

PBT at € 187 mn after nine months  
- full-year guidance increased to € 205-215 mn

Results Q3/9M 2019

Analyst Call

11 November 2019

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# Agenda

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

**Appendix**  
**Contact details**

## Highlights 9M/19

**Strong operating performance continued with PBT of € 187 mn after nine months**  
**– full-year guidance increased to € 205-215 mn**



<b>Financials</b>	<ul style="list-style-type: none"><li>■ Strong <b>PBT</b> of € 70 mn in Q3/19 (Q3/18: € 49 mn) results in € 187 mn for 9M/19 (+9% y-o-y; 9M/18: € 171 mn)<ul style="list-style-type: none"><li>– <b>NII</b> remains on high level due to reduced funding costs and supported by increased average REF financing volume y-o-y – <b>prepayment fees</b> significantly higher</li><li>– <b>Risk provisioning</b> stable y-o-y and in line with expectation – additions for UK shopping centres in Q3 resulting from valuation adjustments</li><li>– <b>GAE</b> slightly up, mainly driven by regulatory projects and IT costs</li></ul></li><li>■ Full-year PBT <b>guidance</b> increased to € 205-215 mn (from formerly upper end or slightly above €170-190 mn) despite expected higher expenses in Q4</li></ul>
<b>New business<sup>1</sup></b>	<ul style="list-style-type: none"><li>■ <b>New business volume</b> remains solid at € 2.6 bn in Q3, resulting in a total volume of € 7.2 bn in 9M/19 (9M/18: € 5.9 bn) – <b>REF</b> € 6.9 bn, <b>PIF</b> € 0.3 bn</li><li>■ Avg. <b>REF gross interest margin</b> further up to &gt;150bp for 9M/19 and thus approaching full-year 2018 level (Q1/19: ~130bp; H1/19: &gt;140bp; FY/18: ~155bp) – selective approach continued</li></ul>
<b>Portfolio</b> (financing volume)	<ul style="list-style-type: none"><li>■ Strategic <b>REF financing volume</b> up by € +0.9 bn ytd to € 27.7 bn, driven by solid new business – further <b>moderate growth</b> envisaged</li><li>■ <b>PIF</b> nearly stable at € 6.3 bn (€ -0.1 bn ytd) – in line with <b>hold</b> proposition</li><li>■ <b>Value Portfolio</b> down by € -0.9 bn ytd to € 12.3 bn – strategy provides for a further <b>run-down</b> in line with maturities</li></ul>
<b>Funding</b>	<ul style="list-style-type: none"><li>■ Strong new funding activities with <b>new funding volume</b> of € 5.5 bn in 9M/19 (9M/18: € 4.2 bn)</li><li>■ Even though avg. <b>funding spreads</b> increased y-o-y, spread level is still below maturities</li></ul>
<b>Capital</b>	<ul style="list-style-type: none"><li>■ <b>Capitalisation</b> remains strong with CET 1 ratio of 18.3%<sup>2</sup></li><li>■ Capital ratios to come down due to <b>regulatory initiatives</b> (e.g. risk models/ECB TRIM, EBA Guidelines, Basel IV)</li></ul>

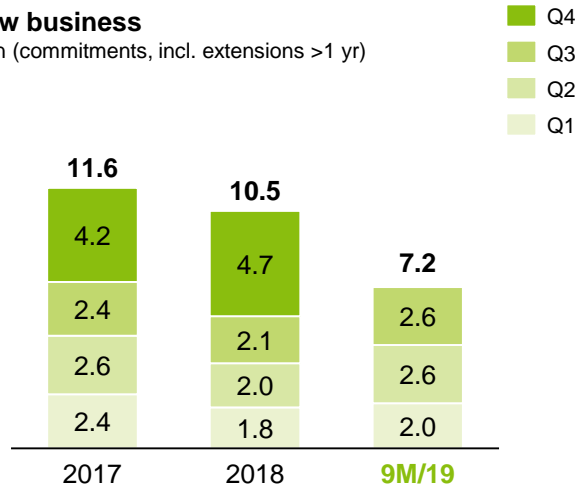
<sup>1</sup> Commitments, incl. extensions >1 year    <sup>2</sup> Excl. interim result

# Highlights

## Operating and financial overview

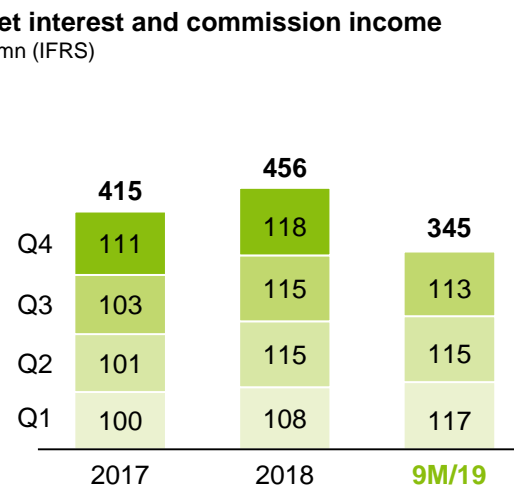
### New business

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



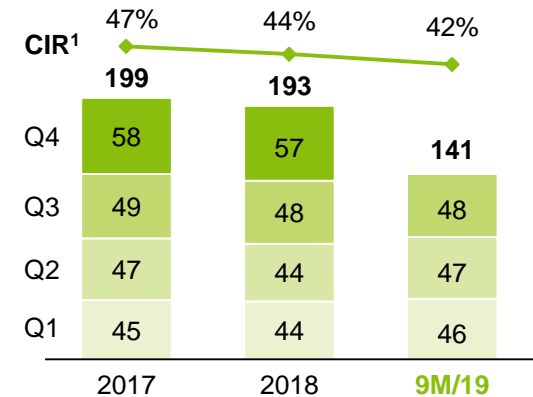
### Net interest and commission income

€ mn (IFRS)



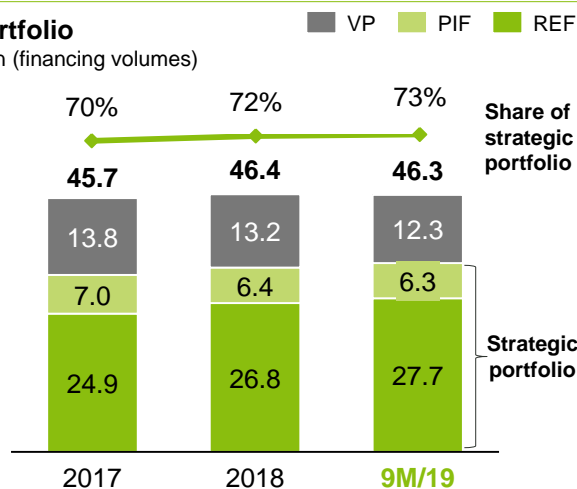
### General and admin. expenses

€ mn (IFRS)



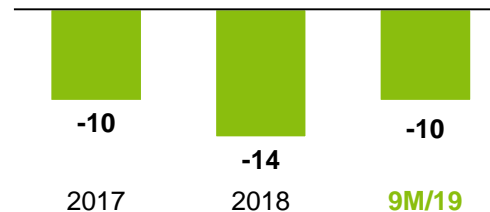
### Portfolio

€ bn (financing volumes)



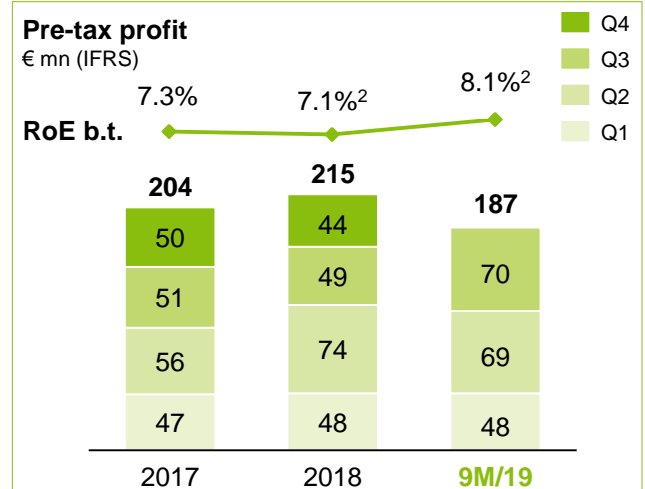
### Net income from risk provisioning

€ 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 2 Taking into account pro-rata AT1 coupon (2018: € 12 mn; 2019: € 17 mn)

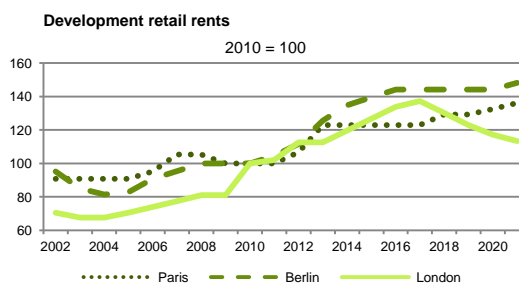
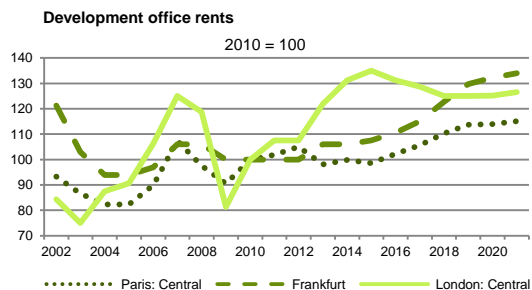
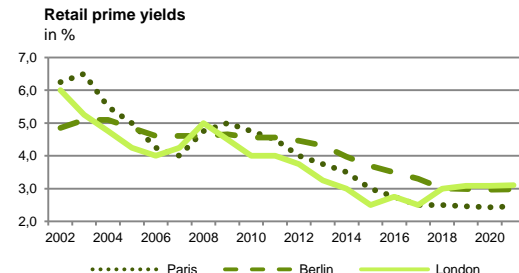
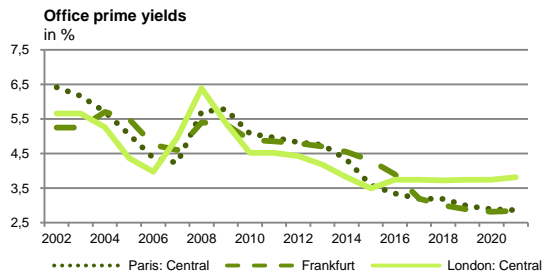
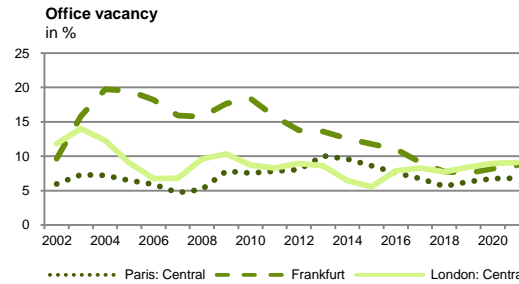
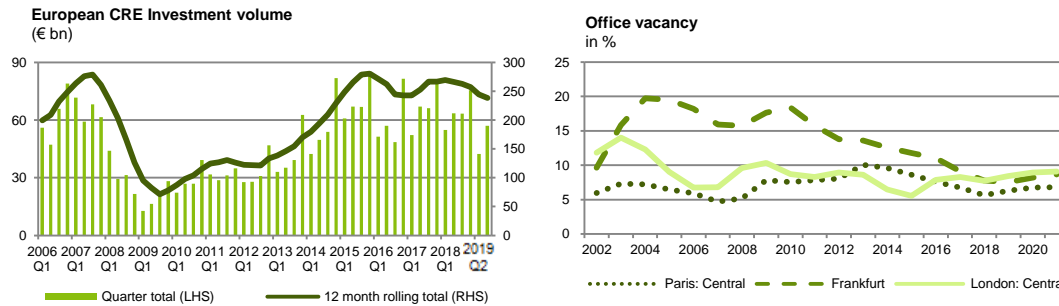
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3. **Financials**
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**Appendix**  
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# Markets

## Low interest rate environment continues to support and prolong CRE cycle – slowing economic growth and individual market developments urge some caution



- Despite recent declines, European and US CRE **investment volume** remain on solid levels
  - Investment volumes recovered in Q2 after a weak Q1 which was driven by slowing economic growth, high prices, challenges in sourcing suitable properties, interest rate increases in the US and (geo)political uncertainties
  - **European** CRE investment volumes reached € 57 bn in Q2/19, 10% below Q2/18 but still above 10-year average
    - Solid take up levels, office vacancy remains on low level
    - Yields for prime office properties at historical lows in most of the core markets; retail yields under pressure in UK
  - **US** CRE transaction volume reached US\$ 127 bn in Q2, slightly up y-o-y but with limited room for further growth
  
- Slowing economic growth and individual market developments (e.g. Brexit, retail sector, co-working space, etc.) urge continued **caution** – pbb remains highly selective, especially on
  - UK (in most property types)
  - Retail (structural change/online business)

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## Financials

### Strong operating performance continued

### Income statement

€ mn

	Q3/18	Q3/19	9M/18	9M/19
<b>Operating Income</b>	<b>119</b>	<b>133</b>	<b>350</b>	<b>371</b>
Net interest income	114	112	334	341
Net fee and commission income	1	1	4	4
Net income from fair value measurement	-2	5	2	-2
Net income from realisations	8	15	23	31
Net income from hedge accounting	1	-2	-1	-3
Net other operating income	-3	2	-12	-
Net income from risk provisioning	-17	-10	-9	-10
General and administrative expenses	-48	-48	-136	-141
Expenses from bank levies and similar dues	-1	-1	-23	-23
Net income from write-downs and write-ups on non-financial assets	-4	-5	-11	-13
Net income from restructuring	-	1	-	3
<b>Pre-tax profit</b>	<b>49</b>	<b>70</b>	<b>171</b>	<b>187</b>
Income taxes	-10	-14	-33	-32
<b>Net income</b>	<b>39</b>	<b>56</b>	<b>138</b>	<b>155</b>
RoE before tax (%)	6.3	9.2	7.6	8.1
RoE after tax (%)	4.9	7.3	6.2	6.6
CIR <sup>1</sup> (%)	43.7	39.8	41.9	41.5
EpS (€)	0.26	0.38	0.98	1.06

### Key drivers Q3/9M 2019:

- **NII** up +2% y-o-y due to reduced funding costs and supported by increased avg. REF financing volume
  - **Fair value measurement** mainly driven by negative pull-to-par effects of derivatives, but (partially) compensated by positive interest rate and credit related valuation effects of non-derivatives; previous year benefited from one-off gain in Q2
  - **Net income from realisations** mainly driven by significantly higher prepayment fees
  - **Other operating income** balanced – last year burdened by provisions
  - **Risk provisioning** stable y-o-y – some further additions for UK shopping centres in Q3 resulting from valuation adjustments
  - **GAE** slightly up y-o-y, mainly driven by regulatory projects and IT costs
- 
- **RoE and EpS** taking into account pro-rata AT 1 coupon (2018: € -12 mn; 2019: € -17 mn)

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

## Financials

**NII driven by reduced funding costs and supported by increased avg. REF financing volume – significantly higher prepayment fees**

### Income from lending business (€ mn)

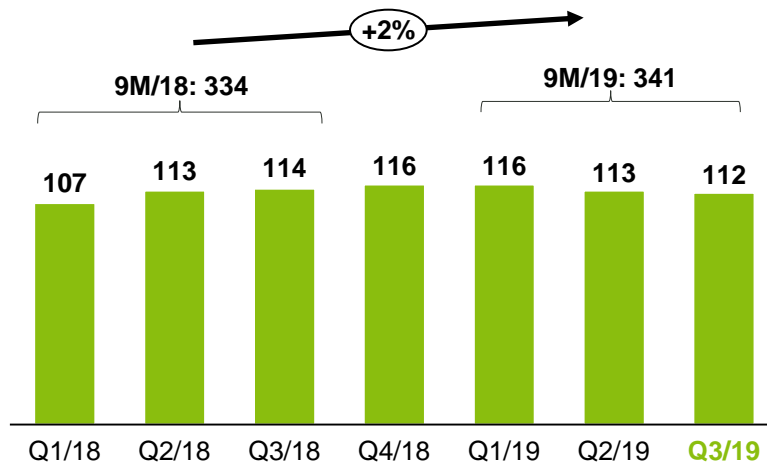
	Q3/18	Q3/19	9M/18	9M/19
Net interest income	114	112	334	341
Net fee and commission income	1	1	4	4

	Q3/18	Q3/19	9M/18	9M/19
Net income from realisations	8	15	23	31

### Key drivers Q3/9M 2019:

- **NII up +2% y-o-y**
  - Avg. REF financing volume up by € +2.0 bn y-o-y to € 27.5 bn (9M/18: € 25.5 bn)
  - Lower avg. gross new business margins compared to stock mitigated by reduced funding costs due to new funding at spreads below maturities
  - Avg. total portfolio margin stable y-o-y – strategic portfolio growth compensating for higher margin maturities and decline of non-strategic portfolio
  
- **Net income from realisations** mainly driven by significantly higher prepayment fees
  - Prepayment Fees: € 27 mn (9M/18: € 14 mn)
  - Realisation fees: € 6 mn (9M/18: € 9 mn)

### Net interest income (€ mn)



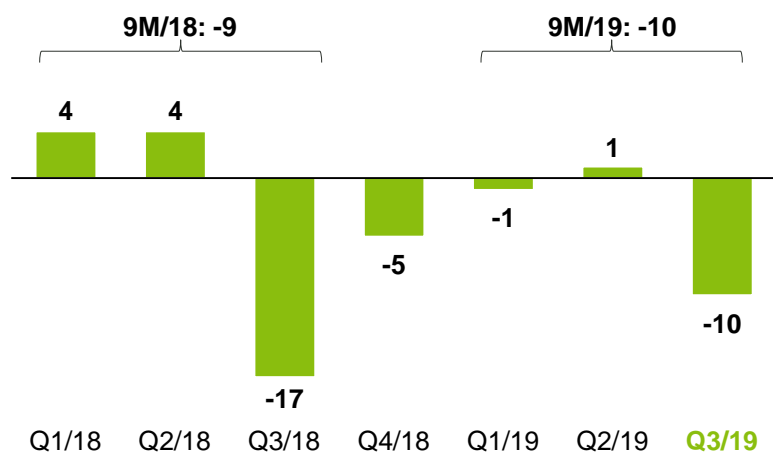
## Financials

Risk provisioning in line with expectations, stable y-o-y – additions for UK shopping centres in Q3 resulting from valuation adjustments

### Net income from risk provisioning

€ mn

	Q3/18	Q3/19	9M/18	9M/19
Net income from risk provisioning	-17	-10	-9	-10
thereof				
stage 1	1	-	2	-
stage 2	-	3	8	6
stage 3	-18	-11	-20	-15
other loan loss provisions <sup>2</sup>	-	-2	1	-1



### Key drivers Q3/9M 2019:

- **Risk provisioning** continues to be driven by two counterbalancing effects:
  - Stage 1 and 2: release of provisions of € 6 mn in 9M/19 (9M/18: € 10 mn) due to positive effects from maturities and property re-valuation
  - Stage 3: net additions of € -15 mn (9M/18: € -20 mn) resulting from valuation adjustments on UK shopping centres
  - Other: € -1 mn net additions for off-balance sheet items
  - Continued economic uncertainties expected to result in a precautionary adjustment of risk provisions in Q4
- **Coverage ratio:**
  - Stage 3 coverage ratio<sup>1</sup> down to 12% (12/18: 18%) due to new additions with low coverage
  - REF coverage ratio at approx. 100% with additional collateral taken into account

<sup>1</sup> Coverage ratio = credit loss allowances on financial assets in stage 3 / gross book values in stage 3 (loans and securities)    <sup>2</sup> Incl. recoveries from written-off financial assets and provision in lending business

## Financials

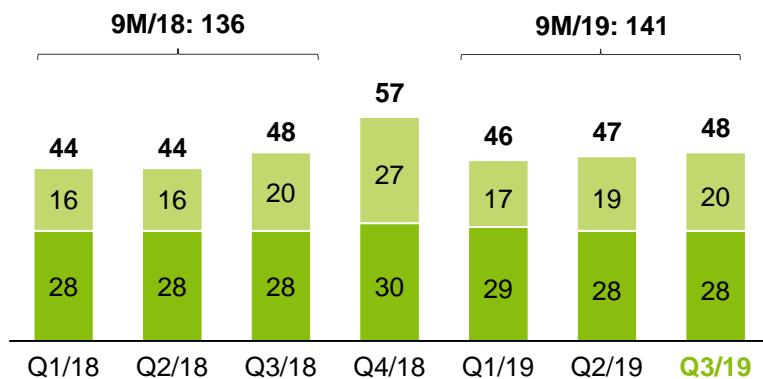
Operating costs slightly up y-o-y, mainly driven by regulatory projects and IT costs  
– increase expected in Q4

### General & administrative expenses and depreciations

€ mn

	Q3/18	Q3/19	9M/18	9M/19
General admin. expenses	-48	-48	-136	-141
<i>Personnel</i>	-28	-28	-84	-85
<i>Non-personnel</i>	-20	-20	-52	-56
Net income from write-downs and write-ups on non-financial assets	-4	-5	-11	-13
<i>CIR (%)</i> <sup>1</sup>	43.7	39.8	41.9	41.5

■ Non-personnel  
■ Personnel



### Key drivers Q3/9M 2019:

- **GAE** slightly up y-o-y (€ 141mn; 9M/18: € 136 mn), in line with expectations
  - Personnel expenses nearly stable at € 85 mn (9M/18: € 84 mn), reflecting stable FTE development (9M/19: 750 FTE; 9M/18: 747 FTE; FY/18: 750 FTE)
  - Non-personnel costs increased to € 56 mn (9M/18: € 52 mn), mainly driven by regulatory projects and IT costs; 9M/18 benefited from release of provisions for completed projects
  - Project related increase expected in Q4, similar to last year
- **Net income from write-downs and write-ups on non-financial assets** mainly driven by scheduled depreciations; shorter write-down period since mid 2018

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

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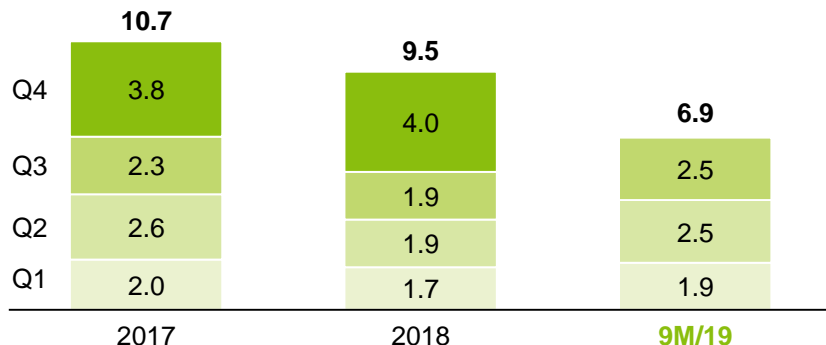
**Appendix**  
**Contact details**

## New business

REF new business volume remains solid at € 2.5 bn in Q3, resulting in a total volume of € 6.9 bn in 9M/19 – avg. REF gross interest margin further up to >150bp in 9M/19

### REF New business

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



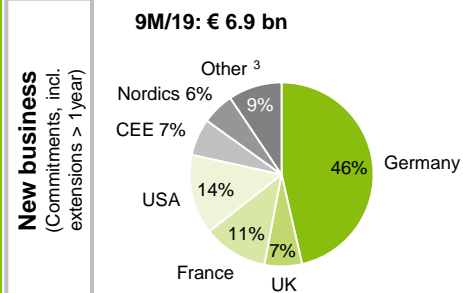
### Key drivers Q3/9M 2019:

- New business **volume** stays on solid level while pbb remains highly selective – full-year guidance unchanged at € 8.5-9.5 bn
- **REF** – core portfolio with moderate growth strategy
  - Continued conservative approach
    - avg. LTV 59%<sup>2</sup>
    - cautious in UK and on Retail
  - Avg. REF gross interest margin further up to >150bp for 9M/19 and thus approaching full-year 2018 level (Q1/19: ~130bp; H1/19: >140bp)
- **PIF** – portfolio on hold; new business volume on constant low level (9M/19: € 0.3 bn; 9M/18: € 0.4 bn)

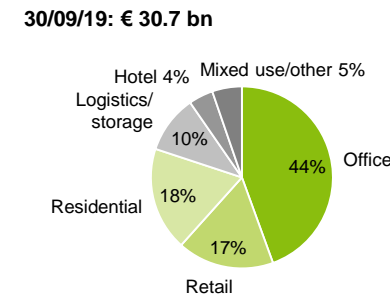
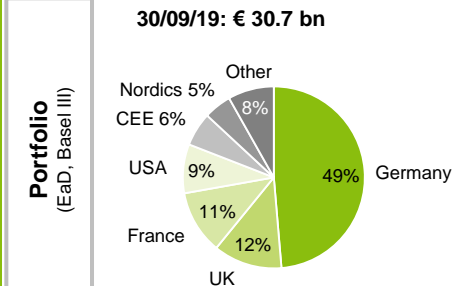
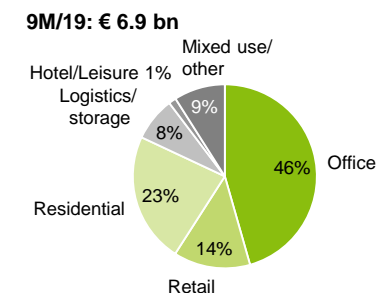
### REF new business

	9M/18	2018	9M/19
Total volume (€ bn)	5.5	9.5	6.9
thereof: Extensions >1 year	1.2	2.2	1.5
No. of deals	115	185	115
Ø maturity (years) <sup>1</sup>	~4.6	~4.7	~4.6
Ø LTV (%) <sup>2</sup>	60	59	59
Ø gross interest margin (bp)	~160	~155	>150

#### Regions



#### Property types



Note: Figures may not add up due to rounding 1 Legal maturities 2 New commitments; avg. LTV (extensions): 9M/19: 55%; 9M/18: 57% 3 Austria, Italy, Luxembourg, Netherlands, Switzerland

## Segment reporting

### Segment performance in line with strategic approach

	REF				PIF				Value Portfolio			
Income statement (IFRS, € mn)	Q3/18	Q3/19	9M/18	9M/19	Q3/18	Q3/19	9M/18	9M/19	Q3/18	Q3/19	9M/18	9M/19
Operating income	101	109	290	316	9	11	23	26	8	11	34	25
<i>thereof: Net interest income</i>	93	95	276	287	10	9	26	26	10	6	28	24
<i>Net income from realisations</i>	9	14	23	31	-	1	-	1	-1	-	-	-1
Net income from risk provisioning	-17	-13	-18	-15	-	-	4	-	-	3	4	5
General administrative expenses	-38	-39	-108	-115	-7	-6	-19	-17	-3	-3	-9	-9
Net other revenues	-4	-3	-22	-21	-	-1	-4	-5	-1	-1	-8	-7
<b>Pre-tax profit</b>	<b>42</b>	<b>54</b>	<b>142</b>	<b>165</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>10</b>	<b>21</b>	<b>14</b>
<b>Key indicators</b>	<b>Q3/18</b>	<b>Q3/19</b>	<b>9M/18</b>	<b>9M/19</b>	<b>Q3/18</b>	<b>Q3/19</b>	<b>9M/18</b>	<b>9M/19</b>	<b>Q3/18</b>	<b>Q3/19</b>	<b>9M/18</b>	<b>9M/19</b>
CIR (%) <sup>1</sup>	40.6	38.5	40.3	39.6	77.8	63.6	87.0	73.1	50.0	36.4	29.4	40.0
RoE before tax (%)	10.8	15.6	13.7	15.6	2.5	19.2	3.4	5.7	0.4	3.7	2.5	1.2
Equity (€ bn)	1.4	1.4	1.4	1.4	0.1	0.1	0.1	0.1	1.0	0.8	1.0	0.8
RWA (€ bn)	7.6	8.6	7.6	8.6	1.3	1.4	1.3	1.4	3.8	3.6	3.8	3.6
Financing volume (€ bn)	25.7	27.7	25.7	27.7	6.6	6.3	6.6	6.3	13.4	12.3	13.4	12.3

<b>Key drivers Q3/9M 2019:</b>	<b>REF</b>	<b>PIF</b>	<b>Value Portfolio</b>
	<ul style="list-style-type: none"> <li>Positive financial segment performance y-o-y mainly driven by strong NII and higher prepayment fees but higher operating costs</li> <li>Strong new business resulted in higher financing volume and RWA</li> </ul>	<ul style="list-style-type: none"> <li>Stable financial segment performance y-o-y – slightly higher operating income and slightly lower operating costs, while prior year benefited from release of risk provisions</li> </ul>	<ul style="list-style-type: none"> <li>Financial segment performance in line with run-down strategy, resulting in lower NII</li> <li>Previous year benefited from one-off gain related to Heta (purchase price adjustment)</li> </ul>

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

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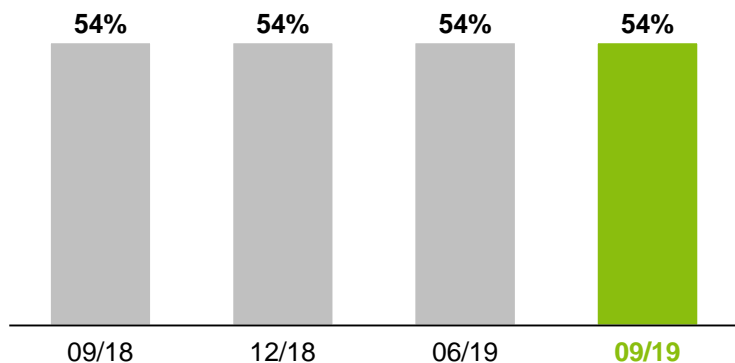
# Portfolio

Stable high portfolio quality with 95% investment grade and avg. LTV of 54%



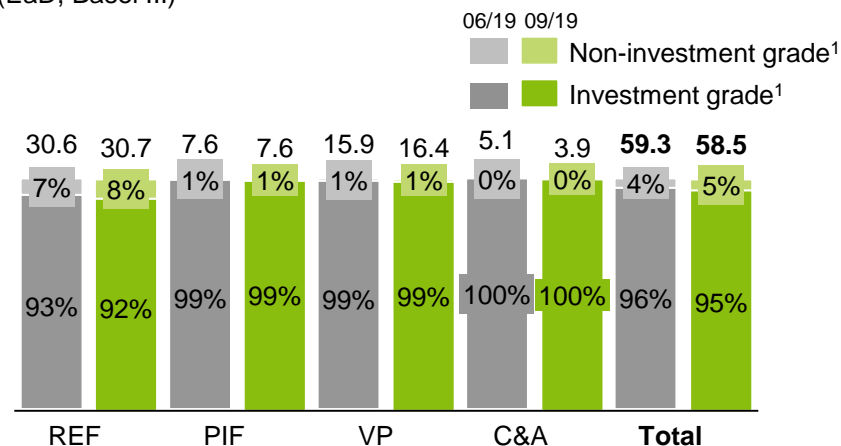
## REF Portfolio: Avg. weighted LTVs

% (commitments)<sup>2</sup>



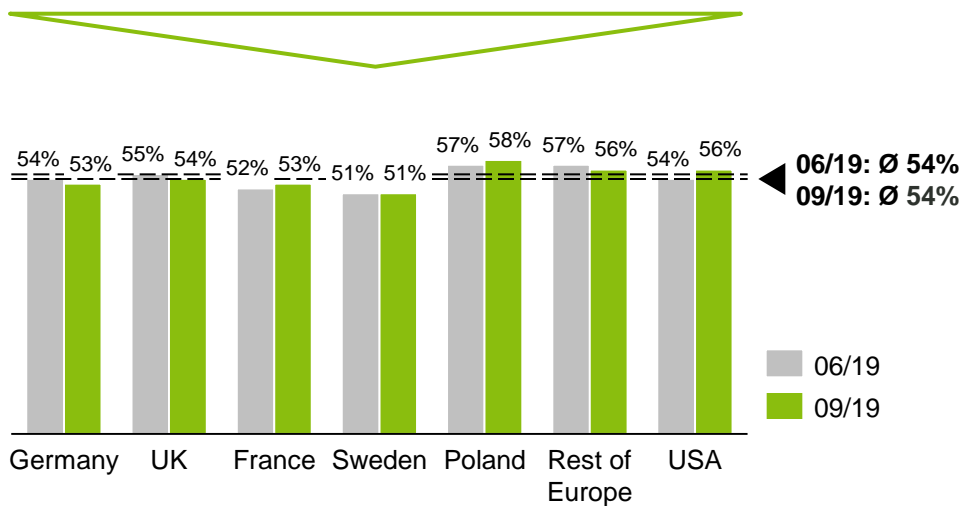
## Total portfolio: Internal ratings (EL classes)

€ bn (EaD, Basel III)



### Key messages

- Valuation effects on **Italy** exposure with relatively small P&L effects
  - VP: € 1.5 bn (nominal) / € 2.1 bn (EaD)
    - € 1.3 bn (~85%) booked at amortized costs; € 144 mn (~9%) in FV/OCI and € 80 mn (~5%) in FV/P&L
    - External sovereign ratings for Italy still on investment grade level
  - REF: Only marginal exposure
- Ongoing selective and cautious approach in the **UK**
  - Avg. LTV 54%<sup>2</sup>
  - Avg. ISC >300%



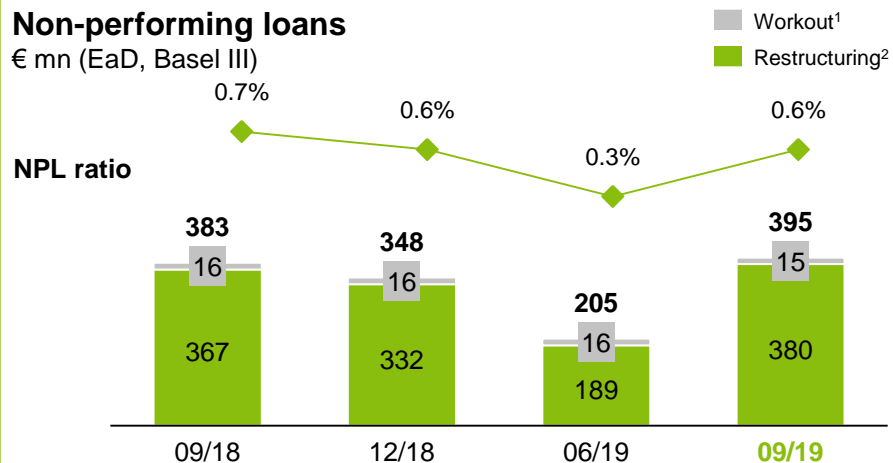
Note: Figures may not add up due to rounding 1 EL classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade 2 Based on performing investment loans only

# Portfolio

## Non-performing loans up in Q3, but remaining at low level

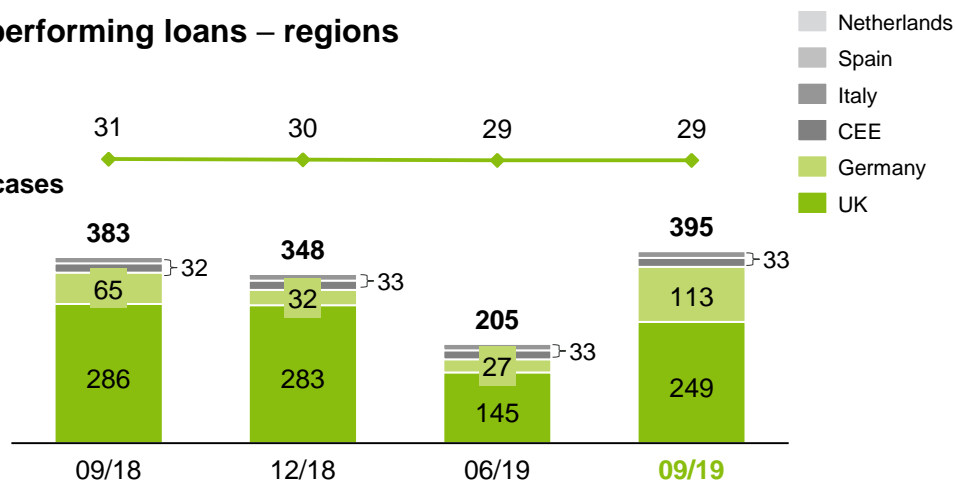
### Non-performing loans

€ mn (EaD, Basel III)



### Non-performing loans – regions

No. of indiv. cases



### Key drivers Q3/9M 2019:

- **NPLs** up by € 190 mn in Q3 due to addition of two cases
  - One UK shopping centre with LTV impairment; no economic default
  - One fully ECA-guaranteed PIF loan
- **Estate UK-3** removed from NPL exposure already in Q2 – losses allocated in September
- NPL exposure remains at low level with **NPL ratio<sup>3</sup>** of 0.6%

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 NPL ratio = NPL volume / total assets

# Agenda

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

**Appendix**  
**Contact details**

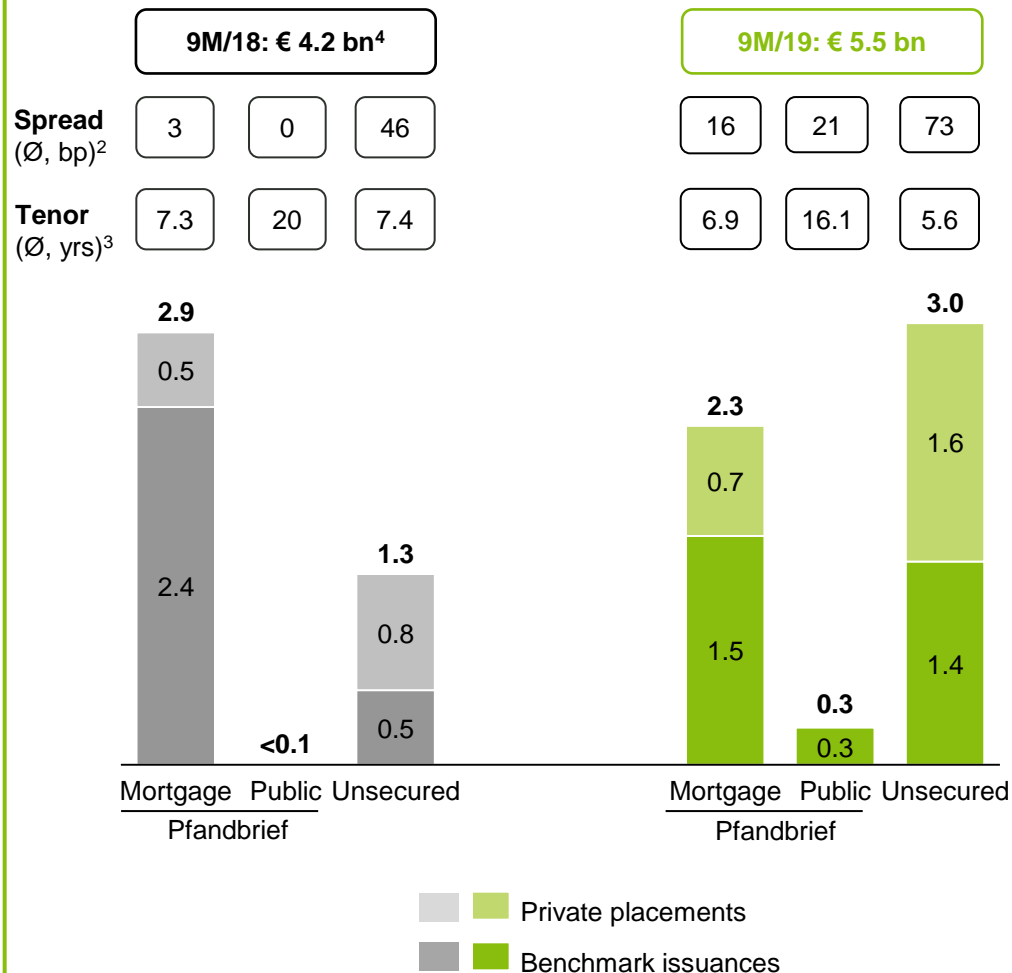
# Funding

Strong new funding activities with high share of foreign currencies – even though avg. funding spreads increased y-o-y, spread level is still below maturities



## New long-term funding<sup>1</sup>

€ bn



## Pfandbriefe

- Mortgage Pfandbrief Benchmarks: € 500 mn 5y in January, four taps of € 100 mn each in H1/19 as well as 1 tap of € 50 mn in September; additionally \$ 600 mn 3y in May tapped with \$ 50 mn in September
- Public Sector Pfandbrief Benchmarks: taps of € 100 mn in February and € 150 mn in March
- Additionally SEK 2.7 bn 3y and SEK 1.0 bn 4y issued in H1/19

## Senior Unsecured

- € 500 mn 4y Senior Preferred Benchmark issued in January and tapped with € 250 mn in March as well as € 500 mn 5y Senior Preferred Benchmark issued in August
- CHF-Benchmark 125 mn 4y issuance in June
- € 1.3 bn and SEK 2.5 bn Senior Preferred as well as € 49 mn Senior Non-Preferred raised via private placements

## pbb direkt

- Total volume managed down to € 2.8 bn (12/18: € 3.0 bn)
- Average maturity<sup>5</sup> stable at 3.3 years (12/18: 3.3 yrs)

## Funding structure and liquidity

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

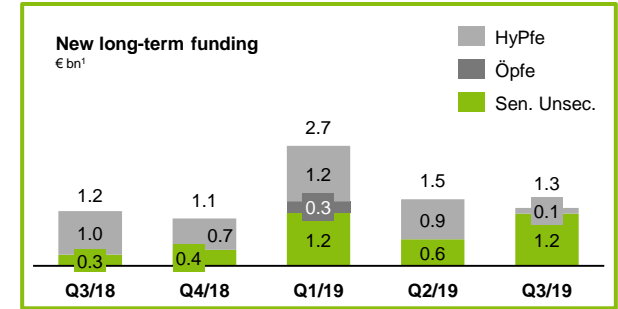
Note: Figures may not add up due to rounding 1 Excl. retail deposit business 2 vs. 3M Euribor 3 Initial weighted average maturity 4 Excl. AT1 issuance 5 Initial weighted average maturity of term deposits

# Funding

Senior unsecured spreads back on lower level, after widening in 2018

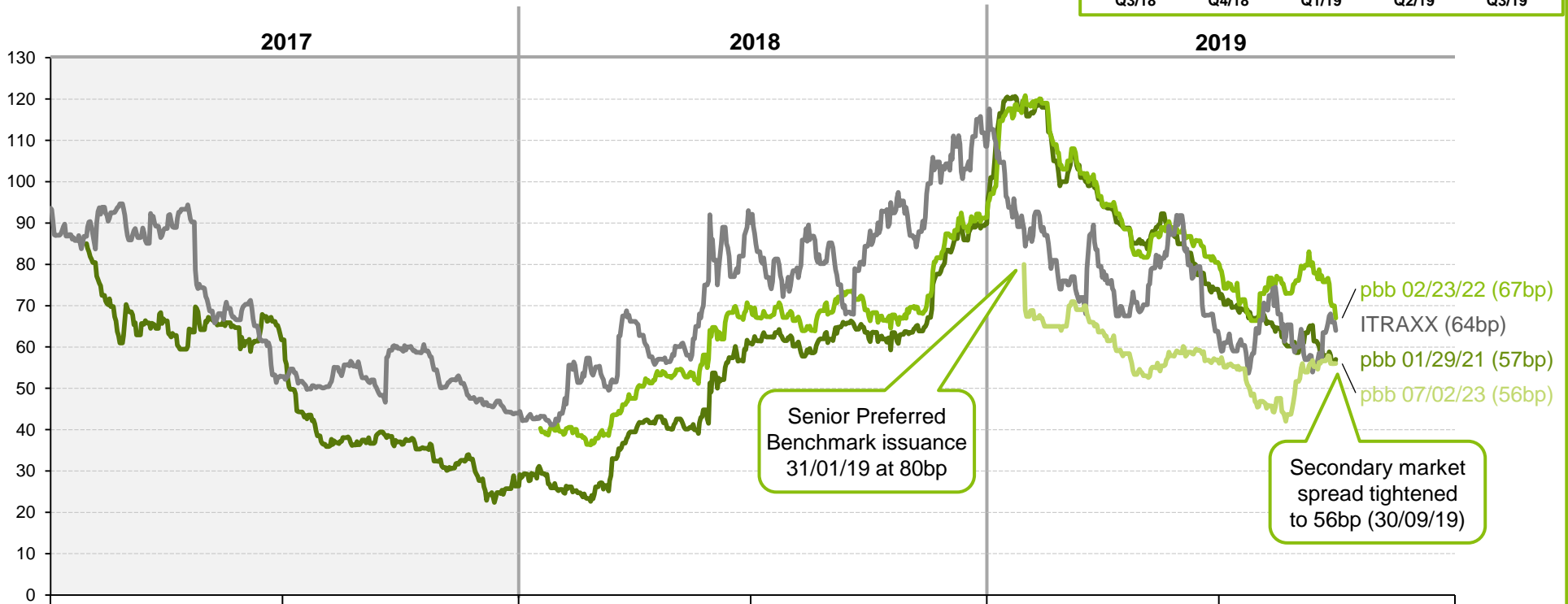


DEUTSCHE  
PFANDBRIEFBANK



## Spread development of pbb Senior Non-Preferred Benchmarks vs iTraxx Bank Senior

(Spread in bp vs. 6m Euribor)



Source: Bloomberg 1 Excl. money market and deposit business

# Agenda

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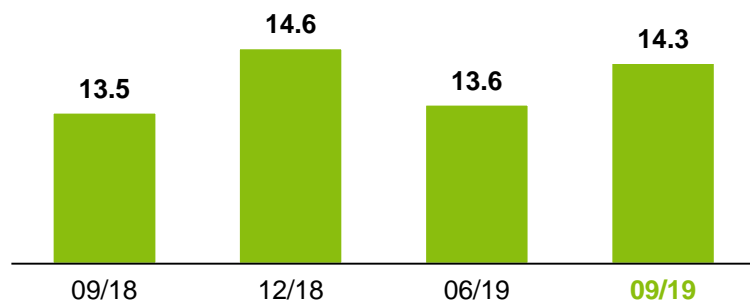
# Capital

Capitalisation remains strong, providing adequate buffer for expected regulatory changes



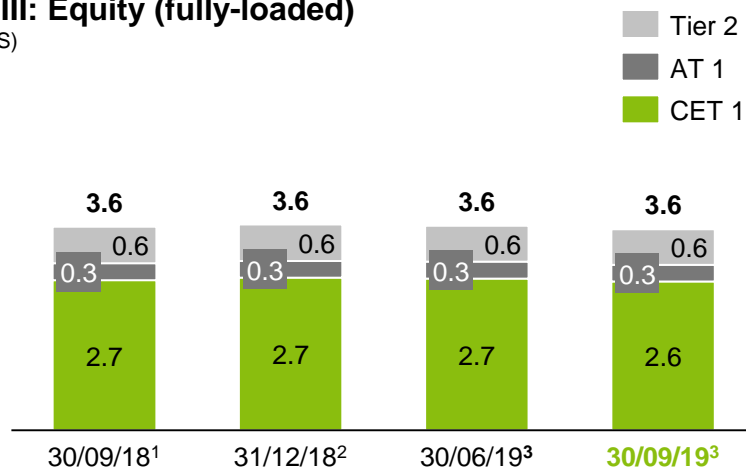
## Basel III: RWA

€ bn (IFRS)



## Basel III: Equity (fully-loaded)

€ bn (IFRS)



## Basel III: Capital ratios

% (IFRS)

in %	09/18 <sup>1</sup>	12/18 <sup>2</sup>	06/19 <sup>3</sup>	09/19 <sup>3</sup>	Ambition levels
CET 1	19.7	18.5	19.4	18.3	≥12.5
Tier 1	21.9	20.5	21.6	20.4	≥16
Own funds	26.7	24.9	26.3	24.8	16-18
Leverage ratio	5.3	5.3	5.0	5.1	≥3.5

### Key drivers Q3/9M 2019:

- **RWA** increase in Q3/19 mainly reflects strong new business overcompensating for pre-/repayments
- **Capital** position slightly down due to higher deductions, i.e. pension commitments (changed reference rate), EL shortfall, intangible assets

### SREP requirements 2019:

- CET 1 ratio: 9.85%<sup>4</sup> (2018: 9.95% fully-loaded)
- Own funds ratio: 13.35%<sup>4</sup> (2018: 13.45% fully-loaded)
- Changes compared to 2018 requirements (fully-loaded):
  - Reduction of P2R from 2.75% to 2.50%
  - Increase of anticipated countercyclical buffer from 0.2% to 0.35%

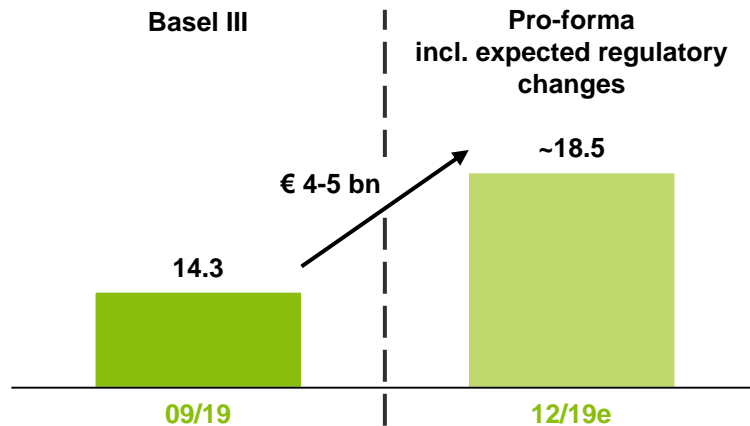
Note: Figures may not add up due to rounding 1 Incl. interim result Q1/18, post max. calc. dividend acc. to ECB methodology 2 Incl. full-year result, post proposed dividend 2018 3 Excl. Interim result 4 Incl. capital conservation buffer (2.5%) and anticipated countercyclical buffer (0.35%; actual as of 30 September 2019: 0.22%)

# Capital

## Pro-forma calculation on expected regulatory changes in line with guidance

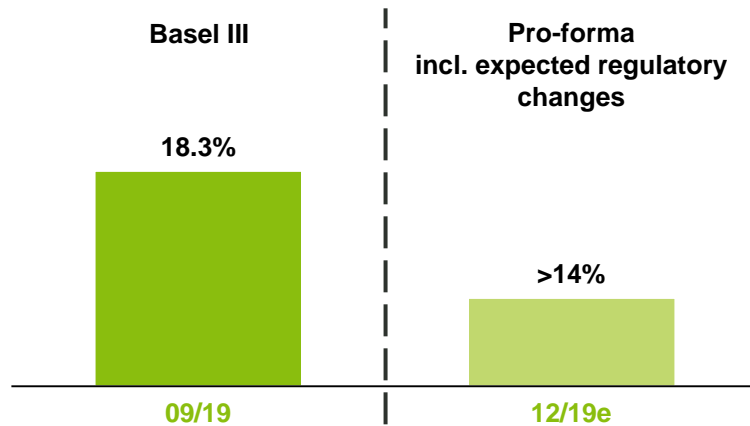
### RWA

€ bn (IFRS)



### CET 1 ratio

% (IFRS)



### Pro-forma calculation on expected regulatory changes:

- Pro-forma calculation includes effects on RWA from **risk models/ECB TRIM, EBA Guidelines and Basel IV**
- In line with previous guidance, pbb expects a significant **RWA** increase from regulatory changes in the range of € 4-5 bn
- Based on the **pro-forma calculation**, pbb expects RWA of € ~18.5 bn with a corresponding CET 1 ratio of >14% as per year-end 2019
- To improve capital market transparency, going forward pbb will report RWAs and capital ratios including expected regulatory changes on a regular and ongoing basis



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## Summary & Outlook

**pbb with continued strong operating performance – full-year PBT guidance increased to € 205-215 mn**



### → Strong operating performance continued in Q3/19

- New business remains solid with positive margin development in 2019 – not least because of selective approach
- Strong financial performance driven by continued strong NII and higher than expected prepayment fees while risk provisioning and operating costs stay in line with expectations

### → Full-year PBT guidance increased to € 205-215 mn – stable NII but higher expenses expected in Q4, similar to last year

- Continued economic uncertainties expected to result in a precautionary adjustment of risk provisions
- Furthermore, pbb expects higher regulatory expenses and investments

# Appendix

## Outlook 2019

Full-year PBT guidance 2019 increased to € 205-215 mn



Operating trends	2017	2018	Guidance 2019	Adjusted guidance (11/19)
<b>Real Estate Finance (REF)</b>				
New business volume <sup>1</sup> (€ bn)	10.7	9.5	€ 8.5-9.5 bn	
Avg. gross margin (bp)	>155	~155	Slightly lower	Stable
Financing volume (€ bn)	24.9	26.8	Moderate increase (strategic portfolio)	
<b>Public Investment Finance (PIF)</b>				
Avg. gross margin (bp)	>100	>60	Slightly higher	
Financing volume (€ bn)	7.0	6.4	Stable (strategic portfolio in “hold” mode)	
<b>Value Portfolio (VP)</b>				
Financing volume (€ bn)	13.8	13.2	€ ~12 bn (non-strategic portfolio in run-down mode)	
<b>Income statement (IFRS, EUR mn)</b>	<b>2017</b>	<b>2018</b>	<b>Guidance 2019</b>	
Net interest and commission income	415	456	Slightly lower	Stable
Loan-loss provisions	-10	-14	10-15 bp EL on REF financing volume	As guided
General administrative expenses	-199	-193	Slightly higher	
<b>Pre-tax profit</b>	<b>204</b>	<b>215</b>	€ 170-190 mn – updated 06/19: upper end or slightly above € 170-190 mn	€ 205-215 mn
<b>Key ratios (%)</b>	<b>2017</b>	<b>2018</b>	<b>Guidance 2019</b>	
RoE before taxes <sup>2</sup>	7.3	7.1	5.5-6.5%	> 6.5%
RoE after taxes <sup>2</sup>	6.5	5.9	4.0-5.0%	> 5.0%
CIR	47.0	44.2	Slightly higher	
CET1 ratio (fully loaded)	17.6	18.5 <sup>3</sup>	Significantly above SREP requirement of 9.5% + countercyclical buffer of 0.35% (2018 <sup>4</sup> : 9.75% + 0.2%)	

Note: Figures may not add up due to rounding 1 Incl. extensions > 1 year 2 Taking into account the AT1 coupon for 2019 3 Incl. full-year result, post proposed dividend 4 Fully-loaded

Income statement (€ mn)	2017	Q1/18	Q2/18	Q3/18	9M/18	2018	Q1/19	Q2/19	Q3/19	9M/19
Net interest income	407	107	113	114	334	450	116	113	112	341
Net fee and commission income	8	1	2	1	4	6	1	2	1	4
Net income from fair value measurement	-5	-	4	-2	2	-9	-2	-5	5	-2
Net income from realisations	45	9	6	8	23	32	6	10	15	31
Net income from hedge accounting	-1	-1	-1	1	-1	-1	-1	-	-2	-3
Net other operating income	-1	-4	-5	-3	-12	-7	-1	-1	2	-
<b>Operating Income</b>	<b>453</b>	<b>112</b>	<b>119</b>	<b>119</b>	<b>350</b>	<b>471</b>	<b>119</b>	<b>119</b>	<b>133</b>	<b>371</b>
Net income from risk provisioning	-10	4	4	-17	-9	-14	-1	1	-10	-10
General and administrative expenses	-199	-44	-44	-48	-136	-193	-46	-47	-48	-141
Expenses from bank levies and similar dues	-28	-21	-1	-1	-23	-25	-21	-1	-1	-23
Net income from write-downs and write-ups on non-financial assets	-14	-3	-4	-4	-11	-15	-4	-4	-5	-13
Net income from restructuring	2	-	-	-	-	-9	1	1	1	3
<b>Pre-tax profit</b>	<b>204</b>	<b>48</b>	<b>74</b>	<b>49</b>	<b>171</b>	<b>215</b>	<b>48</b>	<b>69</b>	<b>70</b>	<b>187</b>
Income taxes	-22	-9	-14	-10	-33	-36	-8	-10	-14	-32
<b>Net income</b>	<b>182</b>	<b>39</b>	<b>60</b>	<b>39</b>	<b>138</b>	<b>179</b>	<b>40</b>	<b>59</b>	<b>56</b>	<b>155</b>

Key ratios (%)	2017	Q1/18	Q2/18	Q3/18	9M/18	2018	Q1/19	Q2/19	Q3/19	9M/19
CIR <sup>1</sup>	47.0	42.0	40.3	43.7	41.9	44.2	42.0	42.9	39.8	41.5
RoE before tax	7.3	6.7	9.5	6.3	7.6	7.1	6.0	9.0	9.2	8.1
RoE after tax	6.5	5.4	7.6	4.9	6.2	5.9	4.9	7.6	7.3	6.6

Balance sheet (€ bn)	12/17	03/18	06/18	09/18	09/18	12/18	03/19	06/19	09/19	09/19
Total assets	58.0	57.6	57.8	57.3	57.3	57.8	60.3	60.1	59.8	59.8
Equity	2.9	3.0	3.2	3.2	3.2	3.3	3.3	3.2	3.2	3.2
Financing volume	45.7	46.3	45.9	45.7	45.7	46.3	47.1	46.4	46.3	46.3

Regulatory capital ratios <sup>2</sup>	12/17	03/18	06/18	09/18	09/18	12/18	03/19	06/19	09/19	09/19
RWA (€ bn)	14.5	14.2	13.7	13.5	13.5	14.6	14.3	13.6	14.3	14.3
CET 1 ratio – phase in (%)	17.6	18.8 <sup>4</sup>	19.4 <sup>5</sup>	19.7 <sup>5</sup>	19.7 <sup>5</sup>	18.5 <sup>3</sup>	18.8 <sup>6</sup>	19.4 <sup>7</sup>	18.3 <sup>7</sup>	18.3 <sup>7</sup>

Personnel	12/17	03/18	06/18	09/18	09/18	12/18	03/19	06/19	09/19	09/19
Employees (FTE)	744	733	747	747	747	750	743	746	750	750

Note: annual results 2017 and 2018 audited

1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Basel III transition rules  
post max. calc. dividend acc. to ECB methodology 5 Incl. interim result Q1/18, post max. calc. dividend acc. to ECB methodology

3 Incl. full-year result, post proposed dividend 4 Post proposed dividend for 2017, incl. interim result Q1/18,  
6 Excl. interim result, post proposed dividend 2018 7 Excl. interim result

## Key figures

### pbb Group 9M/18 vs. 9M/19



Income statement (€ mn)	REF		PIF		VP		C&A		pbb Group	
	9M/18	9M/19	9M/18	9M/19	9M/18	9M/19	9M/18	9M/19	9M/18	9M/19
Net interest income	276	287	26	26	28	24	4	4	334	341
Net fee and commission income	5	5	-	-	-1	-1	-	-	4	4
Net income from fair value measurement	-5	-5	-2	-1	9	4	-	-	2	-2
Net income from realisations	23	31	-	1	-	-1	-	-	23	31
Net income from hedge accounting	-1	-2	-	-	-	-1	-	-	-1	-3
Net other operating income	-8	-	-1	-	-2	-	-1	-	-12	-
<b>Operating Income</b>	<b>290</b>	<b>316</b>	<b>23</b>	<b>26</b>	<b>34</b>	<b>25</b>	<b>3</b>	<b>4</b>	<b>350</b>	<b>371</b>
Net income from risk provisioning	-18	-15	4	-	4	5	1	-	-9	-10
General and administrative expenses	-108	-115	-19	-17	-9	-9	-	-	-136	-141
Expenses from bank levies and similar dues	-13	-14	-3	-3	-7	-6	-	-	-23	-23
Net income from write-downs and write-ups on non-financial assets	-9	-10	-1	-2	-1	-1	-	-	-11	-13
Net income from restructuring	-	3	-	-	-	-	-	-	-	3
<b>Pre-tax profit</b>	<b>142</b>	<b>165</b>	<b>4</b>	<b>4</b>	<b>21</b>	<b>14</b>	<b>4</b>	<b>4</b>	<b>171</b>	<b>187</b>

# Key figures

## Real Estate Finance (REF)



Income statement (€ mn)	2017 <sup>3</sup>	Q1/18	Q2/18	Q3/18	9M/18	2018	Q1/19 <sup>4</sup>	Q2/19	Q3/19	9M/19
Net interest income	334	89	94	93	276	372	97	95	95	287
Net fee and commission income	9	1	2	2	5	6	1	2	2	5
Net income from fair value measurement	-	-	-4	-1	-5	-8	-	-5	-	-5
Net income from realisations	45	8	6	9	23	27	6	11	14	31
Net income from hedge accounting	-1	-1	-	0	-1	-1	-1	1	-2	-2
Net other operating income	-19	-1	-6	-2	-8	-5	-1	1	-	-
<b>Operating Income</b>	<b>368</b>	<b>96</b>	<b>92</b>	<b>101</b>	<b>290</b>	<b>391</b>	<b>102</b>	<b>105</b>	<b>109</b>	<b>316</b>
Net income from risk provisioning	-8	-	-	-17	-18	-22	-2	-	-13	-15
General and administrative expenses	-158	-35	-35	-38	-108	-154	-37	-39	-39	-115
Expenses from bank levies and similar dues	-15	-12	-	-1	-13	-14	-12	-1	-1	-14
Net income from write-downs and write-ups on non-financial assets	-12	-2	-4	-3	-9	-12	-3	-4	-3	-10
Net income from restructuring	2	-	-	-	-	-7	1	1	1	3
<b>Pre-tax profit</b>	<b>177</b>	<b>47</b>	<b>53</b>	<b>42</b>	<b>142</b>	<b>182</b>	<b>49</b>	<b>62</b>	<b>54</b>	<b>165</b>
<b>Key ratios (%)</b>	<b>2017</b>	<b>Q1/18</b>	<b>Q2/18</b>	<b>Q3/18</b>	<b>9M/18</b>	<b>2018</b>	<b>Q1/19</b>	<b>Q2/19</b>	<b>Q3/19</b>	<b>9M/19</b>
CIR <sup>1</sup>	46.2	38.5	42.4	40.6	40.3	42.6	39.2	41.0	38.5	39.6
RoE before tax	15.4	14.5	14.5	11.4	13.7	12.9	13.7	18.3	15.6	15.6
<b>Key figures (€ bn)</b>	<b>12/17</b>	<b>03/18</b>	<b>06/18</b>	<b>09/18</b>	<b>09/18</b>	<b>12/18</b>	<b>03/19</b>	<b>06/19</b>	<b>09/19</b>	<b>09/19</b>
Equity <sup>2</sup>	1.2	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
RWA	8,3	8.1	8.1	7.6	7.6	8.3	8.0	7.7	8.6	8.6
Financing volume	24.9	25.7	25.7	25.7	25.7	26.8	27.8	27.7	27.7	27.7

Note: annual results 2017 and 2018 audited 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 approach  
<sup>3</sup> Adjusted acc. to IFRS 8.29 <sup>4</sup> Segment allocation of net income from realisations retrospectively adjusted

# Key figures

## Public Investment Finance (PIF)



Income statement (€ mn)	2017 <sup>3</sup>	Q1/18	Q2/18	Q3/18	9M/18	2018	Q1/19 <sup>4</sup>	Q2/19	Q3/19	9M/19
Net interest income	30	8	8	10	26	34	9	8	9	26
Net fee and commission income	-	-	-	-	0	1	-	-	-	-
Net income from fair value measurement	-2	-	-1	-1	-2	-2	-	-1	-	-1
Net income from realisations	-	-	-	-	0	5	-	-	1	1
Net income from hedge accounting	-	-	-	-	0	-	-	-	-	-
Net other operating income	-2	-1	-	-	-1	-	-	-1	1	-
<b>Operating Income</b>	<b>26</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>23</b>	<b>38</b>	<b>9</b>	<b>6</b>	<b>11</b>	<b>26</b>
Net income from risk provisioning	-6	2	2	-	4	4	-	-	-	-
General and administrative expenses	-27	-6	-6	-7	-19	-27	-6	-5	-6	-17
Expenses from bank levies and similar dues	-4	-3	-	-	-3	-4	-3	-	-	-3
Net income from write-downs and write-ups on non-financial assets	-1	-1	-	-	-1	-2	-1	-	-1	-2
Net income from restructuring	-	-	-	-	-	-1	-	-	-	-
<b>Pre-tax profit</b>	<b>-12</b>	<b>-1</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>8</b>	<b>-1</b>	<b>1</b>	<b>4</b>	<b>4</b>

Key ratios (%)	2017	Q1/18	Q2/18	Q3/18	9M/18	2018	Q1/19	Q2/19	Q3/19	9M/19
CIR <sup>1</sup>	>100	100.0	85.7	77.8	87.0	76.3	77.8	83.3	63.6	73.1
RoE before tax	-8.0	-2.0	7.6	2.5	3.4	5.4	-5.1	4.1	19.2	5.7

Key figures (€ bn)	12/17	03/18	06/18	09/18	09/18	12/18	03/19	06/19	09/19	09/19
Equity <sup>2</sup>	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
RWA	1.6	1.6	1.3	1.3	1.3	1.4	1.4	1.5	1.4	1.4
Financing volume	7.0	7.0	6.7	6.6	6.6	6.4	6.4	6.4	6.3	6.3

Note: annual results 2017 and 2018 audited 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 approach  
<sup>3</sup> Adjusted acc. to IFRS 8.29 <sup>4</sup> Segment allocation of net income from realisations retrospectively adjusted



# Key figures

## Value Portfolio (VP)

Income statement (€ mn)	2017 <sup>3</sup>	Q1/18	Q2/18	Q3/18	9M/18	2018	Q1/19 <sup>4</sup>	Q2/19	Q3/19	9M/19
Net interest income	37	8	10	10	28	39	9	9	6	24
Net fee and commission income	-1	-	-	-1	-1	-1	-	-	-1	-1
Net income from fair value measurement	-3	-	9	0	9	1	-2	1	5	4
Net income from realisations	-	1	-	-1	0	-	-	-1	-	-1
Net income from hedge accounting	-	-	-1	1	0	-	-	-1	-	-1
Net other operating income	20	-2	1	-1	-2	-2	-	-1	1	-
<b>Operating Income</b>	<b>53</b>	<b>7</b>	<b>19</b>	<b>8</b>	<b>34</b>	<b>37</b>	<b>7</b>	<b>7</b>	<b>11</b>	<b>25</b>
Net income from risk provisioning	4	2	2	0	4	4	1	1	3	5
General and administrative expenses	-14	-3	-3	-3	-9	-12	-3	-3	-3	-9
Expenses from bank levies and similar dues	-9	-6	-1	0	-7	-7	-6	-	-	-6
Net income from write-downs and write-ups on non-financial assets	-1	-	-	-1	-1	-1	-	-	-1	-1
Net income from restructuring	-	-	-	-	-	-1	-	-	-	-
<b>Pre-tax profit</b>	<b>33</b>	<b>-</b>	<b>17</b>	<b>4</b>	<b>21</b>	<b>20</b>	<b>-1</b>	<b>5</b>	<b>10</b>	<b>14</b>
<b>Key ratios (%)</b>	<b>2017</b>	<b>Q1/18</b>	<b>Q2/18</b>	<b>Q3/18</b>	<b>9M/18</b>	<b>2018</b>	<b>Q1/19</b>	<b>Q2/19</b>	<b>Q3/19</b>	<b>9M/19</b>
CIR <sup>1</sup>	28.3	42.9	15.8	50.0	29.4	35.1	42.9	42.9	36.4	40.0
RoE before tax	2.8	0.0	6.5	0.4	2.5	1.4	-0.9	1.3	3.7	1.2
<b>Key figures (€ bn)</b>	<b>12/17</b>	<b>03/18</b>	<b>06/18</b>	<b>09/18</b>	<b>09/18</b>	<b>12/18</b>	<b>03/19</b>	<b>06/19</b>	<b>09/19</b>	<b>09/19</b>
Equity <sup>2</sup>	1.1	0.9	1.0	1.0	1.0	1.1	1.1	1.1	0.8	0.8
RWA	3.5	3.5	3.4	3.8	3.8	4.0	4.0	3.8	3.6	3.6
Financing volume	13.8	13.6	13.5	13.4	13.4	13.2	12.9	12.3	12.3	12.3

Note: annual results 2017 and 2018 audited 1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income  
3 Adjusted acc. to IFRS 8.29 4 Segment allocation of net income from realisations retrospectively adjusted

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

## Balance sheet

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



## Balance sheet

IFRS, € bn

Assets	30/09/19	31/12/18	Liabilities & equity	30/09/19	31/12/18
<b>Financial assets at fair value through P&amp;L</b>	<b>1.5</b>	<b>1.7</b>	<b>Financial liabilities at fair value through P&amp;O</b>	<b>1.0</b>	<b>0.9</b>
thereof			thereof		
Positive fair values of stand-alone derivatives	0.8	0.7	Negative fair values of stand-alone derivatives	1.0	0.9
Debt securities	0.1	0.3	<b>Financial liabilities measured at amortised cost</b>	<b>52.0</b>	<b>50.7</b>
Loans and advances to customers	0.6	0.6	thereof		
<b>Financial assets at fair value through OCI</b>	<b>1.8</b>	<b>2.0</b>	Liabilities to other banks (incl. central banks)	4.3	3.9
thereof			thereof		
Debt securities	1.4	1.6	<i>Registered Mortgage Pfandbriefe</i>	0.3	0.2
Loans and advances to other banks	-	-	<i>Registered Public Pfandbriefe</i>	0.3	0.3
Loans and advances to customers	0.4	0.4	Liabilities to other customers	25.2	24.9
<b>Financial assets at amortised cost</b> (after credit loss allowances)	<b>51.7</b>	<b>50.3</b>	thereof		
thereof			<i>Registered Mortgage Pfandbriefe</i>	4.9	4.6
Debt securities	7.9	8.0	<i>Registered Public Pfandbriefe</i>	10.4	10.2
Loans and advances to other banks	2.6	2.2	Bearer Bonds	21.9	21.2
Loans and advances to customers	41.2	40.1	thereof		
<b>Positive fair values of hedge accounting derivatives</b>	<b>2.7</b>	<b>2.2</b>	<i>Mortgage Pfandbriefe</i>	12.5	12.4
<b>Other assets</b>	<b>2.1</b>	<b>1.6</b>	<i>Public Pfandbriefe</i>	4.2	4.7
			Subordinated liabilities	0.7	0.7
			<b>Negative fair values of hedge accounting derivatives</b>	<b>3.0</b>	<b>2.5</b>
			<b>Other liabilities</b>	<b>0.6</b>	<b>0.4</b>
			<b>Equity (attributable to shareholders)</b>	<b>2.9</b>	<b>3.0</b>
			<b>AT1-capital</b>	<b>0.3</b>	<b>0.3</b>
<b>Total Assets</b>	<b>59.8</b>	<b>57.8</b>	<b>Total liabilities &amp; equity</b>	<b>59.8</b>	<b>57.8</b>

Share of Pfandbriefe of refinancing liabilities

63% / 64%

Note: Figures may not add up due to rounding

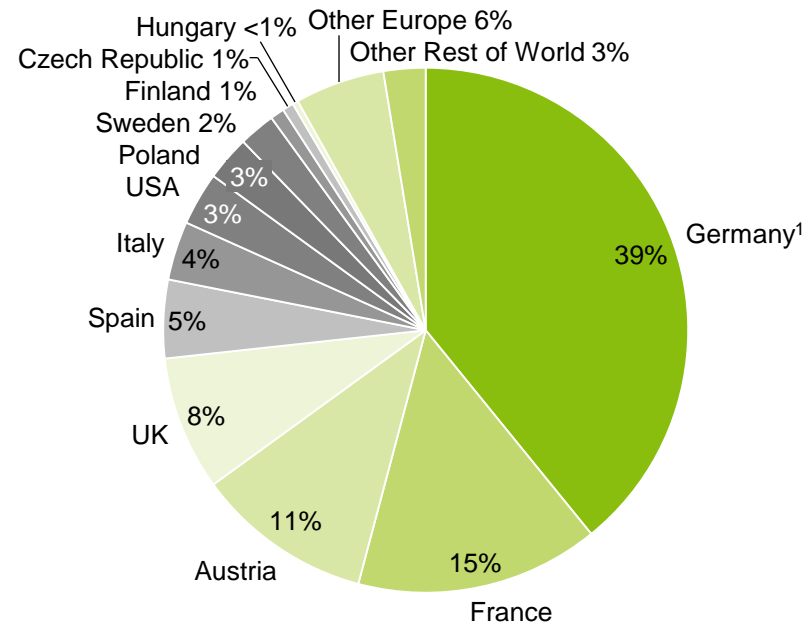
# Portfolio

## Total portfolio

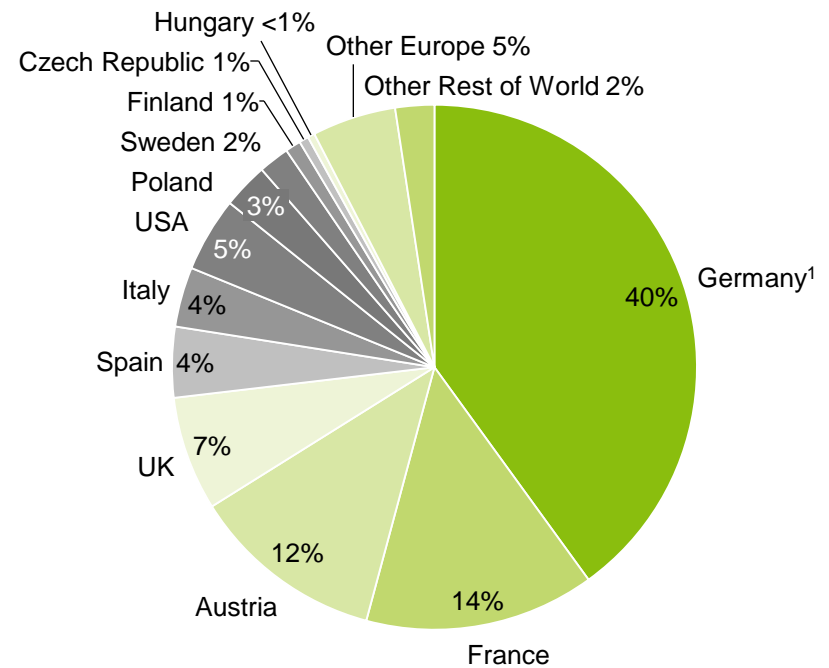
€ bn (EaD, Basel III)

### Regions

31/12/2018 / Total: € 58.1 bn



30/09/2019 / Total: € 58.5 bn



Note: Figures may not add up due to rounding <sup>1</sup> Incl. Bundesbank accounts (12/18: € 1.4 bn; 09/19: € 1.8 bn)

# Portfolio

## Real Estate Finance (REF)

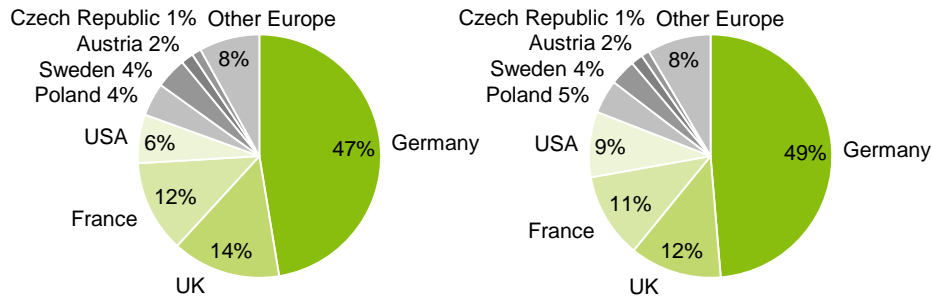


€ bn (EaD, Basel III)

### Regions

31/12/2018: € 29.9 bn

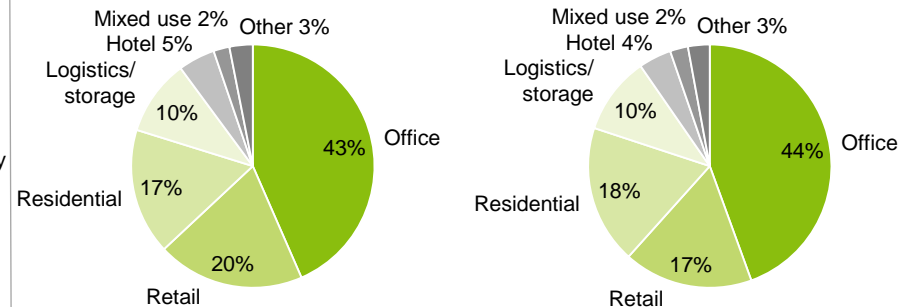
30/09/2019: € 30.7 bn



### Property types

31/12/2018: € 29.9 bn

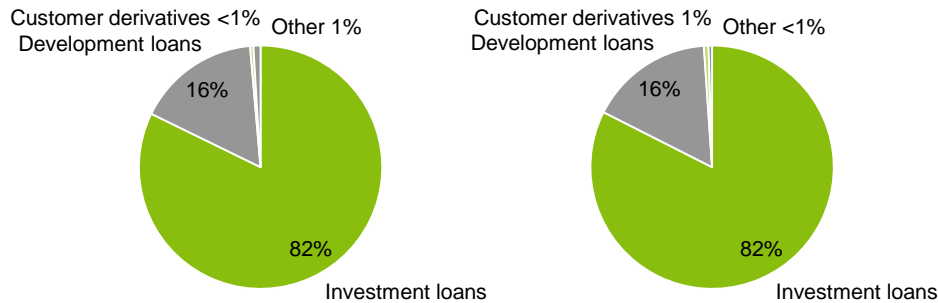
30/09/2019: € 30.7 bn



### Loan types

31/12/2018: € 29.9 bn

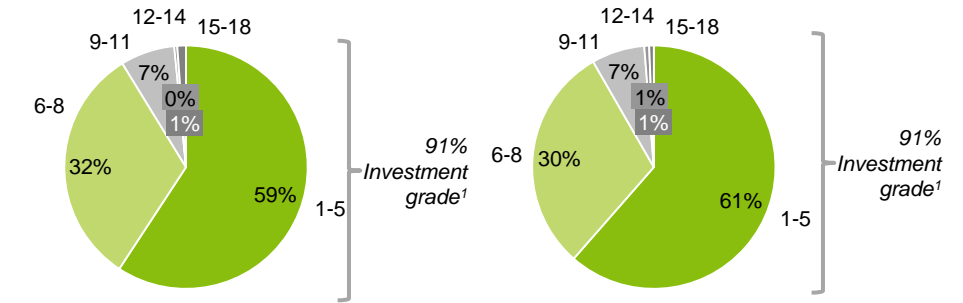
30/09/2019: € 30.7 bn



### Internal ratings (EL classes)

31/12/2018: € 29.9 bn

30/09/2019: € 30.7 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

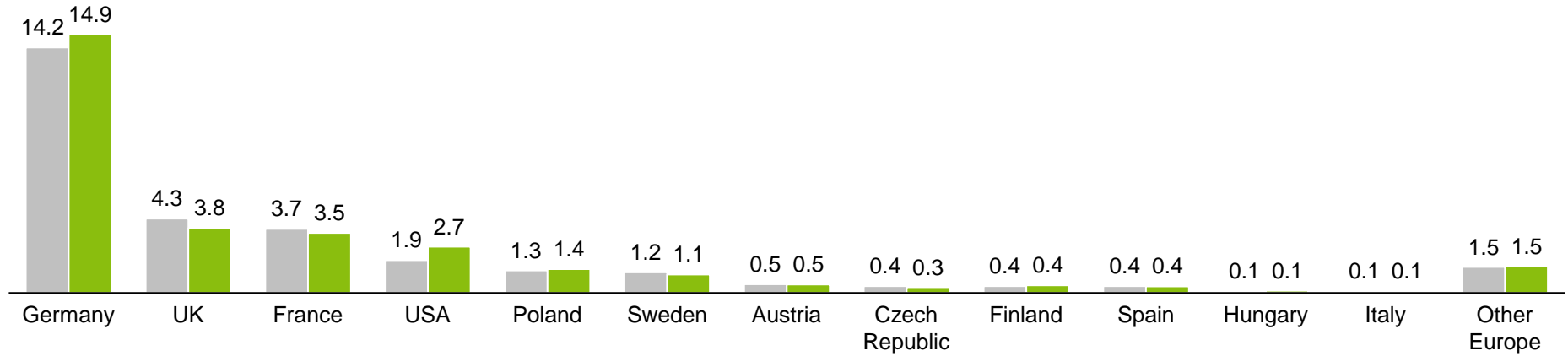
## Real Estate Finance (REF)



### Regions

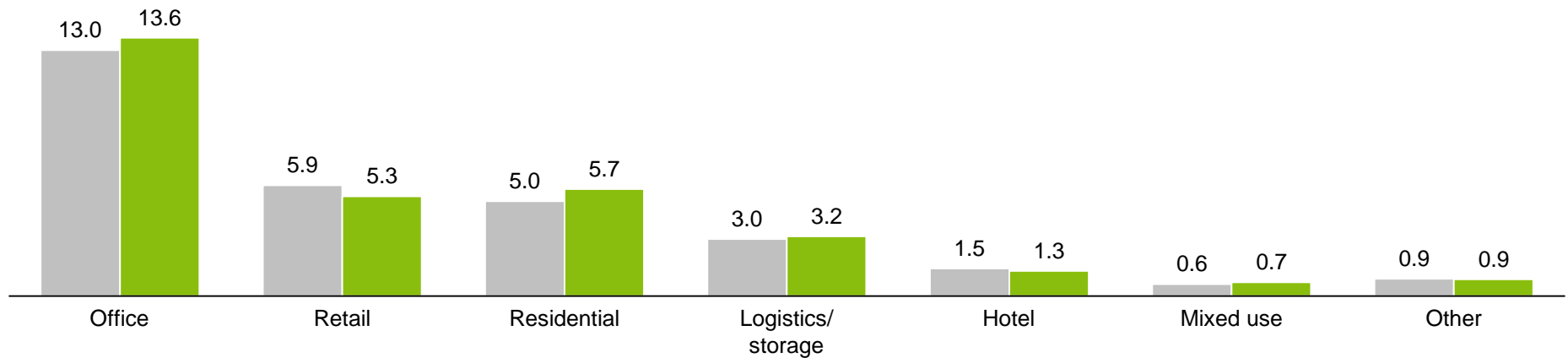
€ bn (EaD, Basel III)

31/12/2018 / Total: € 29.9 bn  
 30/09/2019 / Total: € 30.7 bn



### Property types

€ bn (EaD, Basel III)



Note: Figures may not add up due to rounding

# Portfolio

## Public Investment Finance (PIF)

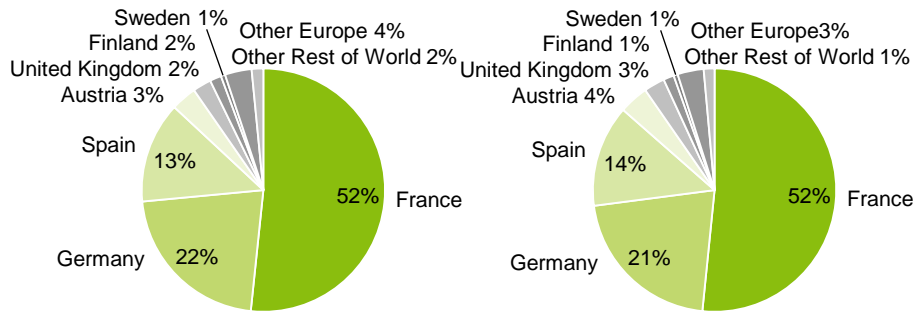


€ bn (EaD, Basel III)

### Regions

31/12/2018: € 7.6 bn

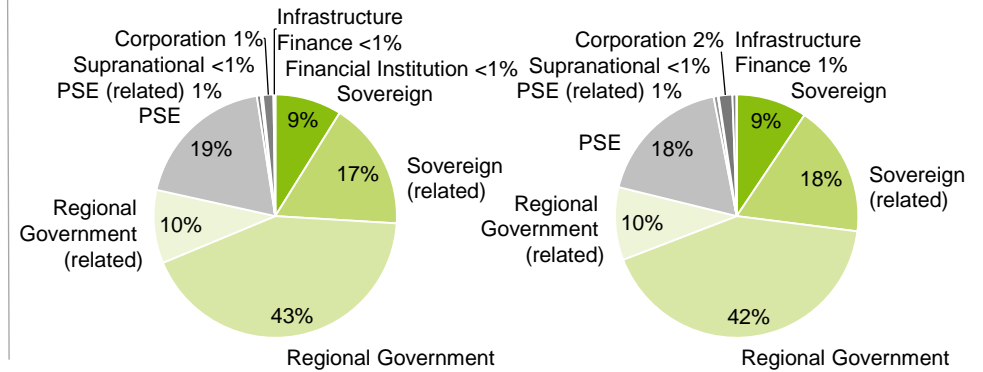
30/09/2019: € 7.6 bn



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

31/12/2018: € 7.6 bn

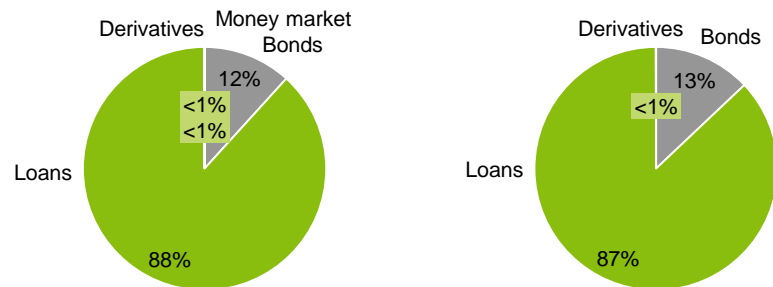
30/09/2019: € 7.6 bn



### Product class

31/12/2018: € 7.6 bn

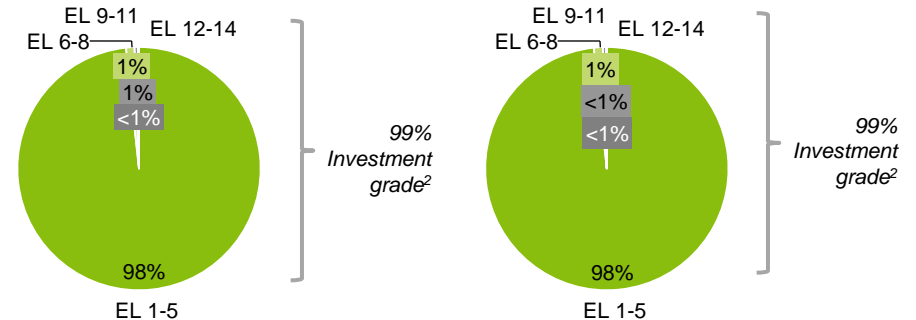
30/09/2019: € 7.6 bn



### Internal ratings (EL classes)

31/12/2018: € 7.6 bn

30/09/2019: € 7.6 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

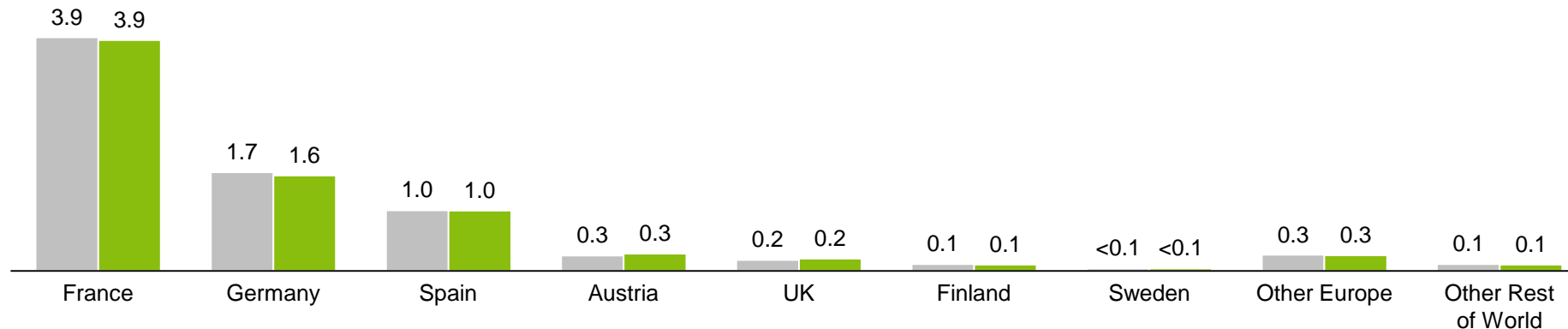
## Public Investment Finance (PIF)



### Regions

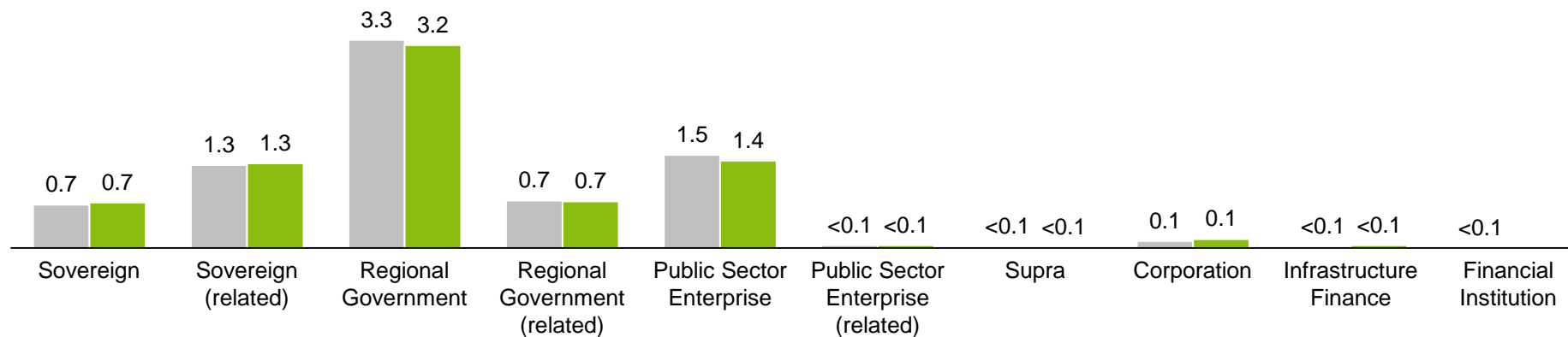
€ bn (EaD, Basel III)

31/12/2018 / Total: € 7.6 bn  
30/09/2019 / Total: € 7.6 bn



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

€ bn (EaD, Basel III)



Note: Figures may not add up due to rounding

<sup>1</sup> See appendix for definition of borrower classification

# Portfolio

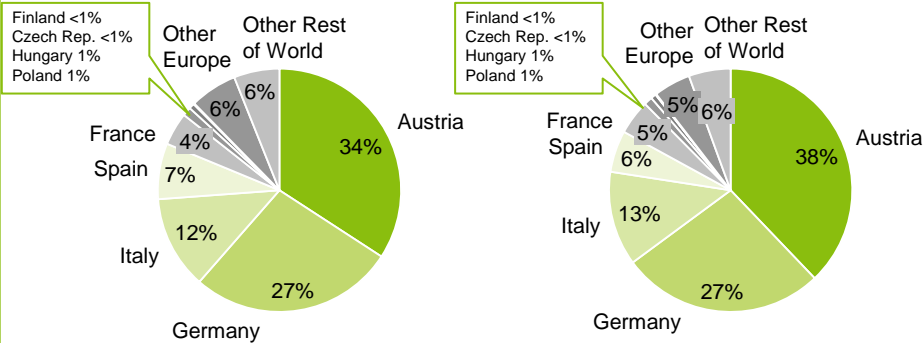
## Value Portfolio (VP)

€ bn (EaD, Basel III)

### Regions

31/12/2018: € 16.3 bn

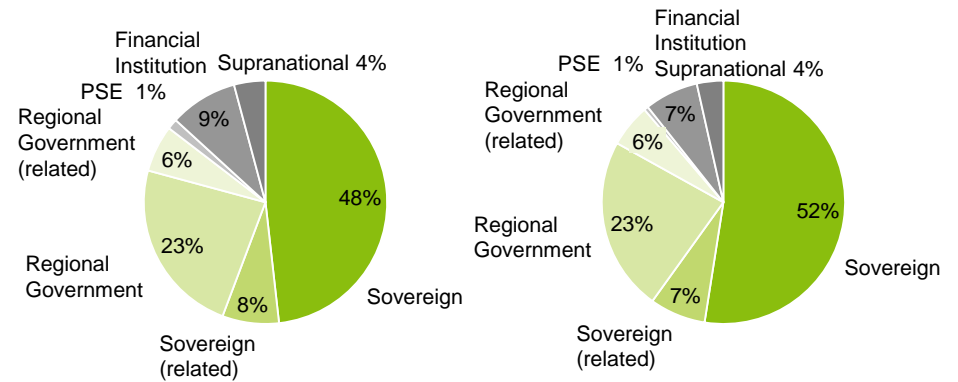
30/09/2019: € 16.4 bn



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

31/12/2018: € 16.3 bn

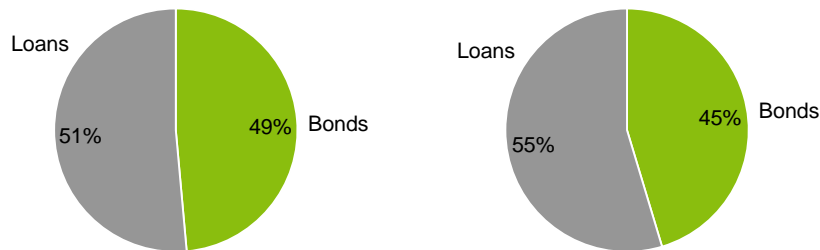
30/09/2019: € 16.4 bn



### Product class

31/12/2018: € 16.3 bn

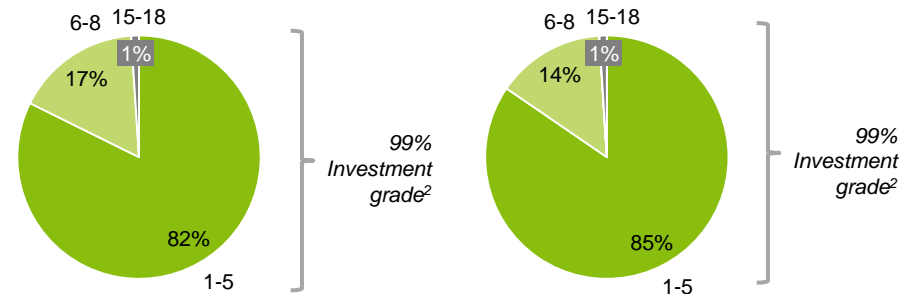
30/09/2019: € 16.4 bn



### Internal ratings (EL classes)

31/12/2018: € 16.3 bn

30/09/2019: € 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

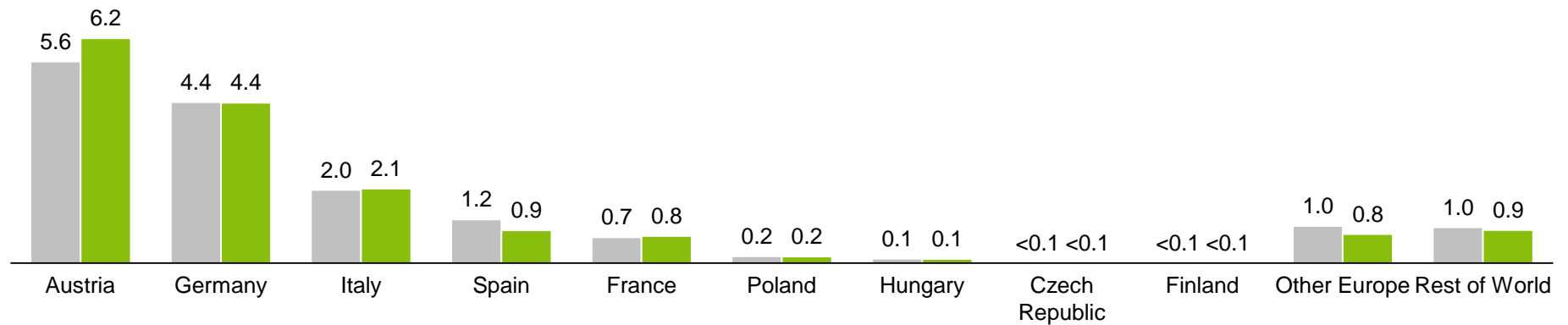
## Value Portfolio (VP)



### Regions

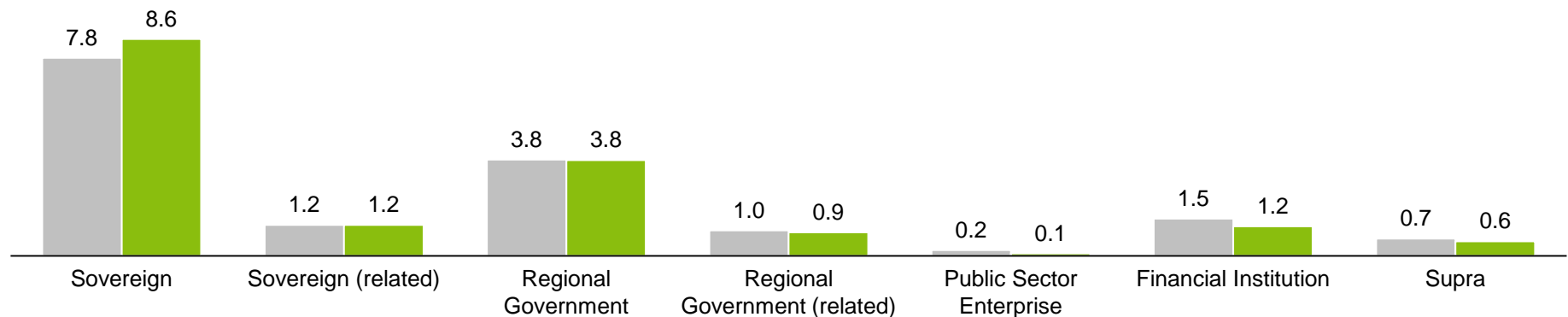
€ bn (EaD, Basel III)

31/12/2018 / Total: € 16.3 bn  
 30/09/2019 / Total: € 16.4 bn



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

€ bn (EaD, Basel III)



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

# Portfolio

## Consolidation & Adjustments (C&A)

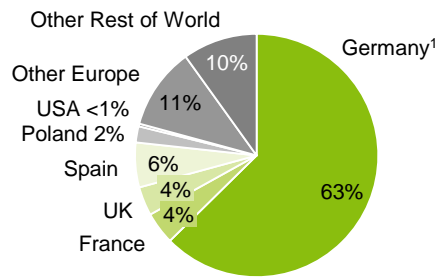
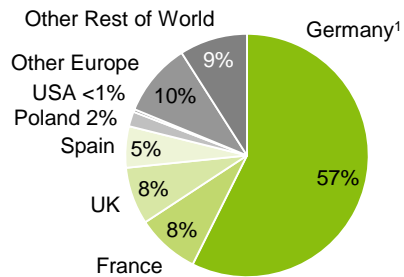


€ bn (EaD, Basel III)

### Regions

31/12/2018: € 4.3 bn

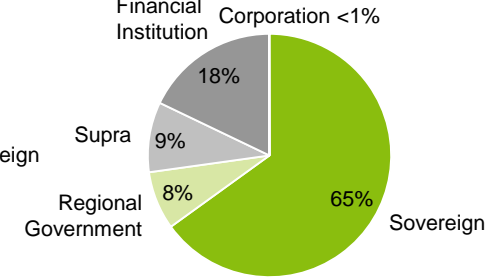
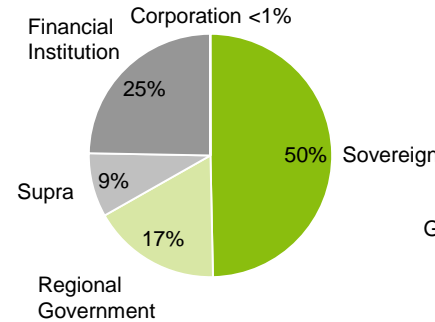
30/09/2019: € 3.9 bn



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

31/12/2018: € 4.3 bn

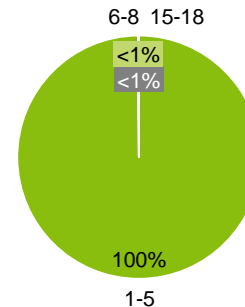
30/09/2019: € 3.9 bn



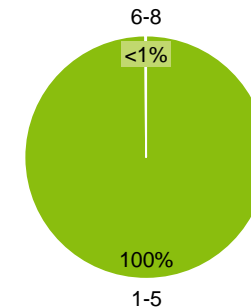
### Internal ratings (EL classes)

31/12/2018: € 4.3 bn

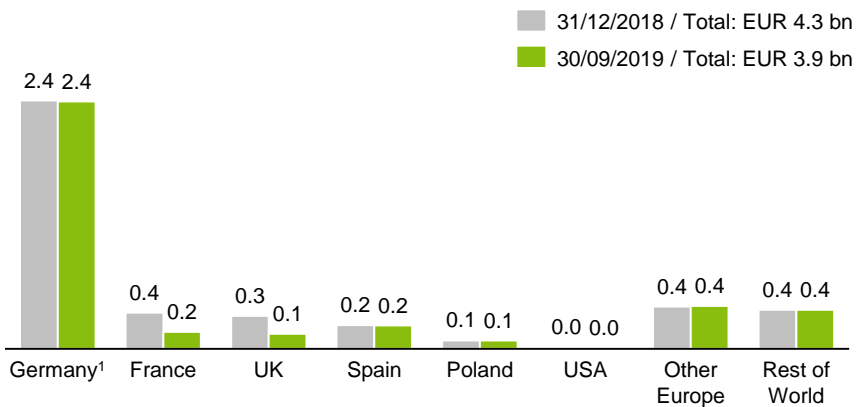
30/09/2019: € 3.9 bn



100% Investment grade<sup>3</sup>



100% Investment grade<sup>3</sup>



Note: Figures may not add up due to rounding

1 Incl. Bundesbank accounts (12/18: € 1.4 bn; 09/19: € 1.8 bn)

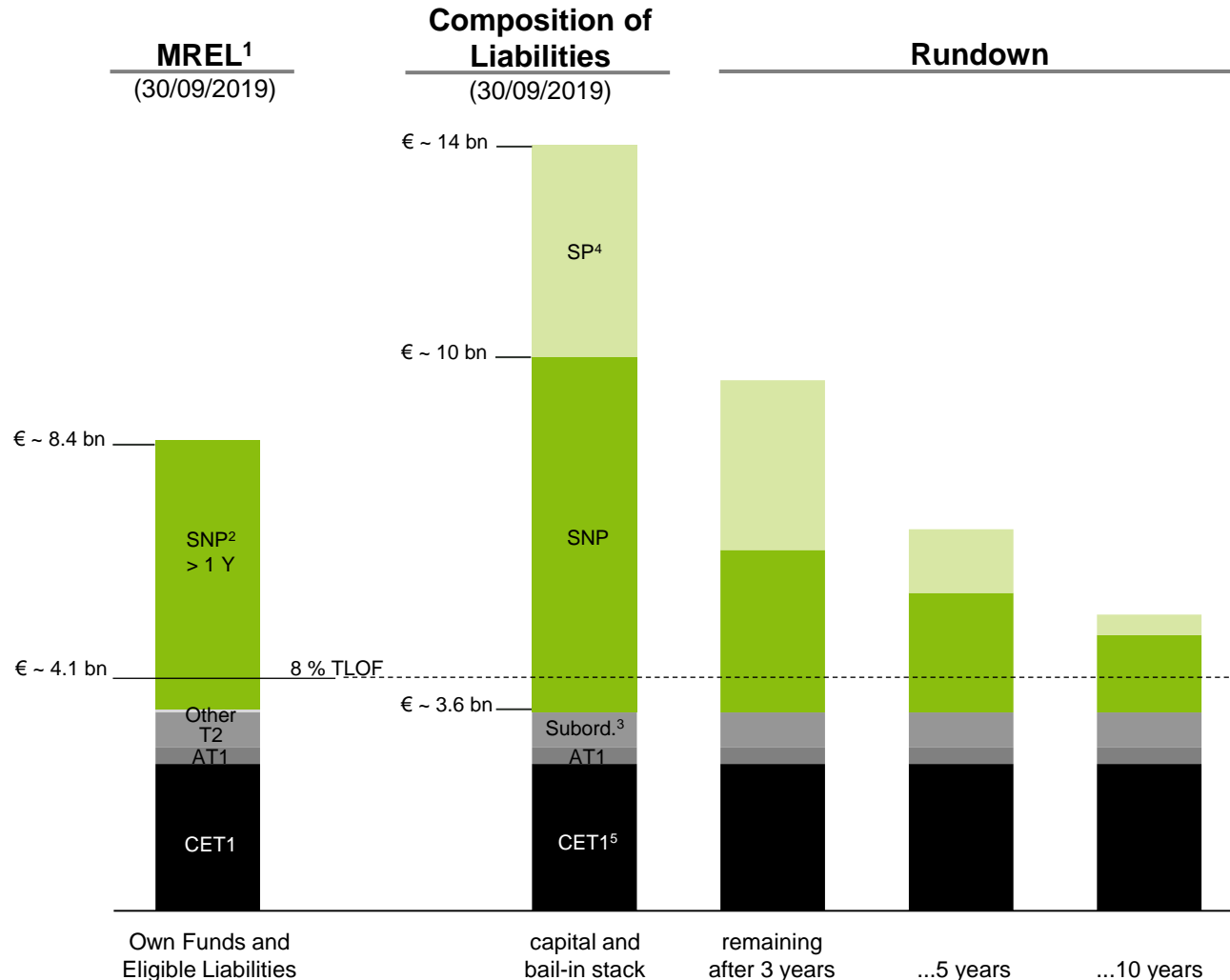
2 See appendix for definition of borrower classification

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

# Funding

## Ambition level for Own Funds and Eligible Liabilities of more than 8 % TLOF

(in € as of 30/09/2019)



- Substantial buffer for Senior Preferred (SP) investors due to high volume of capital instruments and Senior Non-Preferred (SNP) liabilities
- Existing Senior Non-Preferred liabilities have long remaining terms
- SP is expected to be the prevailing senior product in the near-term but SNP will remain an element of pbb's funding strategy
- pbb has a MREL-ambition level of > 8 % TLOF
- Regulatory requirements (SREP, MREL etc.) are comfortably met

<sup>1</sup> With 8% TLOF, pbb has set its ambition level at the high end of the regulatory range. As of 30 Sep 2019, MREL eligible items amounted to ~16% TLOF / ~59% RWA <sup>2</sup> MREL-eligible Senior Non-Preferred Debt >1Y according to legal maturities <sup>3</sup> Nominal amount of Tier 2 instruments; the capital stack includes € 300 mn AT1 issuance callable in 2023 and € 300 mn T2 issuance callable in 2022 <sup>4</sup> Senior Preferred, structured unsecured and corporate deposits (excl. protected deposits) <sup>5</sup> CET1 assumed to be constant

# Funding

## Public benchmark issuances since 2016



DEUTSCHE  
PFANDBRIEFBANK

Type	WKN	Launch Date	Maturity Date	Size	Spread <sup>1</sup>	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 (2nd 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 (3rd Tap)	A1PG3M	11/07/2016	20/12/2019	GBP 100mn	+40 bp <sup>2</sup>	1.875%	102.817%
Public Sector Pfandbrief	A2AAVU	23/08/2016	30/08/2019	USD 500 mn	+60 bp <sup>3</sup>	1.625%	99.954%
Mortgage Pfandbrief (4th Tap)	A1PG3M	19/10/2016	20/12/2019	GBP 25 mn	+38 bp <sup>2</sup>	1.875%	102.351%
Senior Unsecured	CH0341440300	20/10/2016	02/11/2021	CHF 100 mn	+80 bp <sup>4</sup>	0.30%	100.074%
Mortgage Pfandbrief	A2ADASA	05/01/2017	01/03/2022	GBP 250 mn	+55 bp <sup>2</sup>	3m-Libor +55 bp	100.00%
Mortgage Pfandbrief (5th Tap)	A1PG3M	16/01/2017	20/12/2019	GBP 50 mn	+50 bp <sup>2</sup>	1.875%	102.32%
Public Sector Pfandbrief (1st Tap)	A2AAVU	17/01/2017	30/08/2019	USD 100 mn	+55 bp <sup>3</sup>	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	09/08/2021	EUR 500 mn	-6 bp	0.05%	99.901%
Senior Unsecured	A2DASK	08/02/2017	14/02/2020	EUR 150 mn	+75 bp <sup>5</sup>	3m-Euribor+75 bp	100.00%
Mortgage Pfandbrief	A2DASU	25/04/2017	04/05/2020	USD 600 mn	+55 bp <sup>3</sup>	2.25%	99.827%
Tier 2	XS01637926137	21/06/2017	28/06/2027	EUR 300 mn	+275bp	2.875%	99.904%
Mortgage Pfandbrief (1st Tap)	A2DASU	03/08/2017	04/05/2020	USD 100 mn	+40 bp <sup>3</sup>	2.25%	100.417%
Mortgage Pfandbrief	A2E4ZE	29/08/2017	05/09/2022	EUR 500 mn	-7 bp	0.05%	99.930%
Mortgage Pfandbrief (1st 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 <sup>2</sup>	1.00%	99.63%
Senior Unsecured	A2GSLC6	16/01/2018	23/02/2022	EUR 500 mn	+40 bp	0.625%	99.956%
Mortgage Pfandbrief (1st 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 (1st Tap)	A2E4ZK	24/04/2018	04/12/2020	GBP 50 mn	+26 bp <sup>2</sup>	1.00%	98.958%
Mortgage Pfandbrief	A2GSLL	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 <sup>2</sup>	1.50%	99.802%
Mortgage Pfandbrief	A2LQNK	13/11/2018	22/11/2021	USD 600 mn	+35 bp <sup>3</sup>	3.375%	99.603%
Mortgage Pfandbrief	A2LQNP	21/01/2019	28/01/2024	EUR 500 mn	+8 bp	0.25%	99.812%
Senior Preferred	A2LQNQ	31/01/2019	07/02/2023	EUR 500 mn	+80 bp	0.75%	99.679%
Mortgage Pfandbrief (1st Tap)	A13SWE	31/01/2019	01/03/2022	EUR 100 mn	+2 bp	0.20%	100.74%
Public Sector Pfandbrief (1st Tap)	A13SWG	05/02/2019	20/04/2035	EUR 100 mn	+17 bp	1.25%	99.476%
Mortgage Pfandbrief (1st Tap)	A2GSLL	07/02/2019	22/05/2024	EUR 100 mn	-9 bp	0.50%	101.638%
Mortgage Pfandbrief (2nd Tap)	A13SWE	04/03/2019	01/03/2022	EUR 100 mn	-3 bp	0.20%	100.81%
Public Sector Pfandbrief (2nd Tap)	A13SWG	04/03/2019	20/04/2035	EUR 150 mn	+14 bp	1.25%	100.057%
Senior Preferred (1st Tap)	A2LQNQ	06/03/2019	07/02/2023	EUR 250 mn	+72 bp	0.75%	100.004%
Senior Preferred	CH0419041246	15/05/2019	05/06/2023	CHF 125 mn	+65 bp <sup>4</sup>	0.125%	100.12%
Mortgage Pfandbrief	A2NBJ7	22/05/2019	31/05/2022	USD 600 mn	+32 bp <sup>3</sup>	2.50%	99.851%
Mortgage Pfandbrief (1st Tap)	A2GSLV	12/06/2019	30/08/2027	EUR 100 mn	0 bp	0.625%	104.138%
Senior Preferred	A2NBKK	29/08/2019	05/09/2024	EUR 500 mn	+75 bp	0.125%	99.498%
Mortgage Pfandbrief (3rd Tap)	A13SWE	10/09/2019	01/03/2022	EUR 50 mn	-0.5bp	0.20%	101.795%
Mortgage Pfandbrief (1st Tap)	A2YNVK	25/09/2019	31/05/2022	USD 50 mn	32 bp <sup>3</sup>	2.50%	101.619%

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

## Mandated Ratings



<b>Bank ratings</b>	<b>S&amp;P</b>	
<b>Long-term</b>	<b>A-</b>	
Outlook/Trend	Negative	
Short-term	A-2	
Stand-alone rating <sup>1</sup>	bbb	
<b>Long Term Debt Ratings</b>		
“Preferred” senior unsecured Debt <sup>2</sup>	A-	
“Non-preferred” senior unsecured Debt <sup>3</sup>	BBB-	
Subordinated Debt	BB+	
<b>Pfandbrief ratings</b>		<b>Moody’s</b>
Public Sector Pfandbrief		Aa1
Mortgage Pfandbrief		Aa1

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Note: The above list does not include all ratings    1 Stand-alone credit profile    2 "Senior Unsecured Debt"    3 "Senior Subordinated Debt"

# 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 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

### RoE

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

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

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

## Definition of borrower classifications

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

# Contact details



## **Walter Allwicher**

Head of Communications

+49 (0)89 2880 28787

[walter.allwicher@pfandbriefbank.com](mailto:walter.allwicher@pfandbriefbank.com)

## **Michael Heuber**

Head of Investor Relations / Rating Agency Relations

+49 (0)89 2880 28778

[michael.heuber@pfandbriefbank.com](mailto:michael.heuber@pfandbriefbank.com)

## **Axel Leupold**

Investor Relations / Rating Agency Relations

+49 (0)89 2880 23648

[axel.leupold@pfandbriefbank.com](mailto:axel.leupold@pfandbriefbank.com)

## **Website**

[www.pfandbriefbank.com/investor-relations.html](http://www.pfandbriefbank.com/investor-relations.html)

© Deutsche Pfandbriefbank AG  
Parkring 28  
85748 Garching/Germany  
+49 (0) 89 28 80-0  
[www.pfandbriefbank.com](http://www.pfandbriefbank.com)