	351
Net interest income	102	114	298	334
Net fee and commission income	1	1	6	4
Net income from fair value measurement	-4	-2	-4	2
Net income from realisations	9	8	31	23
Net income from hedge accounting	-1	1	-	-1
Net other operating income	1	-3	5	-11
Net income from risk provisioning	-3	-17	-3	-10
General and administrative expenses	-49	-48	-141	-136
Expenses from bank levies and similar dues	-2	-1	-27	-23
Net income from write-downs and write-ups on non-financial assets	-3	-4	-11	-11
Pre-tax profit	51	49	154	171
Income taxes	-10	-10	-28	-33
Net income	41	39	126	138
RoE before tax ² (%)	7.4%	6.9%	7.4%	7.6%
RoE after tax ² (%)	5.9%	5.5%	6.0%	6.2%
CIR ³ (%)	48.1%	43.7%	45.2%	41.9%
EpS ² (€)	0.30 €	0.26 €	0.94 €	0.98 €

Key drivers Q3/9M 2018:

- NII +12% y-o-y, mainly benefitting from reduced funding costs and supported by higher interest-related fees and increased avg. strategic financing volume
- Fair value measurement mainly driven by pull-to-par and valuation effects and a one-off gain in Q2/18
- Net income from realisations down y-o-y due to lower prepayment fees
- Other operating income in 9M/17 affected by € 17mn one-off gain from asset sales out of VP
- Risk provisioning mainly driven by additions for UK loan exposures in the sub-segment Shopping Centers in Q3
- GAE remain on low level due to FTEs below plan and release of provisions for completed projects
- Tax rate of 19% in line with long-term guidance of ~20%

¹ See appendix for reconciliation from IAS 39 to IFRS 9 ² Taking into account the pro-rata AT1 coupon for 2018 (€ 12 mn pre-tax, €9 mn net) ³ CIR = (GAE+ net income from write-downs and write ups on non-financial assets) / operating income

Income statement

NII up +12% y-o-y, mainly benefitting from reduced funding costs

Income from lending business

€ mn

	Q3/17	Q3/18	9M/17	9M/18
Net interest income	102	114	298	334
Net fee and commission income	1	1	6	4

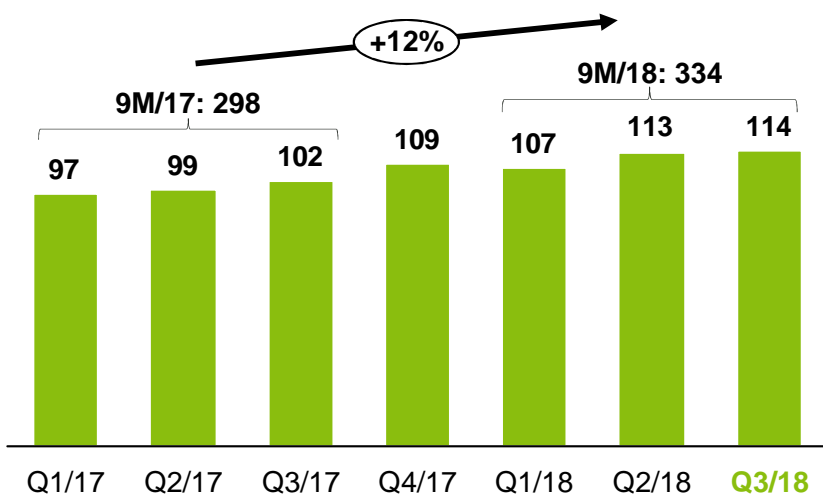
	Q3/17	Q3/18	9M/17	9M/18
Net income from realisations	9	8	31	23

Key drivers Q3/9M 2018:

- NII continued to benefit from solid underlying drivers
 - Funding costs reduced y-o-y due to maturities at legacy costs and new funding at lower spreads
 - Avg. strategic financing volume slightly up to € 32.3 bn (09/17: € 31.8 bn), based on strong new business in 2017 and lower level of prepayments
 - Avg. total portfolio margin stable y-o-y, reflecting pbb's selective new business approach
- Net income from realisations down y-o-y, less benefitting from prepayment fees (9M/18: € +13 mn; 9M/17: € +21 mn; Q3/18: € +5 mn; Q3/17: € +5 mn)

Net interest income

€ mn



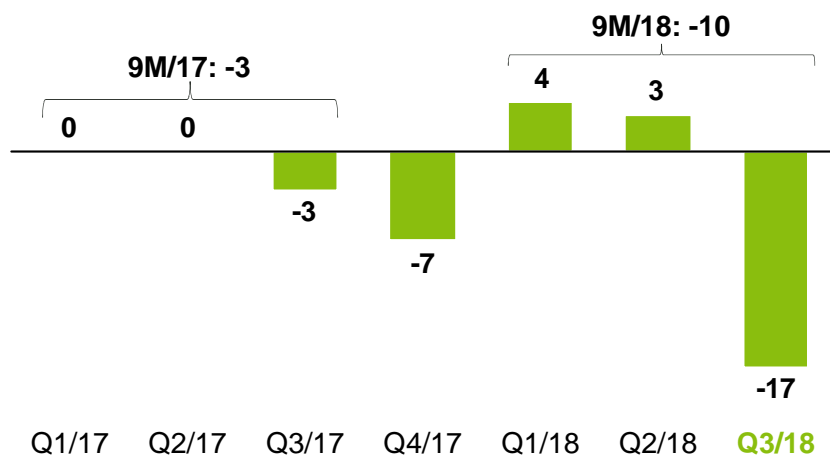
Income statement

Risk provisioning reflects risk conservative business approach and local market developments

Net income from risk provisioning

€ mn

	Q3/17	Q3/18	9M/17	9M/18
Net income from risk provisioning	-3	-17	-3	-10
thereof				
stage 1		1		2
stage 2	n/a	-	n/a	8
stage 3		-18		-20



Key drivers Q3/9M 2018:

- In general, risk provisioning driven by two counterbalancing effects:
 - (a) Overall portfolio provisioning profits from still prevailing benign sentiment (reflected by still improving PDs/LGDs):
 - Net release of provisions in stage 1 and 2 of € 10 mn in 9M/18 (Q3/18: € 1 mn)
 - (b) Individual adverse development in sub-segments:
 - Net additions in stage 3 of € -20 mn in 9M/18 (Q3/18: € -18 mn) – thereof, € -17 mn for valuation driven provisions on UK Retail Shopping Centers in Q3
 - Provisioning driven by new market valuations, triggering covenants breach and equity injection requirement however
 - no payment defaults as all payment obligations being met
- Coverage ratio:
 - Stage 3 coverage ratio¹ down to 17% (06/18: 21%, 12/17: 20%) driven by two newly added UK loans with 11% coverage ratio in Q3/18
 - Additional collateral not taken into account – incl. these factors, REF coverage ratio at approx. 100%

Note: IFRS 9 Expected Credit Loss Model replaced by IAS 39 Incurred Loss Model (effective 1st Jan 18) – new 3 stage logic:

- Stage 1: impaired with 1 year expected credit loss
- Stage 2 and 3: impaired with lifetime expected credit loss
- Scenarios to be taken into account

¹ Coverage ratio = credit loss allowances on financial assets in stage 3 / gross book values in stage 3 (loans and securities)

Income statement

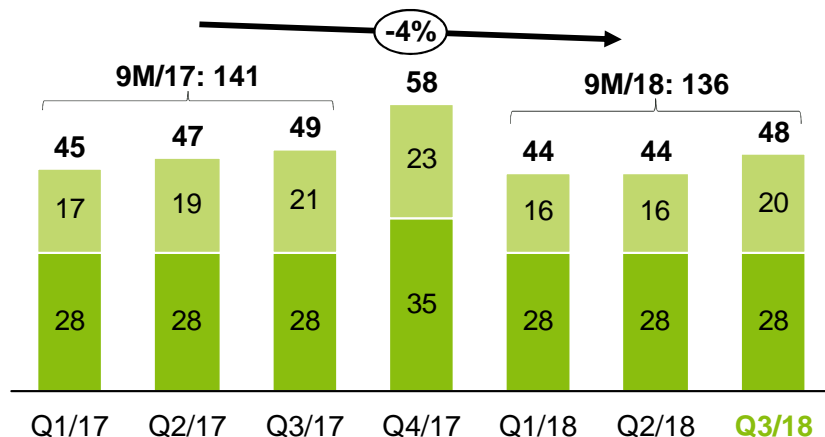
Operating costs slightly up in Q3/18, but on low level – further increase expected in Q4/18

General & administrative expenses and depreciations

€ mn

	Q3/17	Q3/18	9M/17	9M/18
General admin. expenses	-49	-48	-141	-136
Personnel	-28	-28	-84	-84
Non-personnel	-21	-20	-57	-52
Net income from write-downs and write-ups on non-financial assets	-3	-4	-11	-11
CIR (%) ¹	48.1	43.7	45.2	41.9

■ Non-personnel
■ Personnel



Key drivers Q3/9M 2018:

- GAE slightly up in Q3/18, but on low level
 - FTEs up to 747 y-o-y, but below plan (06/18: 747; 12/17: 744; 09/17: 736)
 - Non-personnel costs
 - up q-o-q due to higher costs for regulatory and IT projects
 - down y-o-y due to release of provisions for completed projects
- Regulatory costs and strategic investments (e.g. further digital transformation) will continue to weigh on overall cost level, both Q4 and thereafter
- Net income from write-downs and write-ups on non-financial assets mainly driven by scheduled depreciations and stable.

¹ CIR = (GAE + net income from write-downs and write ups on non-financial assets) / operating income

Agenda

1. **Highlights**
2. **Financials**
3. **New Business & Segment Reporting**
4. **Portfolio Profile**
5. **Funding**
6. **Capital**
7. **Summary & Outlook**

Appendix

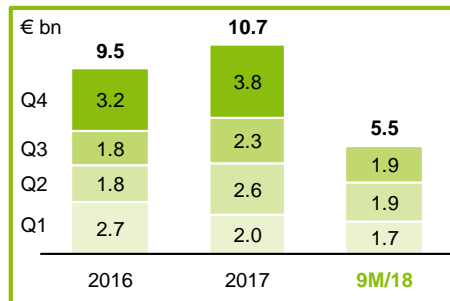
Contact details

New business & segment reporting

REF: New business at stable margin levels – continued selective approach with focus on conservative risk positioning



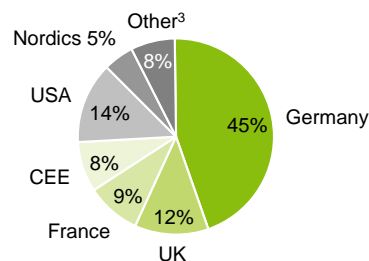
REF: New business	9M/17	2017	9M/18
Total volume (€ bn)	6.9	10.7	5.5
<i>thereof:</i> <i>Extensions >1 year</i>	1.5	1.9	1.2
No. of deals	147	221	115
Ø maturity (years) ¹	~5.1	~5.3	~4.6
Ø LTV (%) ²	61	60	60
Ø gross interest margin (bp)	>160	>155	~160



REF: Income statement (IFRS, € mn)	Q3/17 ⁵	Q3/18	9M/17 ⁵	9M/18
Operating income	89	101	273	290
<i>thereof: Net interest income</i>	84	93	247	276
Net income from risk provisioning	-2	-17	-4	-18
General administrative expenses	-38	-38	-112	-108
Net other revenues	-4	-4	-24	-22
Pre-tax profit	45	42	133	142
Key indicators	Q3/17⁵	Q3/18	9M/17⁵	9M/18
CIR (%) ⁴	46.1	40.6	44.7	40.3
RoE before tax (%)	15.7	10.8	15.4	13.7
Equity (€ bn)	1.2	1.4	1.1	1.4
RWA (€ bn)	8.6	7.6	8.6	7.6
Financing volume (€ bn)	24.6	25.7	24.6	25.7

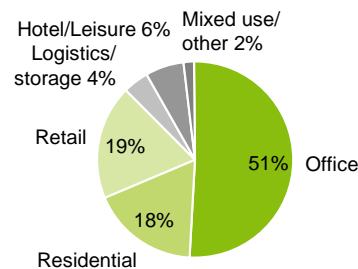
Regions

9M/18: € 5.5 bn



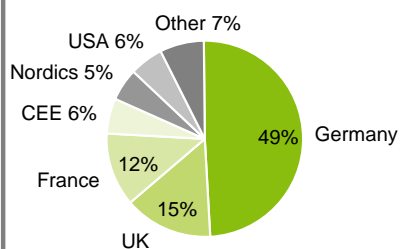
Property types

9M/18: € 5.5 bn

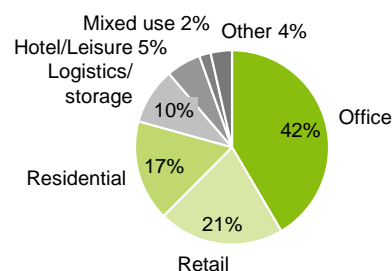


New business
(Commitments, incl. extensions > 1 year)

30/09/18: € 28.7 bn



30/09/18: € 28.7 bn



Portfolio
(EaD, Basel III)

Key drivers Q3/9M 2018:

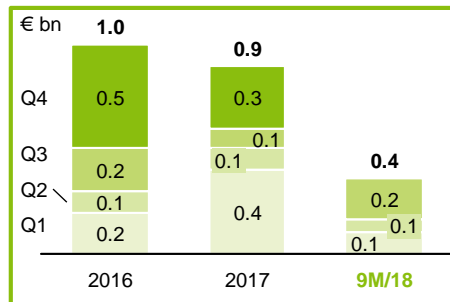
- High competition and margin pressure ongoing
 - Continued selective approach with focus on conservative risk positioning (avg. LTV 60%)
 - Regional and product mix aligned to market developments (e.g. UK share down, US up; higher share in Office, lower Retail and Warehouse/Logistics)
 - Gross interest margin relatively stable at ~160 bp (2017: >155 bp, 9M/17: >160 bp)
- Financing volume +4% y-o-y due to strong new business in 2017 and supported by lower level of prepayments in 9M/18
- Positive financial segment performance y-o-y mainly driven by strong NII and low level of GAE, despite higher risk provisioning
- RWA decrease y-o-y due to LGD changes

Note: Figures may not add up due to rounding 1 Legal maturities 2 New commitments; avg. LTV (extensions): 9M/18: 57%; 9M/17: 57% 3 Spain, Netherlands, Belgium, Luxembourg 4 CIR = (GAE + net income from write-downs and write ups on non-financial assets)/operating income 5 Adjusted acc. to IFRS 8.29

New business & segment reporting

PIF: Strong competition weighs on new business volume and margins

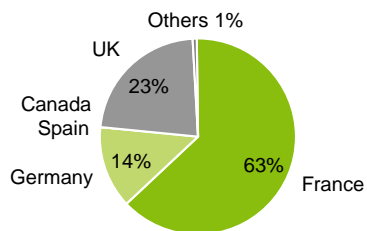
PIF: New business	9M/17	2017	9M/18
Total volume (€ bn)	0.6	0.9	0.4
No. of deals	19	30	10
Ø maturity (years) ¹	~9.0	~8.7	~9.9
Ø gross interest margin (bp)	>90	>100	>55



PIF: Income statement (IFRS, € mn)	Q3/17 ³	Q3/18	9M/17 ³	9M/18
Operating income	9	9	21	23
<i>thereof: Net interest income</i>	8	10	22	26
Net income from risk provisioning	-2	-	-1	4
General administrative expenses	-7	-7	-19	-19
Net other revenues	-	-	-5	-4
Pre-tax profit	0	2	-4	4
Key indicators	Q3/17 ³	Q3/18	9M/17 ³	9M/18
CIR (%) ²	77.8	77.8	95.2	87.0
RoE before tax (%)	0.0	2.5	-5.3	3.4
Equity (€ bn)	0.1	0.1	0.1	0.2
RWA (€ bn)	1.4	1.3	1.4	1.3
Financing volume (€ bn)	7.2	6.6	7.2	6.6

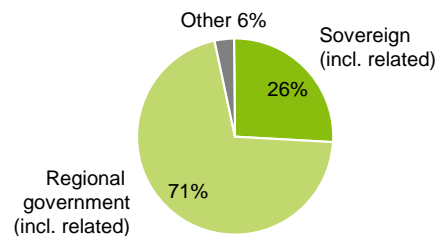
Regions

9M/18: € 0.4 bn



Borrower classification

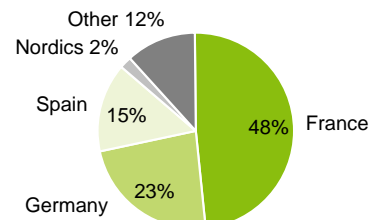
9M/18: € 0.4 bn



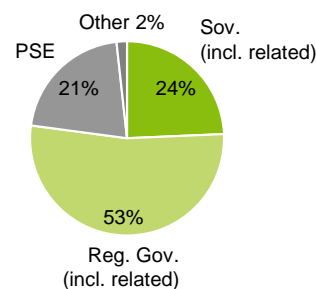
New business
(Commitments)

Portfolio
(EaD, Basel III)

30/09/18: € 7.5 bn



30/09/18: € 7.5 bn



Key drivers Q3/9M 2018:

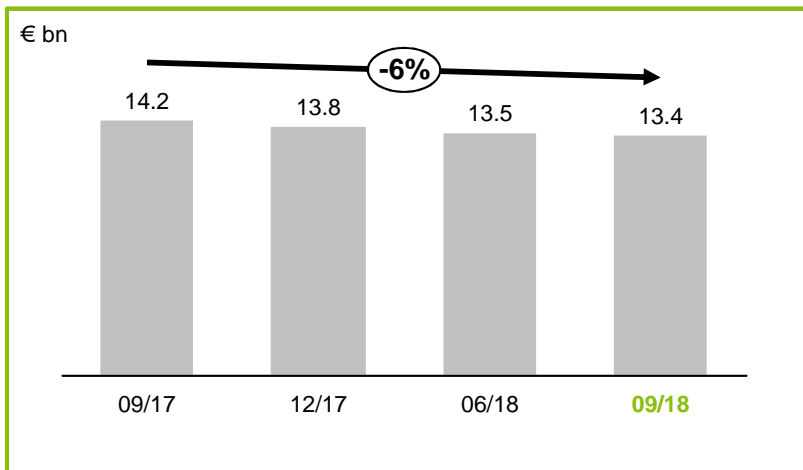
- New business volume slightly up q-o-q in Q3/18 – further increase expected in Q4/18
- Financing volume down y-o-y due to maturities
- Financial segment performance y-o-y benefiting from increased NII and release of risk provisioning

Note: Figures may not add up due to rounding 1 Weighted average lifetime 2 CIR = (GAE + net income from write-downs and write ups on non-financial assets)/operating income 3 Adjusted acc. to IFRS 8.29

New business & segment reporting

VP: Run-down of non-strategic Value Portfolio continued in line with strategy

Financing volume

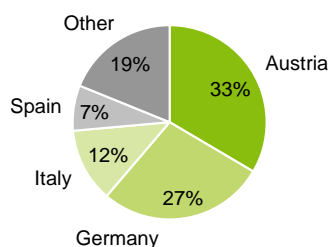


VP: Income statement (IFRS, € mn)	Q3/17 ²	Q3/18	9M/17 ²	9M/18
Operating income	9	8	38	34
<i>thereof: Net interest income</i>	9	10	25	28
Net income from risk provisioning	1	-	2	4
General administrative expenses	-4	-3	-10	-9
Net other revenues	-1	-1	-9	-8
Pre-tax profit	5	4	21	21
Key indicators	Q3/17 ²	Q3/18	9M/17 ²	9M/18
CIR (%) ¹	44.4	50.0	26.3	29.4
RoE before tax (%)	1.7	0.4	2.2	2.5
Equity (€ bn)	1.2	1.0	1.3	1.0
RWA (€ bn)	3.6	3.8	3.6	3.8
Financing volume (€ bn)	14.2	13.4	14.2	13.4

Portfolio
(EaD, Basel III)

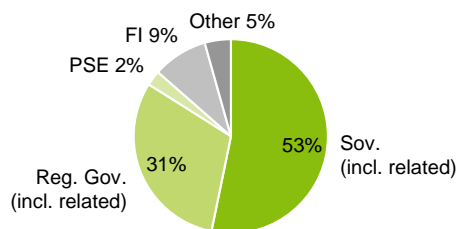
Regions

30/09/18: € 16.4 bn



Borrower classification

30/09/18: € 16.4 bn



Key drivers Q3/9M 2018:

- Value Portfolio further down in line with strategy due to maturities
- Financial segment performance influenced by allocation effects and positive one-off in Q2/18 (Heta); previous year mainly affected by asset sales in Q1/17 (net other operating income: € +17 mn)

Note: Figures may not add up due to rounding 1 CIR = (GAE + net income from write-downs and write ups on non-financial assets)/operating income 2 Adjusted acc. to IFRS 8.29

Agenda

1. **Highlights**
2. **Financials**
3. **New Business & Segment Reporting**
4. **Portfolio Profile**
5. **Funding**
6. **Capital**
7. **Summary & Outlook**

Appendix

Contact details

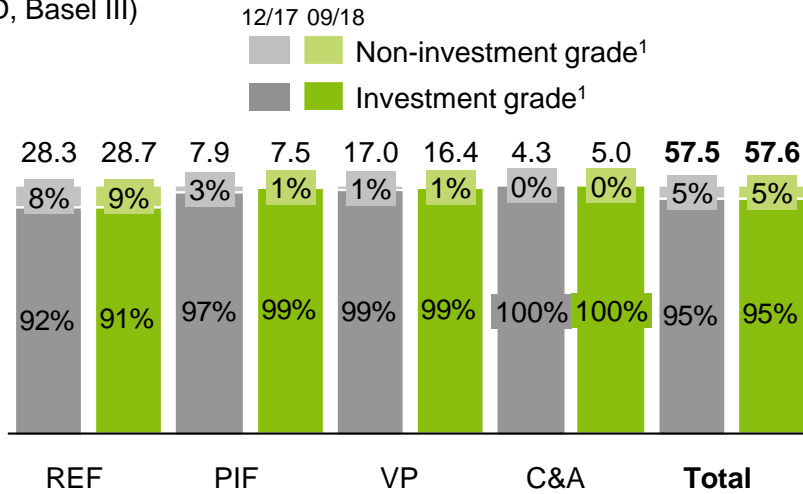
Portfolio

Conservative business and risk strategy continued – high portfolio quality with 95% investment grade and avg. LTV of 54%



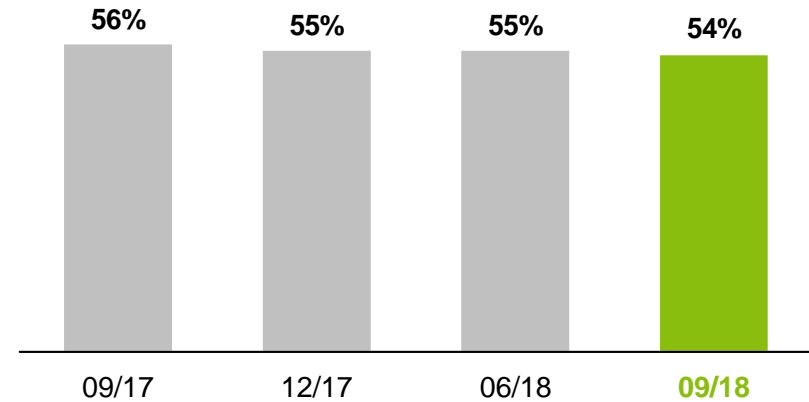
Total portfolio: Internal ratings (EL classes)

€ bn (EaD, Basel III)



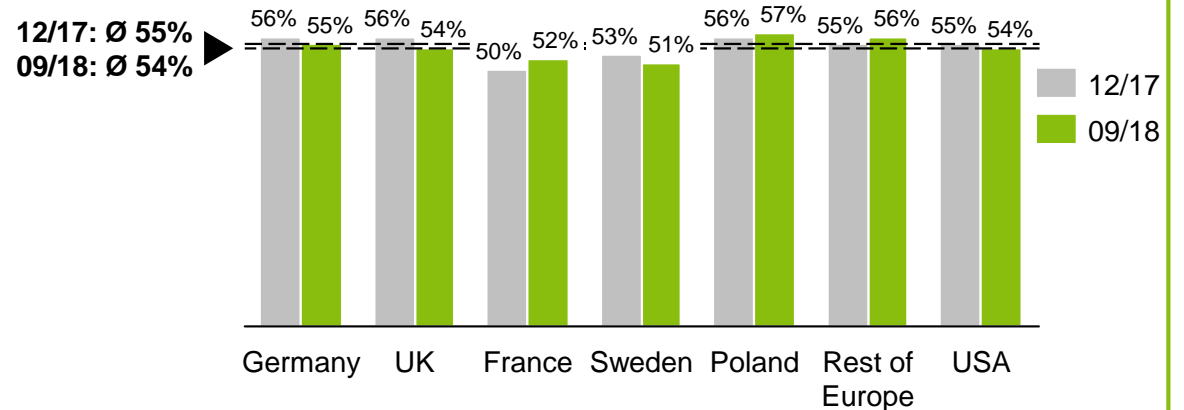
REF Portfolio: Avg. weighted LTVs

% (commitments)²



Key drivers Q3/9M 2018:

- Stable high portfolio quality
 - 95% investment grade (based on internal ratings)
 - Avg. LTV of 54%



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

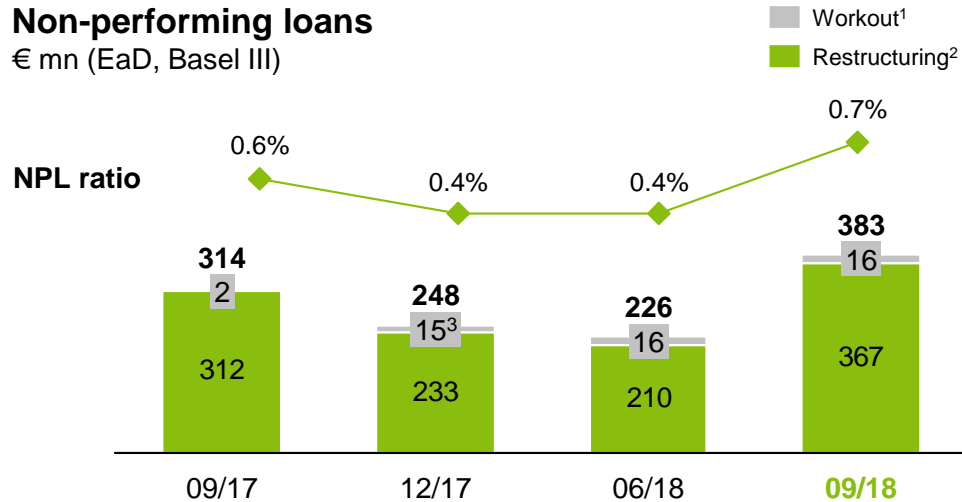
Portfolio

Non-performing loans up in Q3/18, but continue to be at historically low level

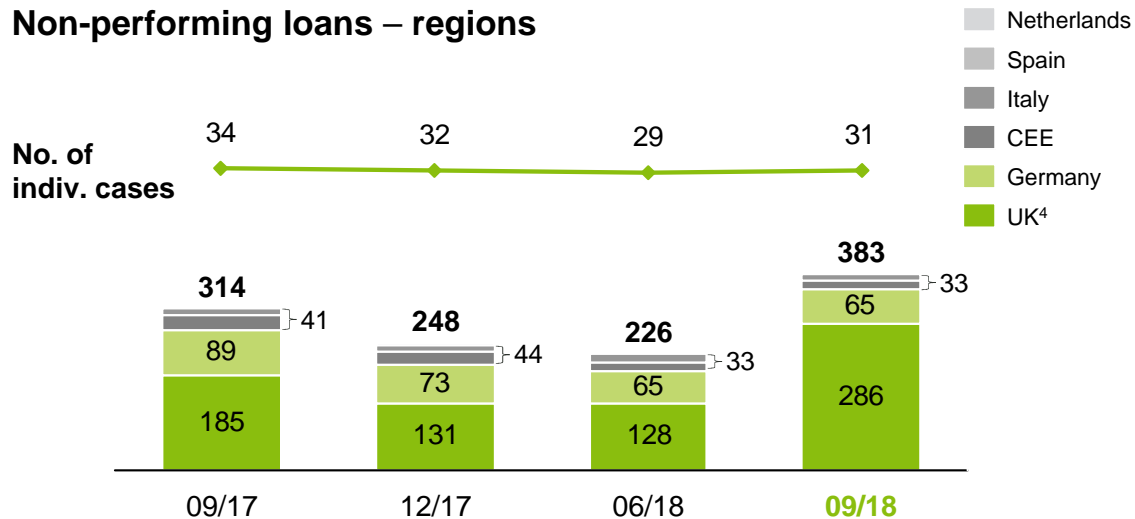


Non-performing loans

€ mn (EaD, Basel III)



Non-performing loans – regions



Key drivers Q3/9M 2018:

- Only small portfolio of non-performing loans (NPL) with NPL ratio of 0.7%
 - In Q3/18, addition of UK loan exposures in the sub-segment Shopping Centers – new market value assessments showed lower values, leading to covenant breach and impairment calculation; no payment default
 - No NPLs in PIF and VP
 - Only € 16 mn workout loans
- Estate UK-3 'technically' shown as NPLs
 - properties sold, but synthetic securitization has not yet allocated loss
 - Expert proceeding ongoing

Note: Figures may not add up due to rounding. ¹ Internal PD class 30: No signs that the deal will recover soon, compulsory measures necessary. ² Internal PD class 28+29: Payments more than 90 days overdue or criteria acc. to respective policy apply. ³ Internal rating downgrade of 1 loan (Italy); amount: € 14 mn. ⁴ Estate UK-3 'technically' shown as non-performing – properties sold, but synthetic securitisation has not yet allocated loss.

Agenda

1. **Highlights**
2. **Financials**
3. **New Business & Segment Reporting**
4. **Portfolio Profile**
5. **Funding**
6. **Capital**
7. **Summary & Outlook**

Appendix

Contact details

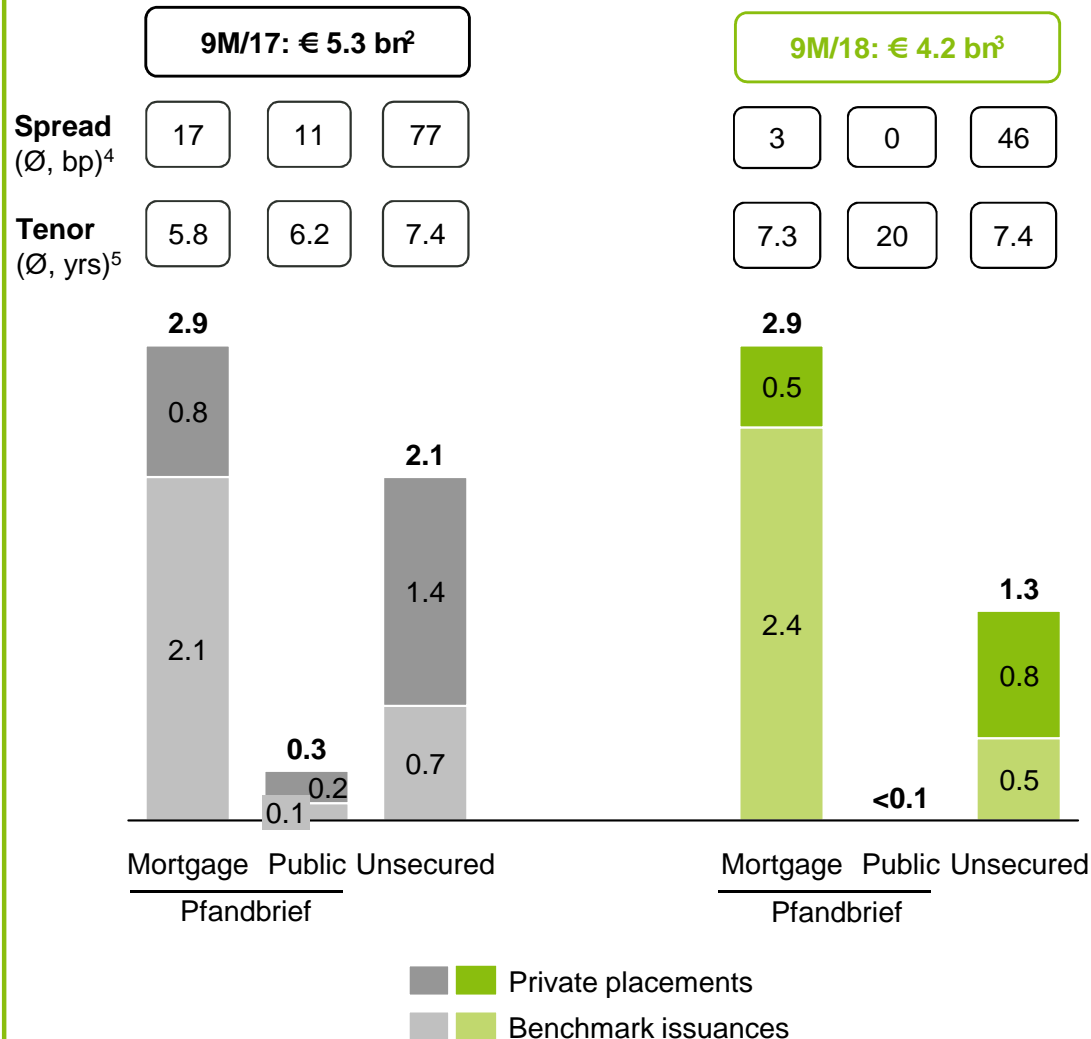
Funding

Significant reduction of funding costs y-o-y – further broadening of investor base with Pfandbriefe in £ and SEK and “new” senior preferred product



New long-term funding¹

€ bn



Pfandbriefe

- Mortgage Pfandbrief Benchmarks: € 750 mn 5y, € 500 mn 6y, € 500 mn 9y and € 250 mn tap; additionally foreign currencies (£ 300 mn 3.25y, £ 50 mn tap and SEK 2 bn)

Senior Unsecured

- € 500 mn 4y Senior Non-Preferred benchmark issued in Q1/18 and continuous private placements of over € 550 mn in 9M/2018
- € 224 mn senior preferred issued

pbb direkt

- Total volume with € 3.1 bn (12/17: € 3.3 bn) slightly down, reflecting optimisation of funding structure; average maturity⁶ stable at 3.2 years (12/17: 3.1 yrs)

AT1

- € 300 mn Tier 1 (AT1) issuance in April 2018 optimizes capital structure and strengthens leverage ratio

Funding structure and liquidity

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

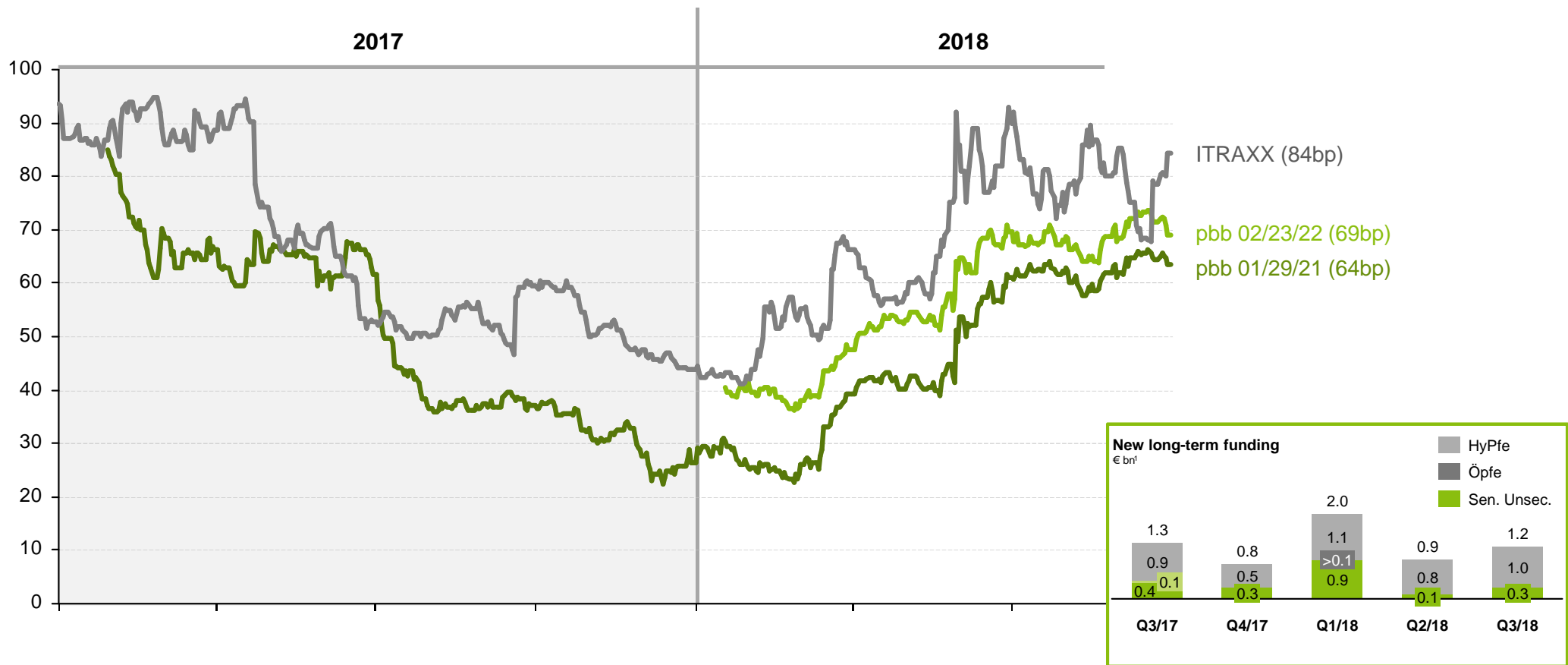
Note: Figures may not add up due to rounding 1 Excl. retail deposit business 2 Excl. Tier 2 issuance € 500mn 3 Excl. AT1 issuance 4 vs. 3M Euribor 5 Initial weighted average maturity 6 Initial weighted average maturity of term deposits

Funding

Senior unsecured spreads are widening in line with market trends

Spread development of pbb Senior Unsecured Benchmarks vs iTraxx Bank Senior

(Spread vs. 6m Euribor)



Source: Bloomberg 1 Excl. money market and deposit business

Agenda

1. **Highlights**
2. **Financials**
3. **New Business & Segment Reporting**
4. **Portfolio Profile**
5. **Funding**
6. **Capital**
7. **Summary & Outlook**

Appendix

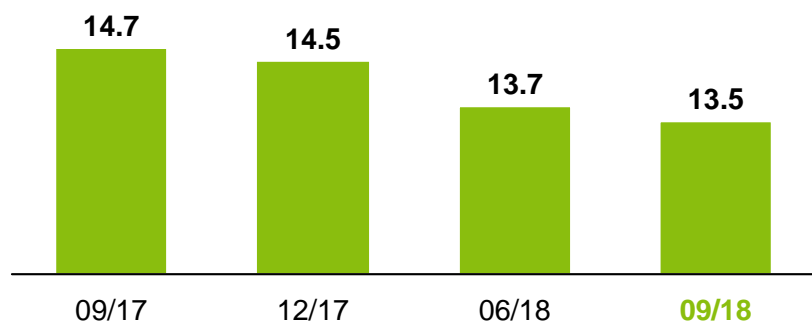
Contact details

Capital

Capitalisation remains strong

Basel III: RWA

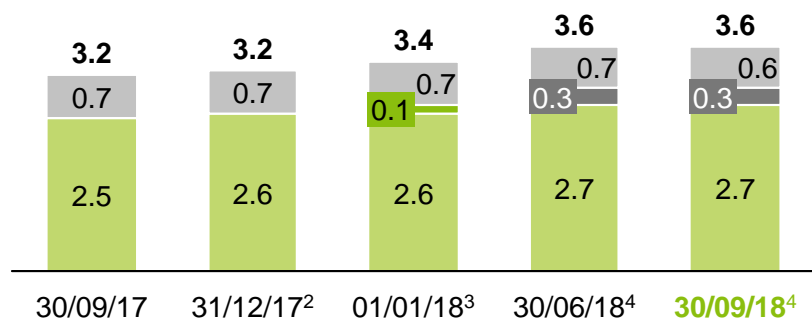
€ bn (IFRS)



Basel III: Equity (fully-loaded)

€ bn (IFRS)

Tier2
 IFRS9
 AT1
 CET 1



Basel III: Capital ratios (fully-loaded)

% (IFRS)

in %	09/17 ¹	12/17 ²	06/18 ⁴	09/18 ⁴	Ambition levels
CET 1	17.1	17.6	19.4	19.7	≥12.5
Tier 1	17.1	17.6	21.5	21.9	≥16
Own funds	21.8	22.2	26.3	26.7	16-18
Leverage ratio	4.5	4.5	5.3	5.3	≥3.5

Key drivers Q3/9M 2018:

- RWA down by € -0.2 mn in Q3/18 and € -1.0 bn in 9M/18 mainly due to LGD changes and maturities
- Year-to-date, capital up due to positive IFRS 9 first-time application effect (effective 1 January 2018) and AT 1 issuance of € 300 mn in April 2018
- pbb retains capital buffers for further RWA challenges
 - regulation (TRIM/Basel IV)
 - potential strategic growth
 - cyclical risks/ strategic measures

SREP:

- SREP requirements 2018:
 - CET 1 ratio phase-in: 9.325%⁵ / fully-loaded: 9.95%⁶
 - Own funds ratio phase-in: 12.825%⁵ / fully loaded: 13.45%⁶

Note: Figures may not add up due to rounding 1 Incl. interim result 2 Incl. full-year result, post proposed dividend 5 Incl. capital conservation buffer (1.875%) and anticipated countercyclical buffer (0.2%; actual as of 31.12.2017: 0.11%)

3 IFRS9 first-time application effect 4 incl. interim result Q1/18, post max. calc. dividend acc. to ECB methodology 6 based on present P2R

Agenda

1. **Highlights**
2. **Financials**
3. **New Business & Segment Reporting**
4. **Portfolio Profile**
5. **Funding**
6. **Capital**
7. **Summary & Outlook**

Appendix

Contact details

Summary & Outlook

Strong 9M/18 paves way for good 2018 results



- pbb shows **continued good performance with PBT of € 171 mn in 9M/18** based on continued solid underlying trends and one-off gain in Q2/18
- **Full-year PBT guidance for 2018 raised to € 205-215 mn**, assuming for Q4 stable NII, further additions to loan loss provisions as well as an increase in GAE; new business volume¹ for full-year 2018 expected at lower end of existing guidance of € 10-11 bn
- **For 2019, pbb remains cautious** – market environment and competitive dynamics in CRE finance will become even more demanding; in addition, pbb expects higher funding costs and additional cost due to investments and regulatory requirements
- **Strategic initiatives** to strengthen market position and support profitability continuously pushed forward
 - Further built out of **US business**
 - Growing portfolio share in line with expectation and counterbalancing reduced UK business
 - Representative office in operation
 - **Digitalisation** as integral concept in pbb – focus on:
 - Client relationship: Optimisation of interaction between bank and client with integral workflow approach (e.g. portal for REF clients)
 - New products and services: Leverage of pbb capabilities into (new) products and services for clients (e.g. CAPVERIANT, providing procurement for plain-vanilla public-sector lending via an internet platform)
 - Process efficiency: Adapt agile digital approach for whole organisation

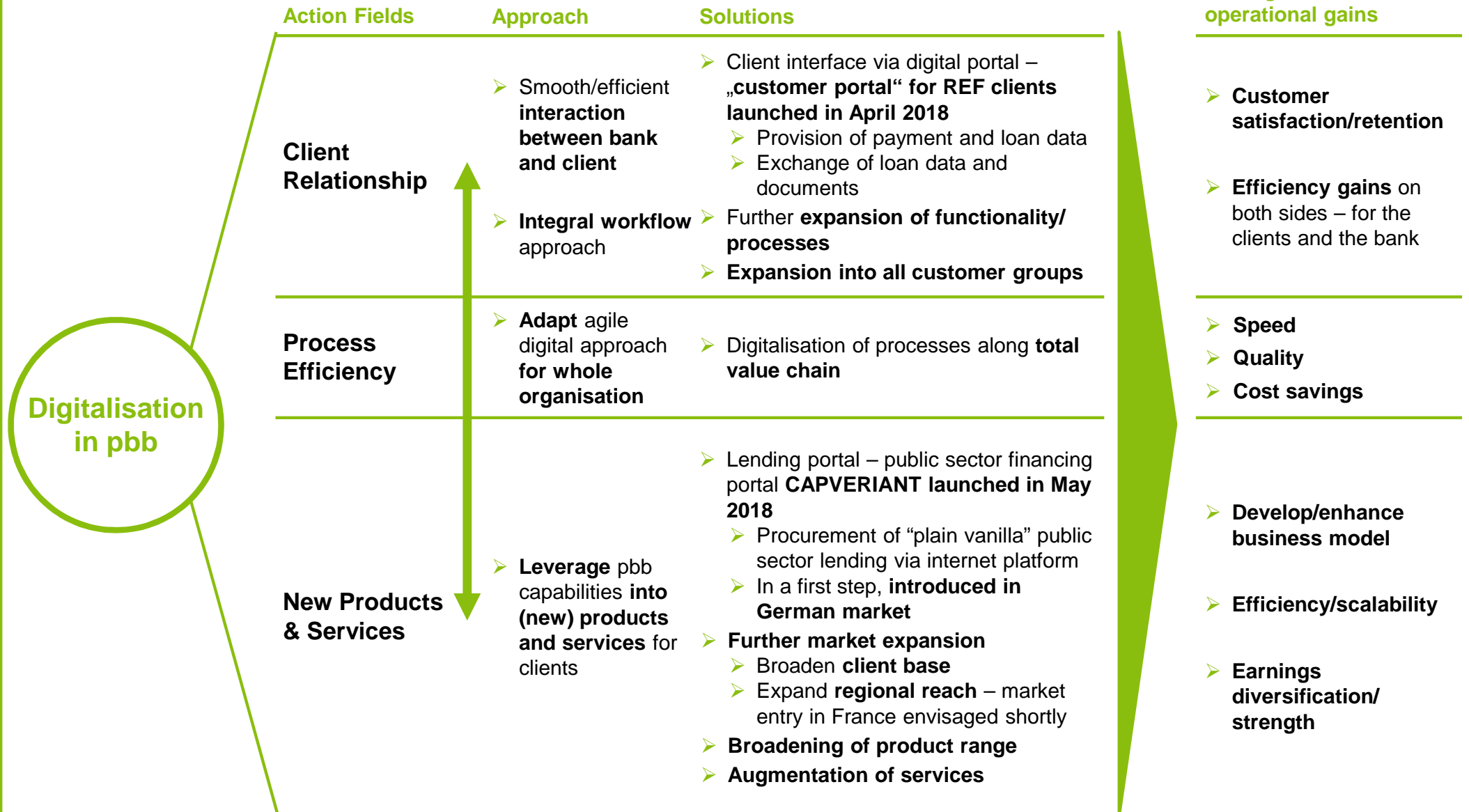
¹ Incl. extensions >1 year

Appendix

Digitalisation

Integral concept in pbb

Strategic & operational gains



Income statement

New structure based on internationally common disclosure – changes increase transparency of financial reporting

Major changes:

- A. Depreciations for non financial assets in „GAE“ and „net other operating income“ are allocated to „net results from write-downs and write-ups on non-financial assets“
- B. Additions/reversals of provisions for restructuring measures from „net miscellaneous income/expenses“ are allocated to „net other operating income“
- C. Expenses for bank levy and deposit protection in „GAE“ and „net other operating income“ are allocated to „expenses from bank levies and similar dues“
- D. Interest income and fees from early repayments of financial assets from „net interest income“ are allocated to „net income from realisations“
- E. Additions/reversals of provisions with interest character from „net interest income“, „net other operating income“ and „net miscellaneous income/expenses“ are allocated to „net other operating income“
- F. Rounding adjustments

Former structure (EUR mn)	9M/17	A	B	C	D	E	F	9M/17	New structure (EUR mn)
Net interest income	315				-30	13		298	Net interest income
Net fee and commission income	6							6	Net fee and commission income
Net trading result	-4							-4	Net income from fair value measurement
					30		1	31	Net income from realisations
Net income from financial investments	-								
Net income from hedging relationships	-							-	Net income from hedge accounting
Net other operating income	-8	4	2	19		-13	1	5	Net other operating income ¹
Operating Income	309							336	Operating Income
Loan loss provisions	-2						-1	-3	Net income from risk provisioning
General and administrative expenses	-155	7		7				-141	General and administrative expenses
				-26			-1	-27	Expenses from bank levies and similar dues
		-11						-11	Net income from write-downs and write-ups on non-financial assets
Net miscellaneous income/expenses	2		-2						
Pre-tax profit	154							154	Pre-tax profit
Income tax	-28							-28	Income tax
Net income	126							126	Net income

Note: Figures may not add up due to rounding ¹ "Net other operating income" includes "Net income from provisions"

Financial reporting

Change in definition of key ratios and segment allocation in 2018

CIR

- New calculation method of CIR as a result of new P&L structure:
 - In principal, continuation of past structure
 - Better reflection of operating efficiency
 - Esp. bank levy and similar dues no longer included

$$\text{CIR} = \frac{\text{General admin. Expenses} + \text{Net income from write-downs and write-ups on non-financial assets}}{\text{Operating income}}$$

Coverage Ratio

- Replacement of IAS 39 Incurred Loss Model by IFRS9 Expected Credit Loss Model with 3 stage logic:
 - Stage 1: impaired with 1 year expected credit loss
 - Stage 2 and 3: impaired with lifetime expected credit loss
- Coverage ratio does still not take into account additional collateral

$$\text{Coverage ratio} = \frac{\text{Credit loss allowances on financial assets in stage 3}}{\text{Gross book values in stage 3 (loans and securities)}}$$

Segment Reporting

- New approach better reflects operating profitability of the segments

- Major effects:
- Prepayment fees now allocated on single deal level
 - Costs of liquidity buffer no longer calculated on portfolio level
 - Equity now allocated according to going concern view instead of liquidation approach

However, no changes in allocation of operating costs

RoE

- Adjustment of RoE calculation after AT1-issuance (Q2/18 onwards only)

$$\text{Return on equity} = \frac{\text{Annualised profit} - \text{accrued (pro-rata) AT1 coupon (before/after tax)}}{\text{Ø Shareholders equity}^1 \text{ (excl. AT1)}}$$

¹ Excl. other comprehensive income from cash flow hedge accounting and from financial assets at fair value through other comprehensive income (IAS 39: AfS reserve)

Income statement – former structure (€ mn)	2016 ¹	2017	Income statement – new structure (€ mn)	Q1/17	Q2/17	Q3/17	9M/17	2017	Q1/18	Q2/18	Q3/18	9M/18
Net interest income	404	435	Net interest income	97	99	102	298	407	107	113	114	334
Net fee and commission income	8	8	Net fee and commission income	3	2	1	6	8	1	2	1	4
Net trading income	-6	-5	Net income from fair value measurement	-2	2	-4	-4	-5	-	4	-2	2
Net income from financial investments	125	-4	Net income from realisations	9	13	9	31	45	9	6	8	23
Net income from hedging relationships	6	-1	Net income from hedge accounting	1	-	-1	-	-1	-1	-1	1	-1
Net other operating income/expenses	-29	-9	Net other operating income	9	-5	1	5	1	-4	-4	-3	-11
Operating income	508	424	Operating Income	117	111	108	336	455	112	120	119	351
Loan-loss provisions	-1	-6	Net income from risk provisioning	-	-	-3	-3	-10	4	3	-17	-10
General and administrative expenses	-198	-216	General and administrative expenses	-45	-47	-49	-141	-199	-44	-44	-48	-136
			Expenses from bank levies and similar dues	-22	-3	-2	-26	-28	-21	-1	-1	-23
			Net income from write-downs and write-ups on non-financial assets	-3	-5	-3	-11	-14	-3	-4	-4	-11
Net miscellaneous income/expenses	-8	2										
Pre-tax profit	301	204	Pre-tax profit	47	56	51	154	204	48	74	49	171
Income taxes	-104	-22	Income taxes	-9	-9	-10	-28	-22	-9	-14	-10	-33
Net income	197	182	Net income	38	47	41	126	182	39	60	39	138
Key ratios (%)	2016¹	2017	Key ratios (%)	Q1/17	Q2/17	Q3/17	9M/17	2017	Q1/18	Q2/18	Q3/18	9M/18
CIR	39.0	50.9	CIR ⁶	41.0	46.8	48.1	45.2	46.8	42.0	40.0	43.7	41.9
RoE before tax	11.1	7.3 ²	RoE before tax	6.7	8.0	7.4	7.4	7.3	6.7	10.0	6.9	7.6
RoE after tax	7.3	6.5 ²	RoE after tax	5.4	6.7	5.9	6.0	6.5	5.4	8.1	5.5	6.2
Balance sheet (€ bn)	12/16	12/17	Balance sheet (€ bn)	03/17	06/17	09/17	09/17	12/17	03/18	06/18	09/18	09/18
Total assets	62.7 ²	58.0	Total assets	61.2	60.7	57.9	57.9	58.1	57.6	57.8	57.3	57.3
Equity	2.8	2.9	Equity	2.8	2.7	2.8	2.8	3.0	3.0	3.2	3.2	3.2
Financing volume	47.3	45.7	Financing volume	47.3	46.6	46.0	46.0	45.7	46.3	45.9	45.7	45.7
Regulatory capital ratios³	12/16	12/17	Regulatory capital ratios³	03/17	06/17	09/17	09/17	12/17	03/18	06/18	09/18	09/18
RWA (€ bn)	13.1	14.5	RWA (€ bn)	13.0	12.9	14.7	14.7	14.5	14.2	13.7	13.5	13.5
CET 1 ratio – phase in (%)	19.5 ⁴	17.7 ⁵	CET 1 ratio – phase in (%)	19.5 ⁷	19.6 ⁷	17.3	17.3	17.7 ⁵	18.8 ⁹	19.4 ¹⁰	19.7	19.7
Personnel	12/16	12/17	Personnel	03/17	06/17	09/17	09/17	12/17	03/18	06/18	09/18	09/18
Employees (FTE)	756	744	Employees (FTE)	739	741	736	736	744	733	747	747	747

Note: Annual results 2016-2017 (old structure) audited 1 Incl. € +132 mn extraordinary gain from value adjustments on HETA exposure 2 Revised due to IAS 8.14 et seq 3 Basel III transitional rules 4 Incl. full-year result, post dividend 5 Incl. full-year result, post proposed dividend 6 CIR = (GAE + net income from write-downs and write ups on non-financial assets)/operating income 7 Excl. interim result 8 Incl. interim result, post max. calc. dividend acc. to ECB methodology 9 Post proposed dividend for 2017, incl. interim result, post max. calc. dividend acc. to ECB methodology 10 incl. interim result Q1/18, post max. calc. dividend acc. to ECB methodology

Key figures

pbb Group 9M/17 vs. 9M/18



Income statement – new structure (€ mn)	REF		PIF		VP		C&A		pbb Group	
	9M/17	9M/18	9M/17	9M/18	9M/17	9M/18	9M/17	9M/18	9M/17	9M/18
Net interest income	247	276	22	26	25	28	4	4	298	334
Net fee and commission income	7	5	0	0	-1	-1	0	0	6	4
Net income from fair value measurement	0	-5	-1	-2	-3	9	0	0	-4	2
Net income from realisations	30	23	0	0	1	0	0	0	31	23
Net income from hedge accounting	0	-1	0	0	0	0	0	0	0	-1
Net other operating income	-11	-8	0	-1	16	-2	0	0	5	-11
Operating Income	273	290	21	23	38	34	4	4	336	351
Net income from risk provisioning	-4	-18	-1	4	2	4	0	0	-3	-10
General and administrative expenses	-112	-108	-19	-19	-10	-9	0	0	-141	-136
Expenses from bank levies and similar dues	-14	-13	-4	-3	-9	-7	0	0	-27	-23
Net income from write-downs and write-ups on non-financial assets	-10	-9	-1	-1	0	-1	0	0	-11	-11
Pre-tax profit	133	142	-4	4	21	21	4	4	154	171
Income taxes									-28	-33
Net income									126	138

Key figures

Real Estate Finance (REF)



Income statement – former structure (€ mn)	2016	2017	Income statement – new structure (€ mn)	Q1/17 ³	Q2/17 ³	Q3/17 ³	9M/17 ³	2017 ³	Q1/18	Q2/18	Q3/18	9M/18
Net interest income	321	350	Net interest income	81	82	84	247	334	89	94	93	276
Net fee and commission income	9	9	Net fee and commission income	3	2	2	7	9	1	2	2	5
Net trading income	-2	-	Net income from fair value measurement	-	2	-2	0	-	-	-4	-1	-5
Net income from financial investments	3	-1	Net income from realisations	9	13	8	30	45	8	6	9	23
Net income from hedging relationships	3	-1	Net income from hedge accounting	-	1	-1	0	-1	-1	-	0	-1
Net other operating income/expenses	-28	-20	Net other operating income	-4	-5	-2	-11	-17	-1	-5	-2	-8
Operating income	306	337	Operating Income	89	95	89	273	370	96	93	101	290
Loan-loss provisions	2	-7	Net income from risk provisioning	-2	-	-2	-4	-8	-	-1	-17	-18
General and administrative expenses	-156	-172	General and administrative expenses	-36	-38	-38	-112	-158	-35	-35	-38	-108
			Expenses from bank levies and similar dues	-11	-2	-1	-14	-15	-12	-	-1	-13
			Net income from write-downs and write-ups on non-financial assets	-2	-5	-3	-10	-12	-2	-4	-3	-9
Net miscellaneous income/expenses	-6	2										
Pre-tax profit	146	160	Pre-tax profit	38	50	45	133	177	47	53	42	142
Key ratios (%)	2016	2017	Key ratios (%)	Q1/17	Q2/17	Q3/17	9M/17	2017	Q1/18	Q2/18	Q3/18	9M/18
CIR	51.0	51.0	CIR ¹	42.7	45.3	46.1	44.7	45.9	38.5	41.9	40.6	40.3
RoE before tax	26.0	24.9	RoE before tax	13.8	18.2	15.7	15.4	15.4	14.5	16.3	10.8	13.7
Key figures (€ bn)	12/16	12/17	Key figures (€ bn)	03/17	06/17	09/17	09/17	12/17	03/18	06/18	09/18	09/18
Equity	0.6	0.7	Equity ²	1.1	1.2	1.2	1.1	1.2	1.4	1.4	1.4	1.4
RWA	6.4	8.3	RWA	6.3	6.5	8.6	8.6	8.3	8.1	8.1	7.6	7.6
Financing volume	24.1	24.9	Financing volume	24.1	24.4	24.6	24.6	24.9	25.7	25.7	25.7	25.7

Note: Annual results 2016-2017 (old structure) audited; interim results unaudited approach

¹ CIR = (GAE + net income from write-downs and write ups on non-financial assets)/operating income

² Equity now allocated according to going concern view instead of liquidation

³ Adjusted acc. to IFRS 8.29

Key figures

Public Investment Finance (PIF)

pbb

DEUTSCHE
PFANDBRIEFBANK

Income statement – former structure (€ mn)	2016	2017	Income statement – new structure (€ mn)	Q1/17 ³	Q2/17 ³	Q3/17 ³	9M/17 ³	2017 ³	Q1/18	Q2/18	Q3/18	9M/18
Net interest income	35	36	Net interest income	7	7	8	22	30	8	8	10	26
Net fee and commission income	-	-	Net fee and commission income	-	-	-	-	-	-	-	-	0
Net trading income	-1	-2	Net income from fair value measurement	-1	-	-	-1	-2	-	-1	-1	-2
Net income from financial investments	1	-6	Net income from realisations	-	-	-	-	-	-	-	-	0
Net income from hedging relationships	1	-	Net income from hedge accounting	-	-	-	-	-	-	-	-	0
Net other operating income/expenses	-6	-4	Net other operating income	-1	-	1	0	-2	-1	-	-	-1
Operating income	30	24	Operating Income	5	7	9	21	26	7	7	9	23
Loan-loss provisions	-	-	Net income from risk provisioning	1	-	-2	-1	-6	2	2	-	4
General and administrative expenses	-26	-29	General and administrative expenses	-6	-6	-7	-19	-27	-6	-6	-7	-19
			Expenses from bank levies and similar dues	-3	-1	-	-4	-4	-3	-	-	-3
			Net income from write-downs and write-ups on non-financial assets	-1	-	-	-1	-1	-1	-	-	-1
Net miscellaneous income/expenses	-1	-										
Pre-tax profit	3	-5	Pre-tax profit	-4	0	0	-4	-12	-1	3	2	4
Key ratios (%)	2016	2017	Key ratios (%)	Q1/17	Q2/17	Q3/17	9M/17	2017	Q1/18	Q2/18	Q3/18	9M/18
CIR	86.7	>100	CIR ¹	>100	85.7	77.8	95.2	>100	100.0	85.7	77.8	87.0
RoE before tax	0.9	-1.7	RoE before tax	-16.0	0.0	0.0	-5.3	-8.0	-2.0	4.0	2.5	3.4
Key figures (€ bn)	12/16	12/17	Key figures (€ bn)	03/17	06/17	09/17	09/17	12/17	03/18	06/18	09/18	09/18
Equity	0.3	0.3	Equity ²	0.1	0.2	0.1	0.1	0.2	0.2	0.1	0.1	0.2
RWA	1.4	1.6	RWA	1.4	1.4	1.4	1.4	1.6	1.6	1.3	1.3	1.3
Financing volume	7.4	7.0	Financing volume	7.7	7.6	7.2	7.2	7.0	7.0	6.7	6.6	6.6

Note: Annual results 2016-2017 (old structure) audited; interim results unaudited approach
3 Adjusted acc. to IFRS 8.29

1 CIR = (GAE + net income from write-downs and write ups on non-financial assets)/operating income

2 Equity now allocated according to going concern view instead of liquidation

Key figures

Value Portfolio (VP)

pbb

DEUTSCHE
PFANDBRIEFBANK

Income statement – former structure (€ mn)	2016 ¹	2017	Income statement – new structure (€ mn)	Q1/17 ⁴	Q2/17 ⁴	Q3/17 ⁴	9M/17 ⁴	2017 ⁴	Q1/18	Q2/18	Q3/18	9M/18
Net interest income	41	42	Net interest income	8	8	9	25	37	8	10	10	28
Net fee and commission income	-1	-1	Net fee and commission income	-	-	-1	-1	-1	-	-	-1	-1
Net trading income	-3	-3	Net income from fair value measurement	-1	-	-2	-3	-3	-	9	0	9
Net income from financial investments	121	3	Net income from realisations	-	-	1	1	-	1	-	-1	0
Net income from hedging relationships	2	-	Net income from hedge accounting	1	-1	-	-	-	-	-1	1	0
Net other operating income/expenses	5	15	Net other operating income	14	-	2	16	20	-2	1	-1	-2
Operating income	165	56	Operating Income	22	7	9	38	53	7	19	8	34
Loan-loss provisions	-3	1	Net income from risk provisioning	1	-	1	2	4	2	2	0	4
General and administrative expenses	-16	-15	General and administrative expenses	-3	-3	-4	-10	-14	-3	-3	-3	-9
			Expenses from bank levies and similar dues	-8	-	-1	-9	-9	-6	-1	0	-7
			Net income from write-downs and write-ups on non-financial assets	-	-	-	0	-1	-	-	-1	-1
Net miscellaneous income/expenses	-1	-										
Pre-tax profit	145	42	Pre-tax profit	12	4	5	21	33	-	17	4	21
Key ratios (%)	2016	2017	Key ratios (%)	Q1/17	Q2/17	Q3/17	9M/17	2017	Q1/18	Q2/18	Q3/18	9M/18
CIR	9.7	26.8	CIR ²	13.6	42.9	44.4	26.3	28.3	42.9	15.8	50.0	29.4
RoE before tax	9.7	2.8	RoE before tax	3.7	1.3	1.7	2.2	2.8	-	3.2	0.4	2.5
Key figures (€ bn)	12/16	12/17	Key figures (€ bn)	03/17	06/17	09/17	09/17	12/17	03/18	06/18	09/18	09/18
Equity	1.5	1.5	Equity ³	1.3	1.1	1.2	1.3	1.1	0.9	1.0	1.0	1.0
RWA	4.1	3.5	RWA	4.0	3.7	3.6	3.6	3.5	3.5	3.4	3.8	3.8
Financing volume	15.8	13.8	Financing volume	15.5	14.6	14.2	14.2	13.8	13.6	13.5	13.4	13.4

Note: Annual results 2016-2017 (old structure) audited; interim results unaudited. 1 Incl. extraordinary effects from value adjustments on HETA exposure: € -117 mn (2014); € -76 mn (Q1/15, 2015); € +132 mn (Q3/16, 2016)
2 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 3 Equity now allocated according to going concern view instead of liquidation approach 4 Adjusted acc. to IFRS 8.29

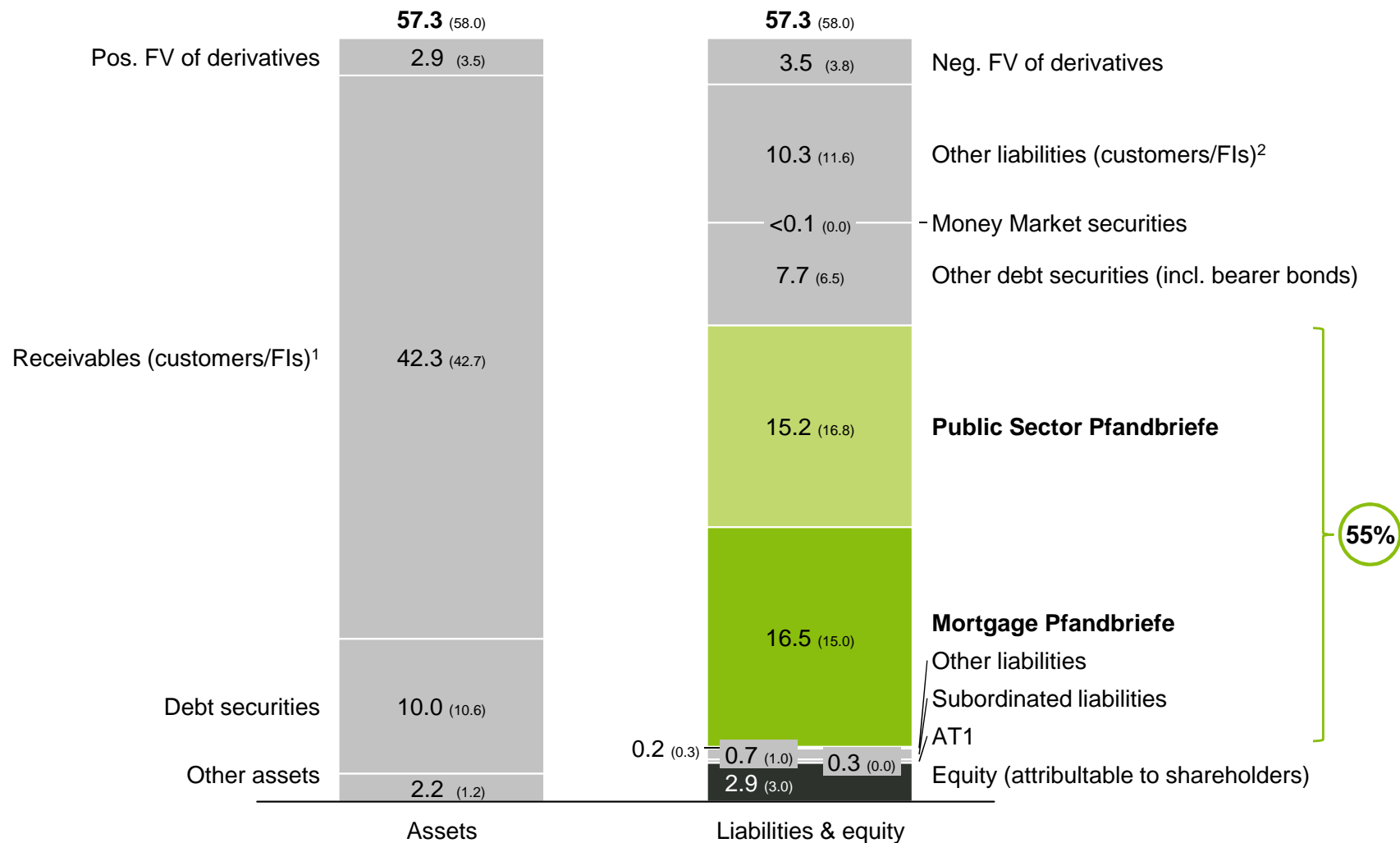
Balance sheet

Specialist lender with attractive German Pfandbrief as major funding instrument



Balance sheet: 30/09/2018 (01/01/18)

IFRS, € bn

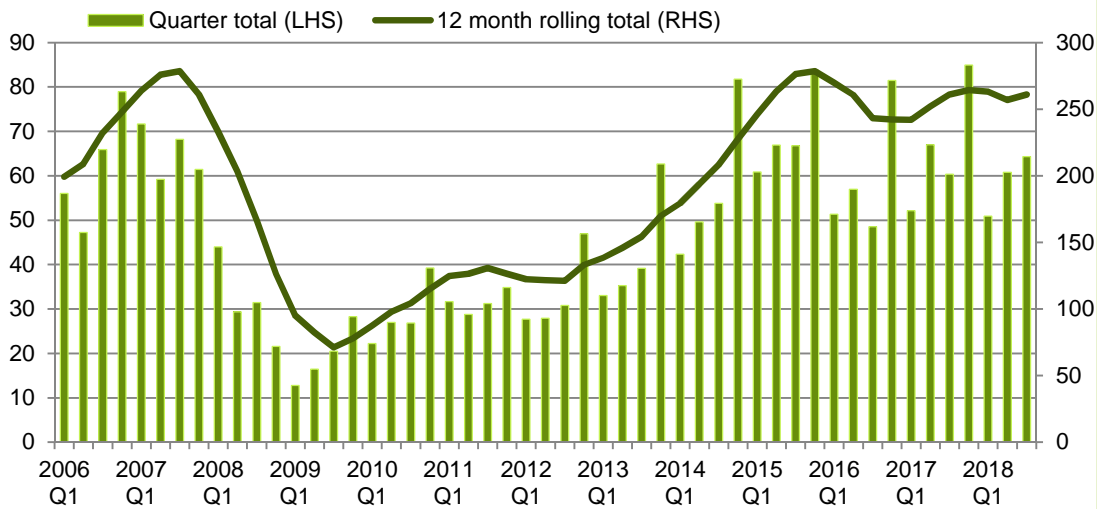


Note: Figures may not add up due to rounding 1 Incl. credit loss allowances on financial assets 2 Incl. central banks

Markets

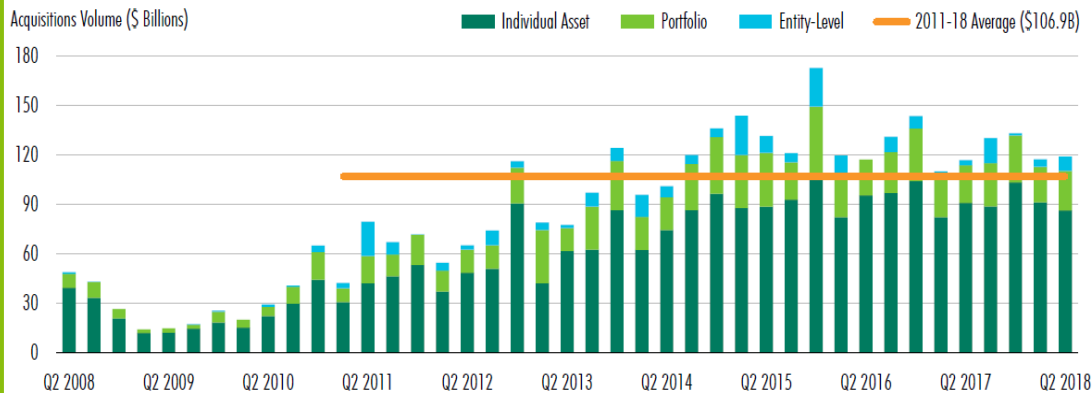
CRE market environment remains highly competitive and challenging – pbb maintains selective approach

European CRE investment volume (€ bn)



- Despite ongoing political uncertainties, underlying trends look rather positive for the European economy
- Positive momentum for CRE investments in Europe continues in 2018 – the 12-month rolling total European investment volume reached € 261 bn in Q3/18
- Retail has seen a structural decline in volumes over the last years while logistics and alternatives (hotels) have seen an increase
- Global uncertainties are so far not deflecting investors who trust the stable positive environment and healthy occupier markets – for 2018 similar investment levels compared to 2017 are expected

US CRE Acquisition Volume (\$ bn)



- **Germany:** CRE investment volume on high level, but no further growth expected. Investors are more cautious. Office prime rents are expected to increase due to low vacancy rates.
- **France:** Strong office take up activity in H1/18. Rents responded to the vacancy fall and can grow further this year. Increasing demand from foreign investors.
- **UK:** Despite Brexit, the UK still remains an attractive investment market, especially for international investors. Investment volume in H1/18 was up 7% y-o-y.
- **USA:** Positive economic development in 2018. Transaction volumes expected to be relatively stable during the year at a still high level.

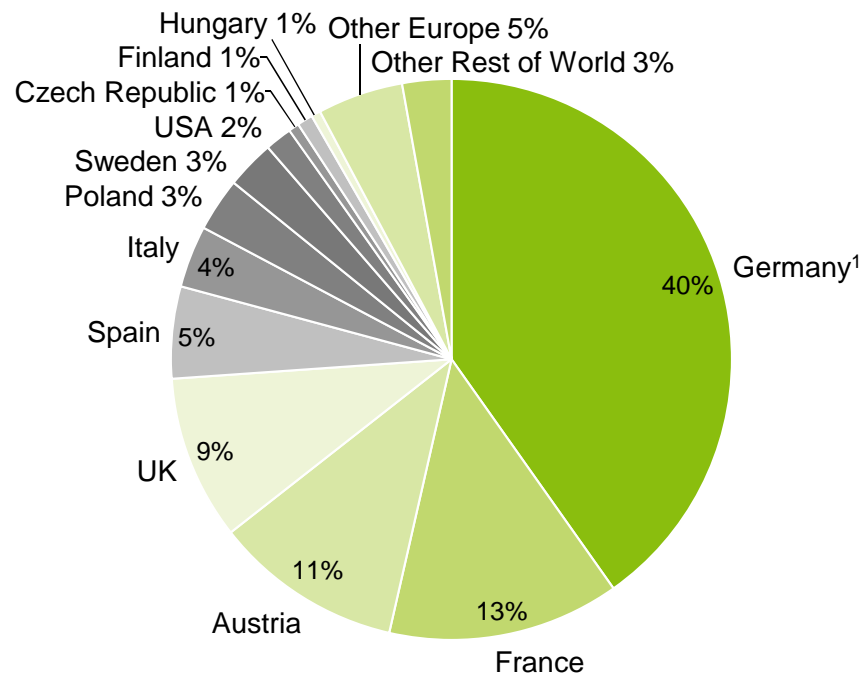
Portfolio

Total portfolio

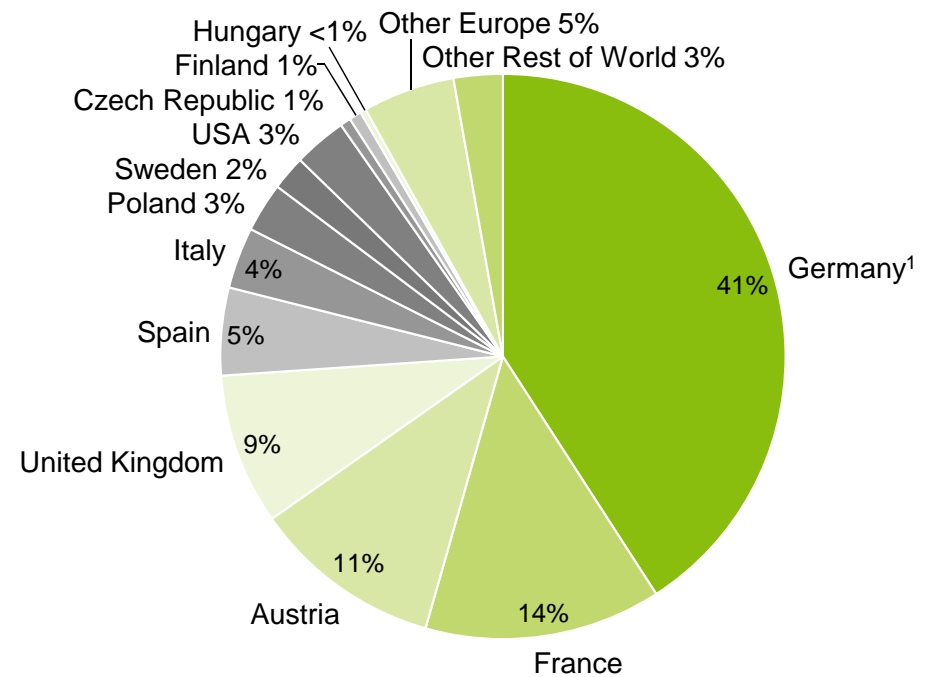
€ bn (EaD, Basel III)

Regions

31/12/2017 / Total: € 57.5 bn



30/09/2018 / Total: € 57.6 bn



Note: Figures may not add up due to rounding 1 Incl. Bundesbank accounts (12/17: € 1.0 bn; 09/18: € 2.0 bn)

Portfolio

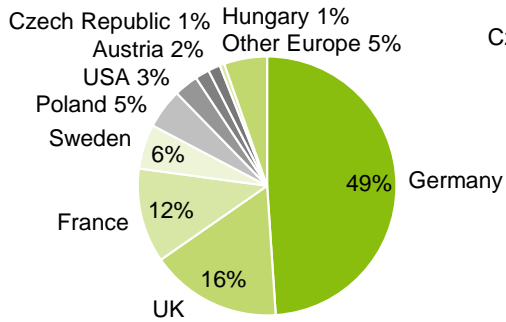
Real Estate Finance (REF)



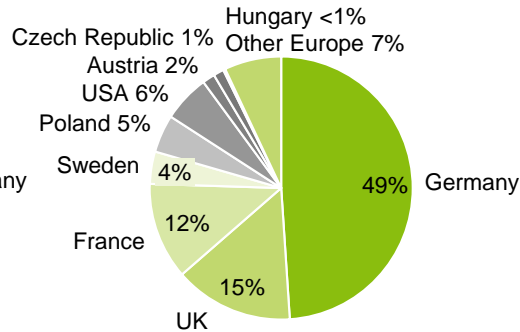
€ bn (EaD, Basel III)

Regions

31.12.2017: € 28.3 bn

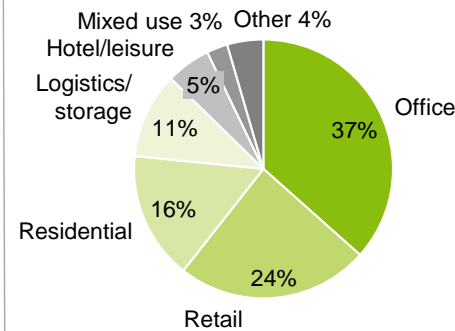


30.09.2018: € 28.7 bn

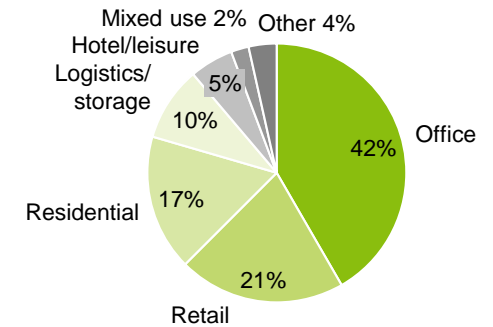


Property types

31.12.2017: € 28.3 bn

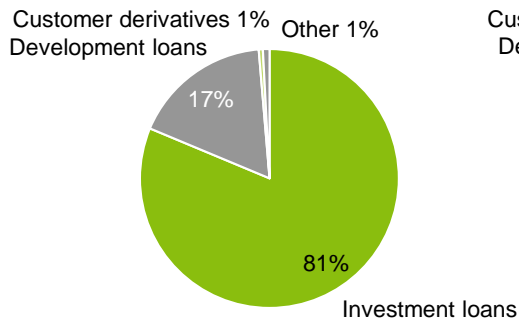


30.09.2018: € 28.7bn

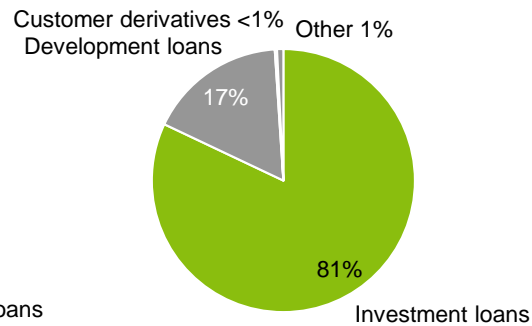


Loan types

31.12.2017: € 28.3 bn

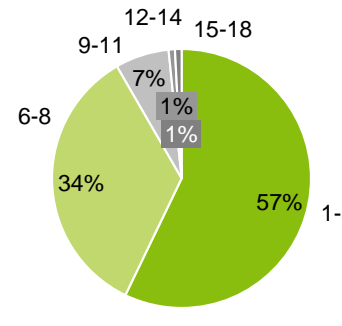


30.09.2018: € 28.7 bn

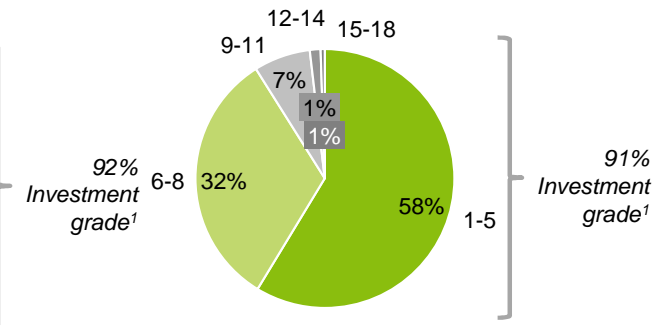


Internal ratings (EL classes)

31.12.2017: € 28.3 bn



30.09.2018: € 28.7 bn



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

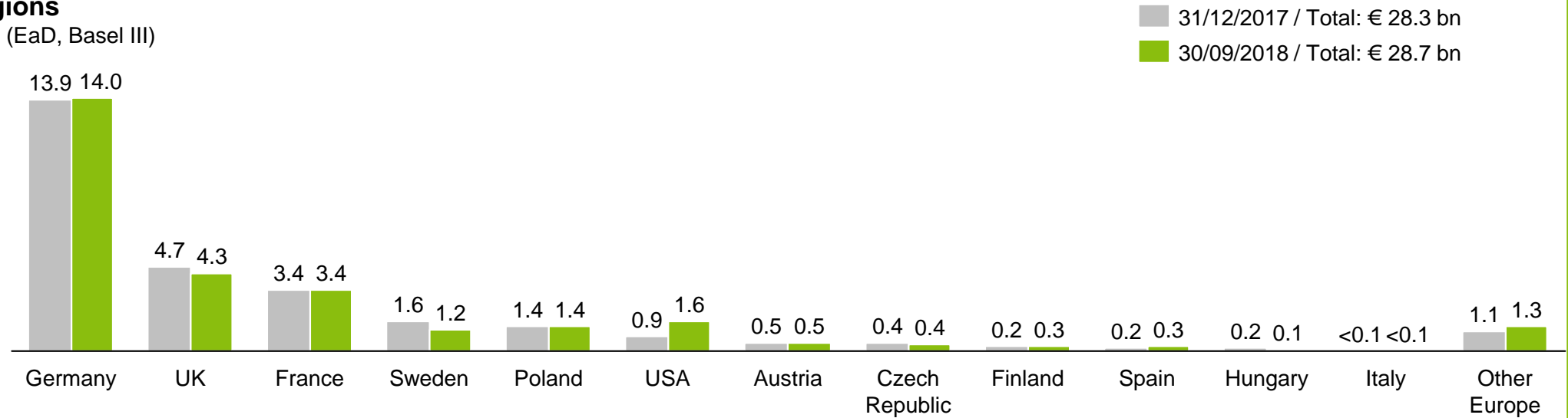
Portfolio

Real Estate Finance (REF)



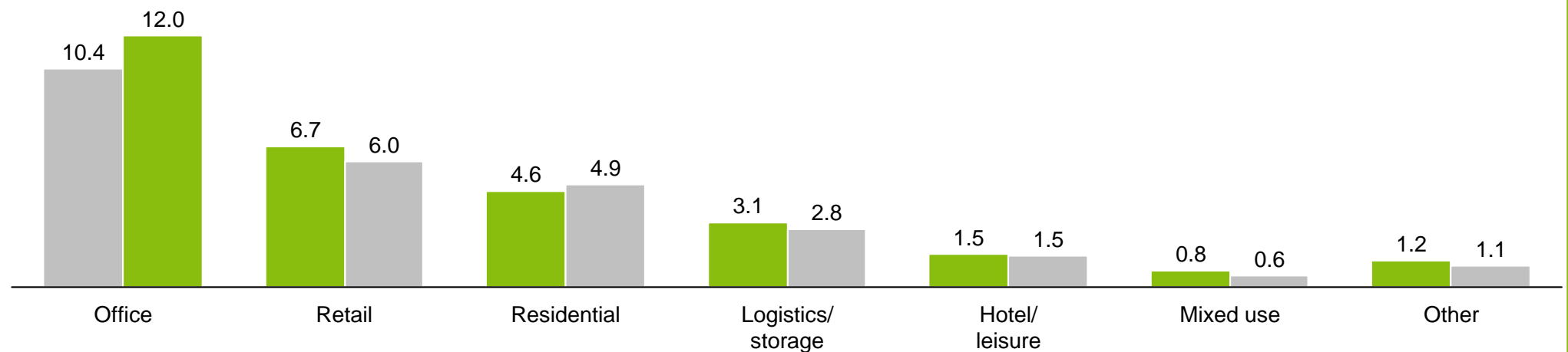
Regions

€ bn (EaD, Basel III)



Property types

€ bn (EaD, Basel III)



Note: Figures may not add up due to rounding

Portfolio

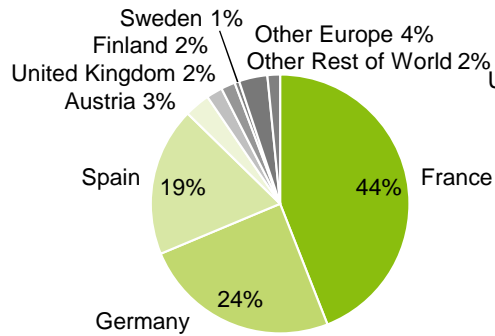
Public Investment Finance (PIF)



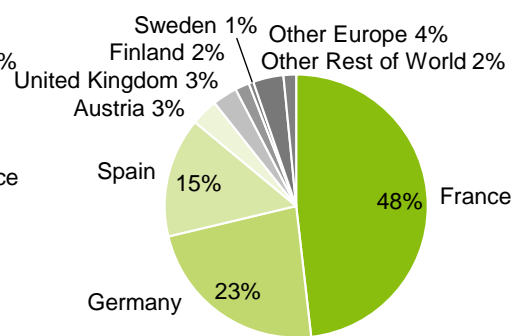
€ bn (EaD, Basel III)

Regions

31.12.2017: € 7.9 bn

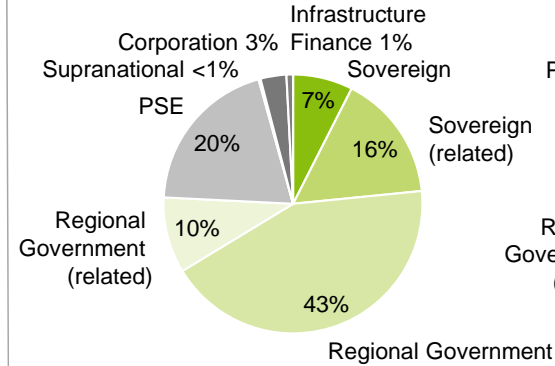


30.09.2018: € 7.5 bn

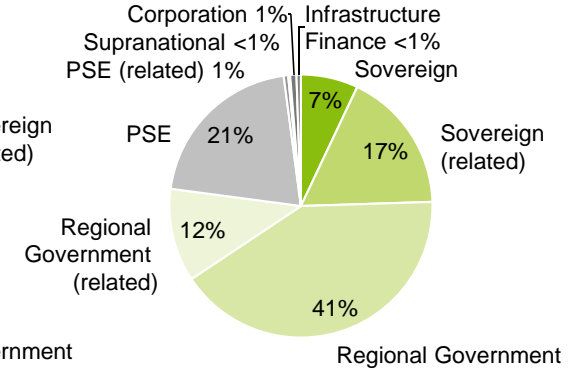


Borrower classification¹

31.12.2017: € 7.9 bn

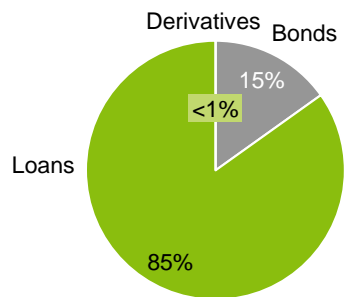


30.09.2018: € 7.5 bn

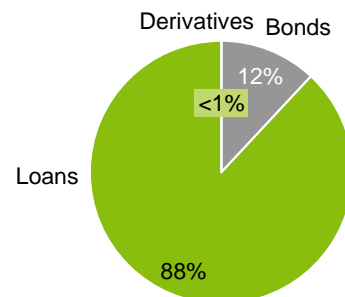


Product class

31.12.2017: € 7.9 bn

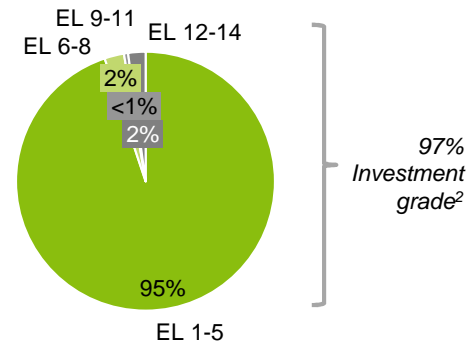


30.09.2018: € 7.5 bn

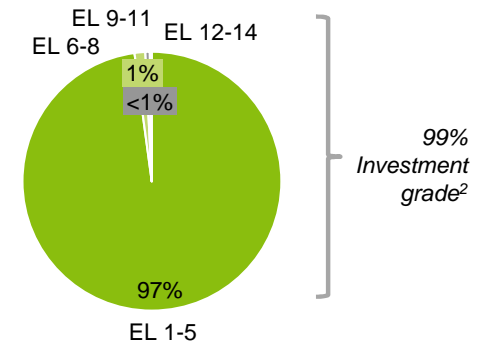


Internal ratings (EL classes)

31.12.2017: € 7.9 bn



30.09.2018: € 7.5 bn



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

Portfolio

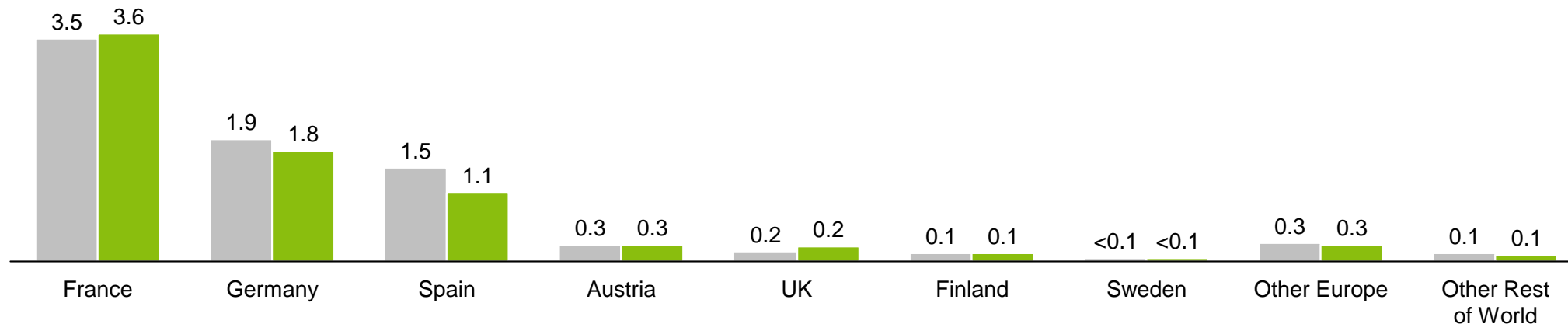
Public Investment Finance (PIF)



Regions

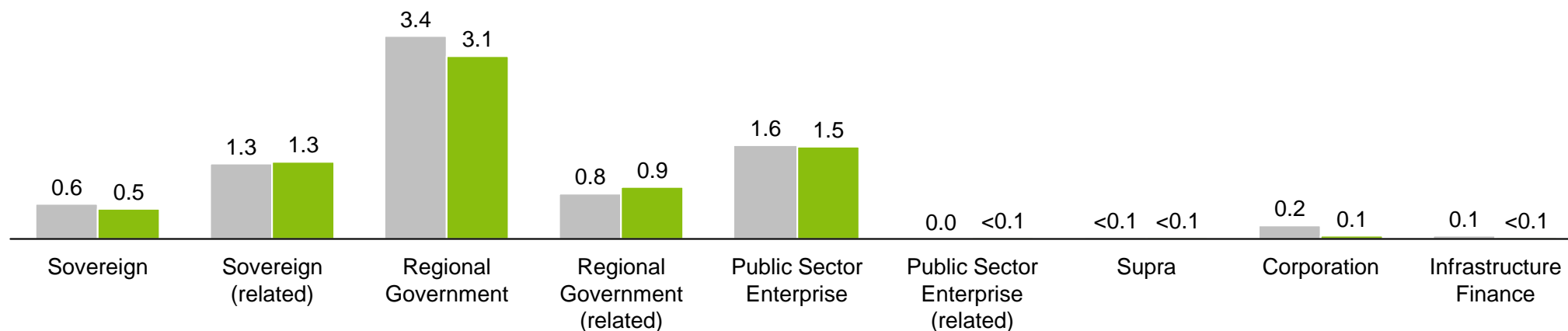
€ bn (EaD, Basel III)

■ 31/12/2017 / Total: € 7.9 bn
 ■ 30/09/2018 / Total: € 7.5 bn



Borrower classification¹

€ bn (EaD, Basel III)



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

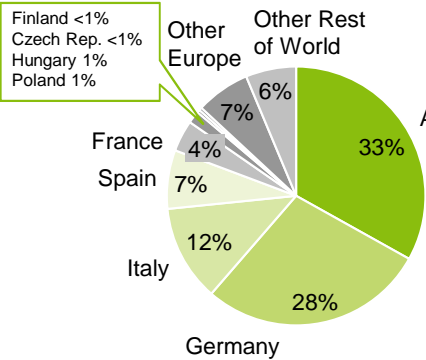
Portfolio

Value Portfolio (VP)

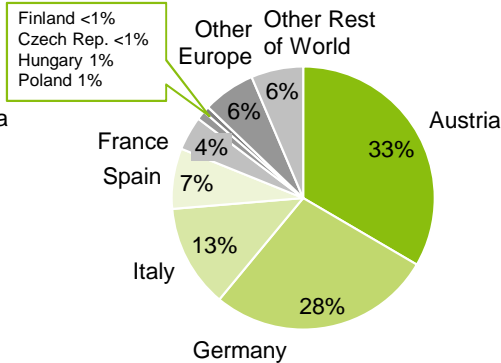
€ bn (EaD, Basel III)

Regions

31.12.2017: € 17.0 bn

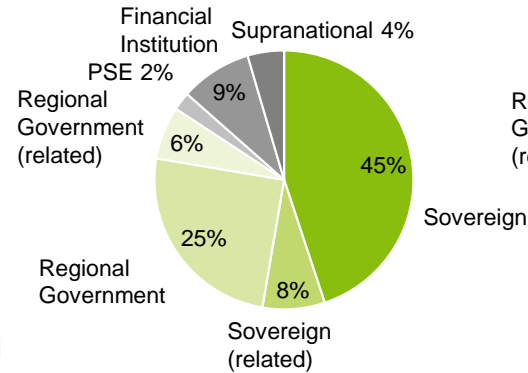


30.09.2018: € 16.4 bn

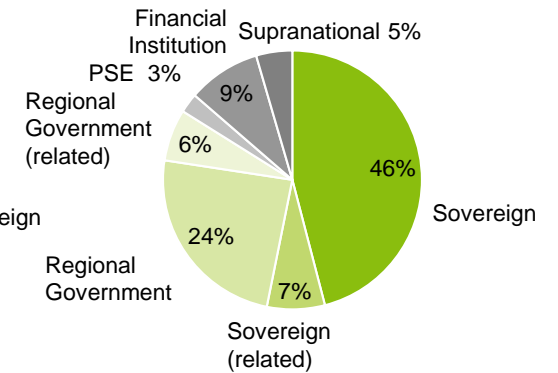


Borrower classification¹

31.12.2017: € 17.0 bn

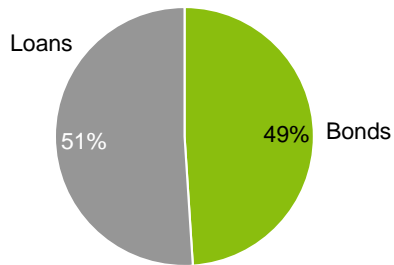


30.09.2018: € 16.4 bn

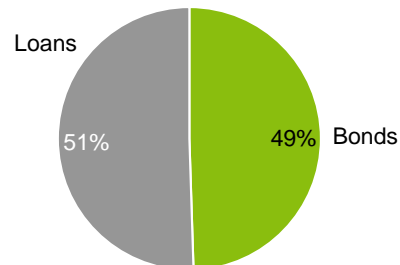


Product class

31.12.2017: € 17.0 bn

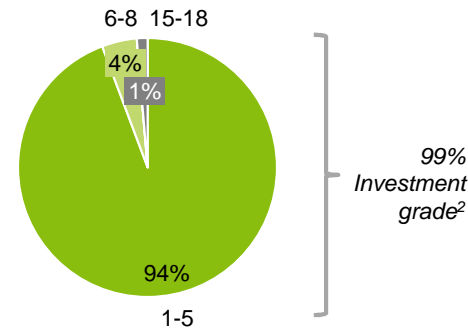


30.09.2018: € 16.4 bn

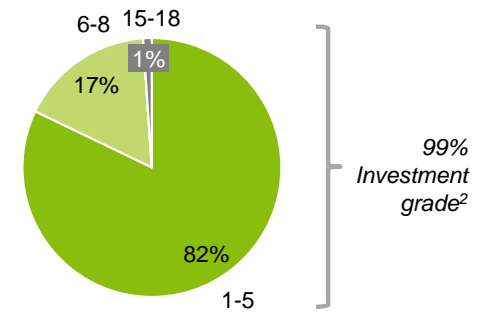


Internal ratings (EL classes)

31.12.2017: € 17.0 bn



30.09.2018: € 16.4 bn



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

Portfolio

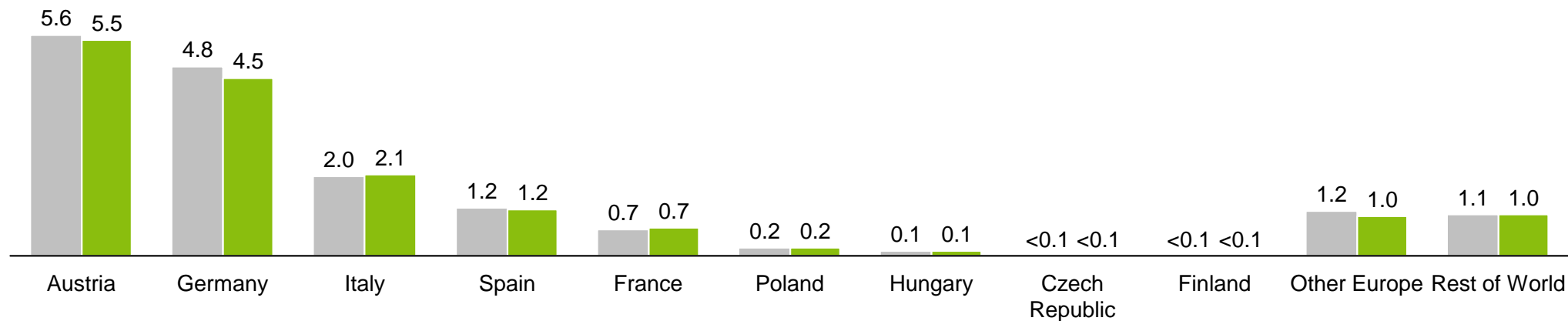
Value Portfolio (VP)



Regions

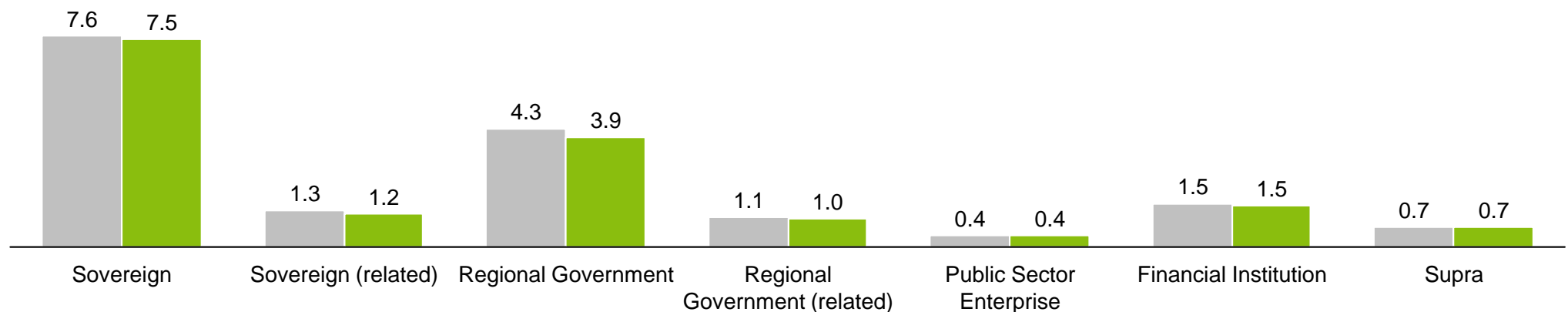
€ bn (EaD, Basel III)

■ 31/12/2017 / Total: € 17.0 bn
 ■ 30/09/2018 / Total: € 16.4 bn



Borrower classification¹

€ bn (EaD, Basel III)



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

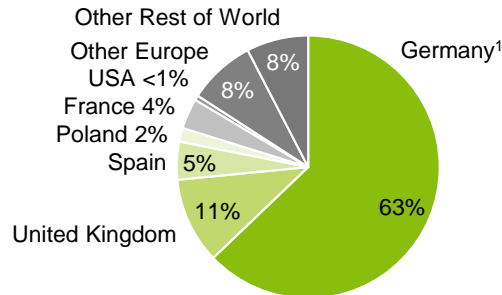
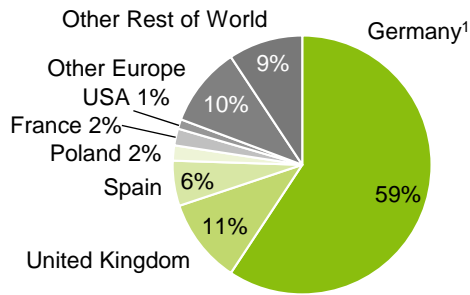
Portfolio Consolidation & Adjustments (C&A)

€ bn (EaD, Basel III)

Regions

31.12.2017: € 4.3 bn

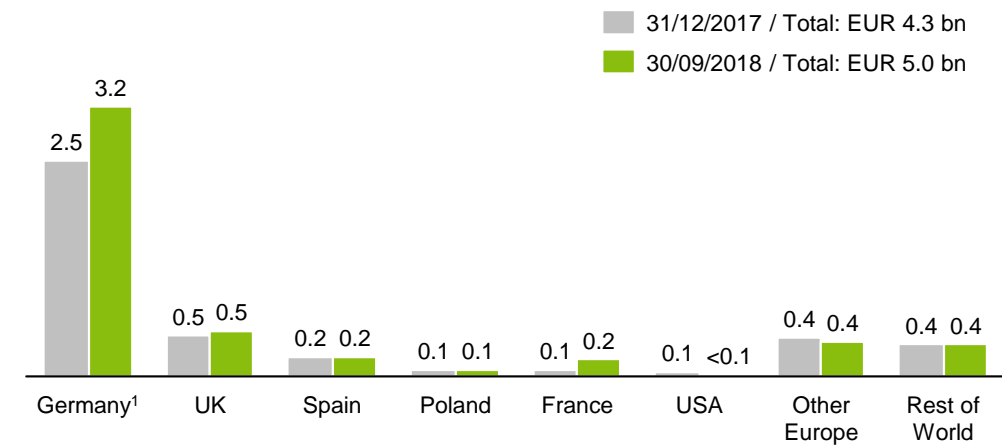
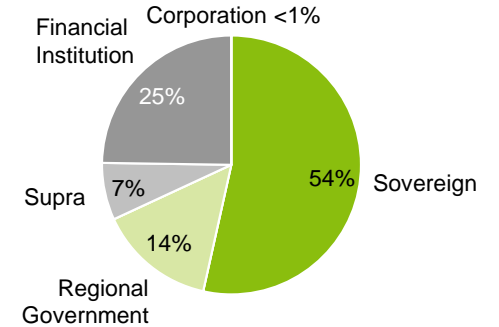
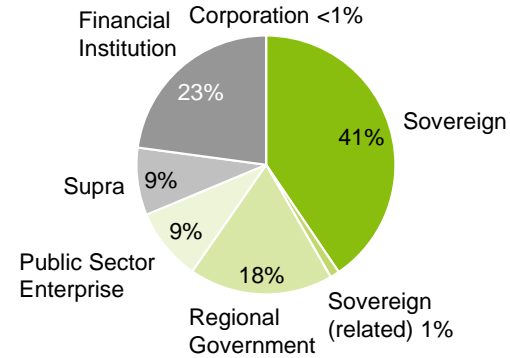
30.09.2018: € 5.0 bn



Borrower classification²

31.12.2017: € 4.3 bn

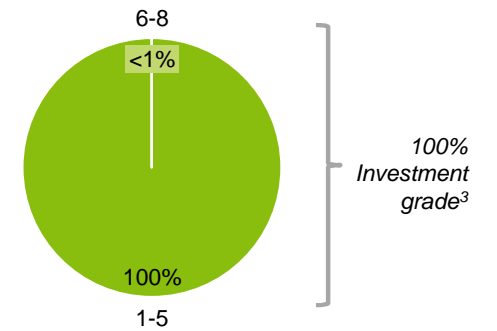
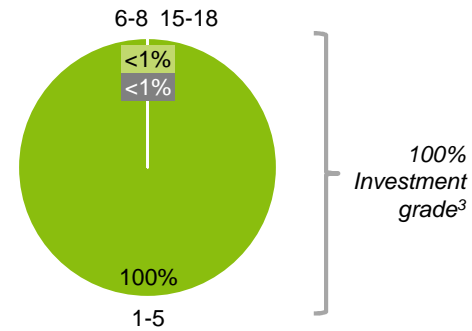
30.09.2018: € 5.0 bn



Internal ratings (EL classes)

31.12.2017: € 4.3 bn

30.09.2018: € 5.0 bn



Note: Figures may not add up due to rounding

¹ Incl. Bundesbank accounts (12/17: € 1.0 bn; 06/18: € 2.0 bn)

² See appendix for definition of borrower classification

³ Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade

Funding

Public benchmark issuances since 2016



Type	WKN	Launch Date	Maturity Date	Size	Spread ¹	Coupon	Issue/Reoffer Price
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%
Senior Unsecured (2 nd Tap)	A12UAR	04/03/2016	17/09/2019	EUR 100 mn	+130 bp	1.50%	101.209%
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%
Mortgage Pfandbrief (3 rd Tap)	A1PG3M	11/07/2016	20/12/2019	GBP 100mn	+40 bp ²	1.875%	102.817%
Public Sector Pfandbrief	A2AAVU	23/08/2016	30/08/2019	USD 500 mn	+60 bp ³	1.625%	99.954%
Mortgage Pfandbrief (4 th Tap)	A1PG3M	19/10/2016	20/12/2019	GBP 25 mn	+38 bp ²	1.875%	102.351%
Senior Unsecured	CH0341440300	20/10/2016	02/11/2021	CHF 100 mn	+80 bp ⁴	0.30%	100.074%
Mortgage Pfandbrief	A2ADASA	05/01/2017	01/03/2022	GBP 250 mn	+55 bp ²	3m-Libor +55 bp	100.00%
Mortgage Pfandbrief (5 th Tap)	A1PG3M	16/01/2017	20/12/2019	GBP 50 mn	+50 bp ²	1.875%	102.32%
Public Sector Pfandbrief (1 st Tap)	A2AAVU	17/01/2017	30/08/2019	USD 100 mn	+55 bp ³	1.625%	98.764%
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 bp ⁵	3m-Euribor+75 bp	100.00%
Mortgage Pfandbrief	A2DASU	25/04/2017	04/05/2020	USD 600 mn	+55 bp ³	2.25%	99.827%
Tier 2	XS01637926137	21/06/2017	28/06/2027	EUR 300 mn	+275bp	2.875%	99.904%
Mortgage Pfandbrief (1 st Tap)	A2DASU	03/08/2017	04/05/2020	USD 100 mn	+40 bp ³	2.25%	100.417%
Mortgage Pfandbrief	A2E4ZE	29/08/2017	05/09/2022	EUR 500 mn	-7 bp	0.05%	99.930%
Mortgage Pfandbrief (1 st Tap)	A2DASJ	19/09/2017	09/08/2021	EUR 100 mn	-14 bp	0.05%	100.473%
Mortgage Pfandbrief	A2E4ZK	27/11/2017	04/12/2020	GBP 450 mn	+29 bp ²	1.00%	99.63%
Senior Unsecured	A2GSLC6	16/01/2018	23/02/2022	EUR 500 mn	+40 bp	0.625%	99.956%
Mortgage Pfandbrief (1 st Tap)	A2E4ZE	24/01/2018	05/09/2022	EUR 250 mn	-18 bp	0.05%	99.579%
Mortgage Pfandbrief	A2GSLF	08/03/2018	15/03/2023	EUR 750 mn	-13 bp	0.25%	99.520%
Additional Tier 1	XS1808862657	12/04/2018	Perpetual	EUR 300 mn	+538 bp	5.75%	100.00%
Mortgage Pfandbrief (1 st Tap)	A2E4ZK	24/04/2018	04/12/2020	GBP 50 mn	+26 bp	1.00%	98.958%
Mortgage Pfandbrief	A2GSLI	15/05/2018	22/05/2024	EUR 500 mn	-9 bp	0.500%	99.912%
Mortgage Pfandbrief	A2GSLV	22/08/2018	30/08/2027	EUR 500 mn	-2 bp	0.625%	98.933%
Mortgage Pfandbrief	A2LQNH	19/09/2018	16/12/2021	GBP 300 mn	+32 bp ²	1.50%	99.802%

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

Ratings



Bank ratings	S&P	DBRS¹	
Long-term	A-	BBB	
Outlook/Trend	Negative	Positive	
Short-term	A-2	R-2 (high)	
Stand-alone rating ²	bbb	BBB	
Long Term Debt Ratings			
"Preferred" senior unsecured Debt ³	A-	BBB	
"Non-preferred" senior unsecured Debt ⁴	BBB-	BBB (low)	
Subordinated Debt	BB+	BB (high)	
Pfandbrief ratings			Moody's
Public Sector Pfandbrief			Aa1
Mortgage Pfandbrief			Aa1

Disclaimer:

The rating information published in this presentation and on our web site are a service for our investors. The information does not necessarily represent the opinion of Deutsche Pfandbriefbank AG. Ratings should not serve as a substitute for individual analysis. The information provided should not be seen as a recommendation to buy, hold or sell securities. Deutsche Pfandbriefbank AG does not assume any liability, including for the completeness, timeliness, accuracy and selection of such information, or for any potential damages which may occur in connection with this information.

The rating agencies may alter or withdraw their ratings at any time. The rating of an individual security issued by Deutsche Pfandbriefbank AG may differ from the ratings shown above or an individual security might not be rated at all. For the evaluation and usage of the rating information (including the rating reports), please refer to the respective rating agencies' pertinent criteria and explanations, terms of use, copyrights and disclaimers, which are to be considered.

Note: The above list does not include all ratings 1 Rating mandate terminated with effect of 31 December 2018 2 S&P: Stand-alone credit profile; DBRS: Intrinsic Assessment 3 S&P: "Senior Unsecured Debt"; DBRS: "Senior Debt" 4 S&P: "Senior Subordinated Debt"; DBRS: "Senior Non-Preferred 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

Contact details



Walter Allwicher

Head of Communications

+49 (0)89 2880 28787

walter.allwicher@pfandbriefbank.com

Michael Heuber

Head of Investor Relations / Rating Agency Relations

+49 (0)89 2880 28778

michael.heuber@pfandbriefbank.com

Axel Leupold

Investor Relations / Rating Agency Relations

+49 (0)89 2880 23648

axel.leupold@pfandbriefbank.com

Website

www.pfandbriefbank.com/investor-relations.html

© Deutsche Pfandbriefbank AG
Freisinger Strasse 5
85716 Unterschleissheim/Germany
+49 (0) 89 28 80-0
www.pfandbriefbank.com