Company Presentation

January 2020

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Business Model & Strategy

pbb is a leading commercial real estate lender with a complementary public investment finance business

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USPs

- Specialised on-balance sheet lender with extensive placement capabilities
- Strong franchise with long-standing client relationships and local presence with 10 branches/rep offices in Europe and the US
- Conservative lerding standards and focus on risk management
- Pfandbrief is main funding instrument

FUNDING

- Stable, well diversified funding base
  - Pfandbriefe
  - Senior unsecured bonds
  - Retail deposits (online)
- Strong capital markets presence (benchmarks/private placements)

LENDING

- Pfandbrief-eligible senior loans
- Structuring expertise for complex/large transactions
  - ~200 deals per year
  - Ø deal size € ~50 mn

Value Proposition for Equity Investors

- High portfolio quality/strong capital base
- Strong operating performance
- Attractive dividend yield and valuation

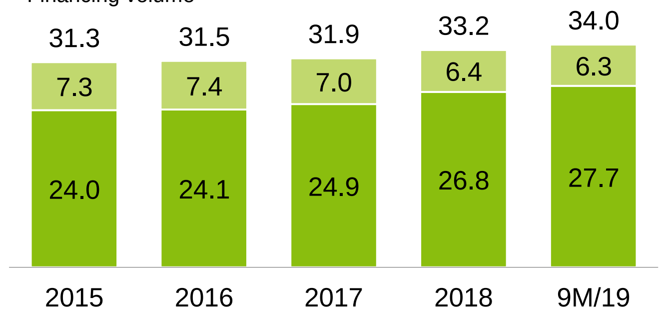
Key figures

(IFRS, 30/09/2019)

Total assets	€ 59.8 bn
Total equity	€ 3.2 bn
RWA	€ 14.3 bn
CET1 ratio[1]	18.3%
Leverage ratio[1]	5.1%
RoE after taxes[2]	6.6%
FTE	750

Strategic portfolio

Financing volume



Shareholder metrics

	2016	2017	2018
EpS	€ 1.46	€ 1.35	€ 1.24
DpS	€ 1.05	€ 1.07	€ 1.00
Dividend Yield[4]	11.5%	8.0%	11.4%
Pay-out Ratio	72 %	79 %	81 %

1 Excl. interim result 2 Taking into account pro-rata AT1 coupon (2018: € 12 mn; 2019: € 17 mn)
3 e.g. public housing, utilities and waste disposal, health care and nursing care properties, childcare and educational facilities 4 Based on the year-end share price: 2016: € 9.12; 2017: € 13.36; 2018: € 8.74

Highlights 9M/19

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

Financials	■ Strong **PBT** 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) – **NII** remains on high level due to reduced funding costs and supported by increased average REF financing volume y-o-y – **prepayment fees** significantly higher – **Risk provisioning** stable y-o-y and in line with expectation – additions for UK shopping centres in Q3 resulting from valuation adjustments – **GAE** slightly up, mainly driven by regulatory projects and IT costs ■ Full-year PBT **guidance** increased to € 205-215 mn (from formerly upper end or slightly above €170-190 mn) despite expected higher expenses in Q4
New business[1]	■ **New business volume** 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) – **REF** € 6.9 bn, **PIF** € 0.3 bn ■ 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; FY/18: ~155bp) – selective approach continued
Portfolio (financing volume)	■ Strategic **REF financing volume** up by € +0.9 bn ytd to € 27.7 bn, driven by solid new business – further **moderate growth** envisaged ■ **PIF** nearly stable at € 6.3 bn (€ -0.1 bn ytd) – in line with **hold** proposition ■ **Value Portfolio** down by € -0.9 bn ytd to € 12.3 bn – strategy provides for a further **run-down** in line with maturities
Funding	■ Strong new funding activities with **new funding volume** of € 5.5 bn in 9M/19 (9M/18: € 4.2 bn) ■ Even though avg. **funding spreads** increased y-o-y, spread level is still below maturities
Capital	■ **Capitalisation** remains strong with CET 1 ratio of 18.3%[2] ■ Capital ratios to come down due to **regulatory initiatives** (e.g. risk models/ECB TRIM, EBA Guidelines, Basel IV)

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

Highlights

Operating and financial overview

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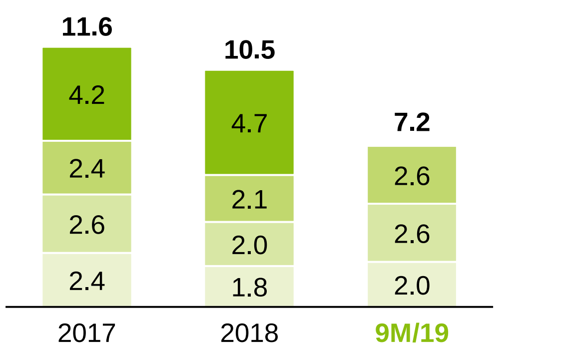
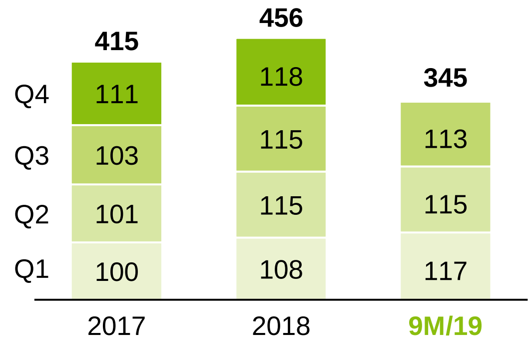
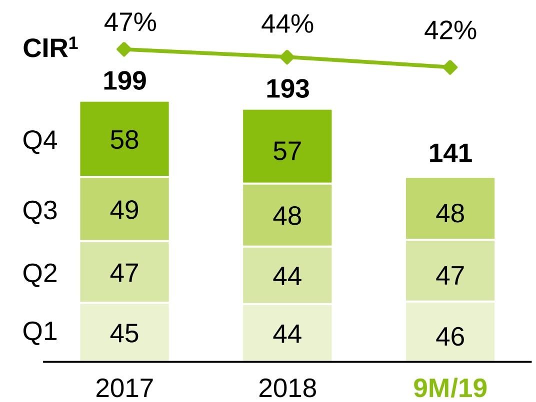
New business
€ bn (commitments, incl. extensions >1 yr)



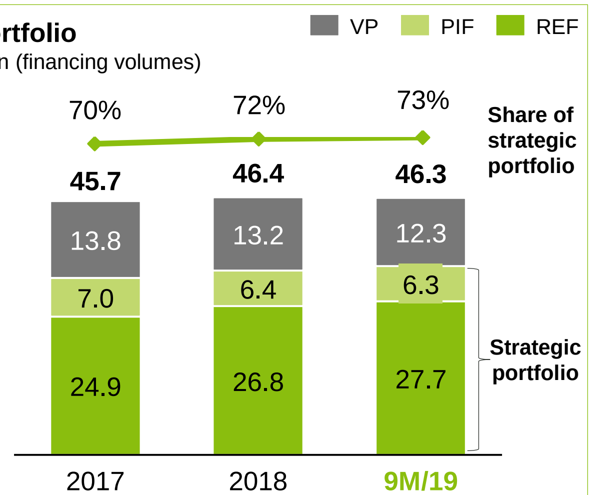
Net interest and commission income
€ mn (IFRS)



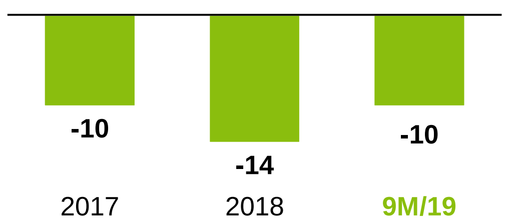
General and admin. expenses
€ mn (IFRS)



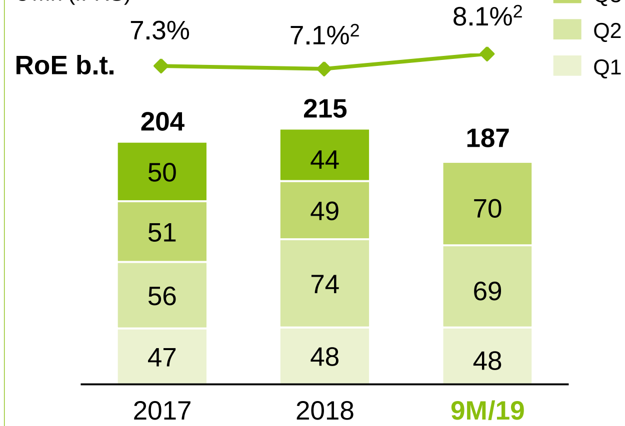
Portfolio
€ bn (financing volumes)



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)

Markets

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

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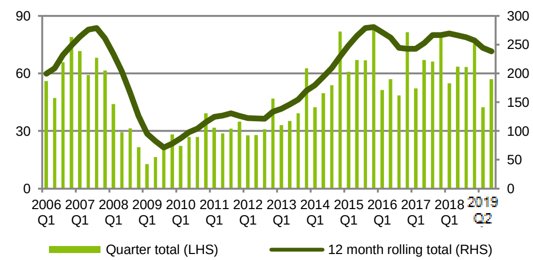
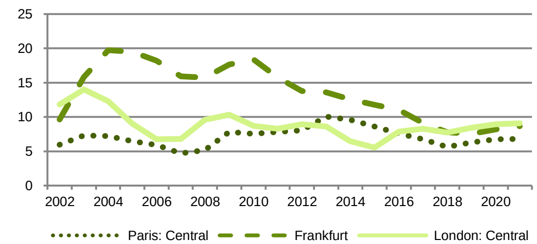
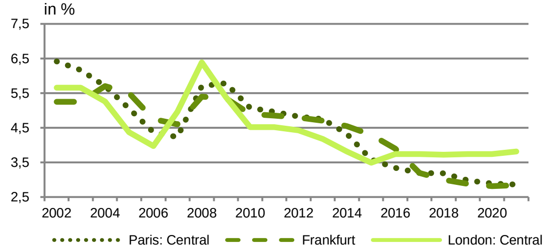
European CRE Investment volume
(€ bn)



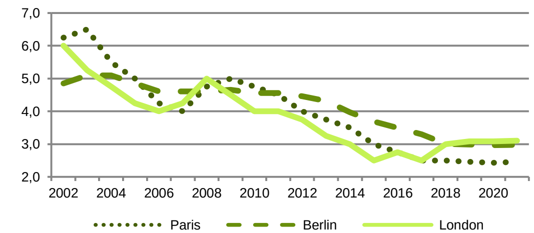
Office vacancy
in %



Office prime yields
in %

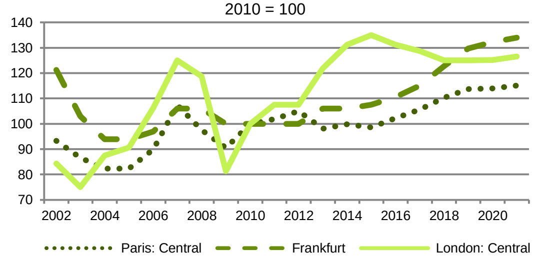


Retail prime yields
in %



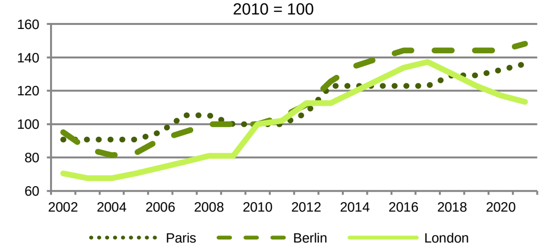
Development office rents

2010 = 100



Development retail rents

2010 = 100



- 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)

1 Source: Property Market Analysis

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

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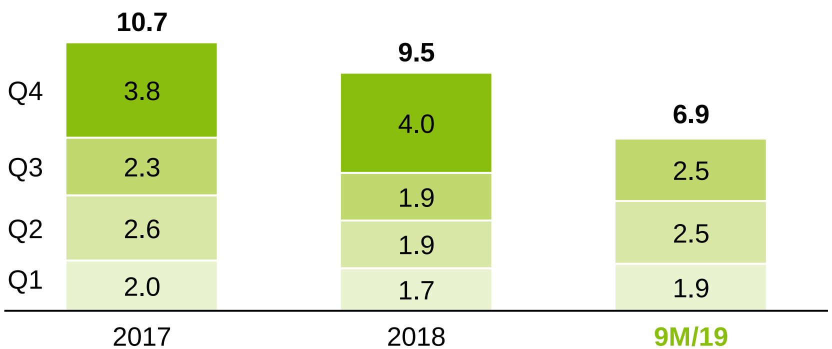
REF New business
€ bn (commitments, incl. extensions >1 yr)

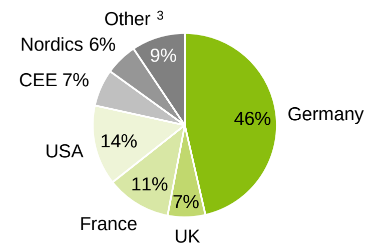


REF new business

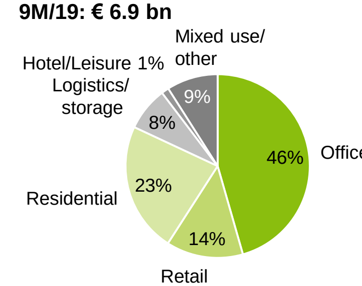
	9M/18	2018	9M/19
Total volume (€ bn)	5.5	9.5	6.9
thereof: Extensions >1 year	*1.2*	*2.2*	*1.5*
No. of deals	115	185	115
Ø maturity (years)[1]	~4.6	~4.7	~4.6
Ø LTV (%)[2]	60	59	59
Ø gross interest margin (bp)	~160	~155	>150

	Regions	Property types
New business (Commitments, incl. extensions > 1year)	9M/19: € 6.9 bn	9M/19: € 6.9 bn
Portfolio (EaD, Basel III)	30/09/19: € 30.7 bn	30/09/19: € 30.7 bn

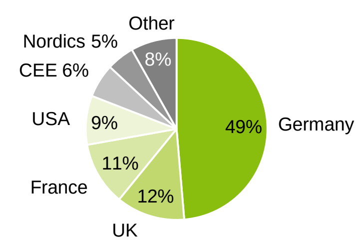
New business – Regions – 9M/19: € 6.9 bn



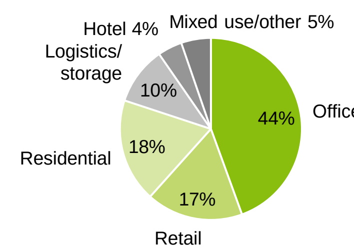
New business – Property types – 9M/19: € 6.9 bn



Portfolio – Regions – 30/09/19: € 30.7 bn



Portfolio – Property types – 30/09/19: € 30.7 bn



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%[2]
    - 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)

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

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

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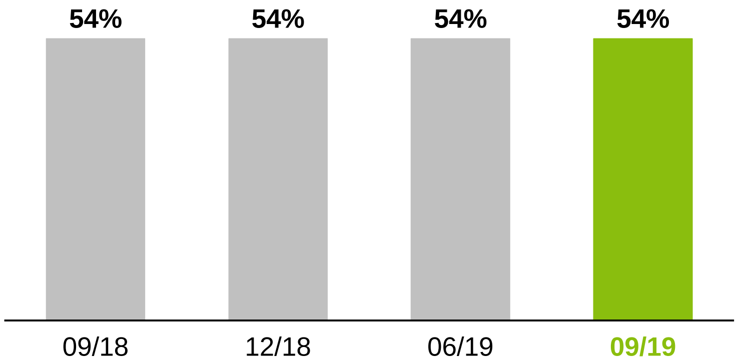
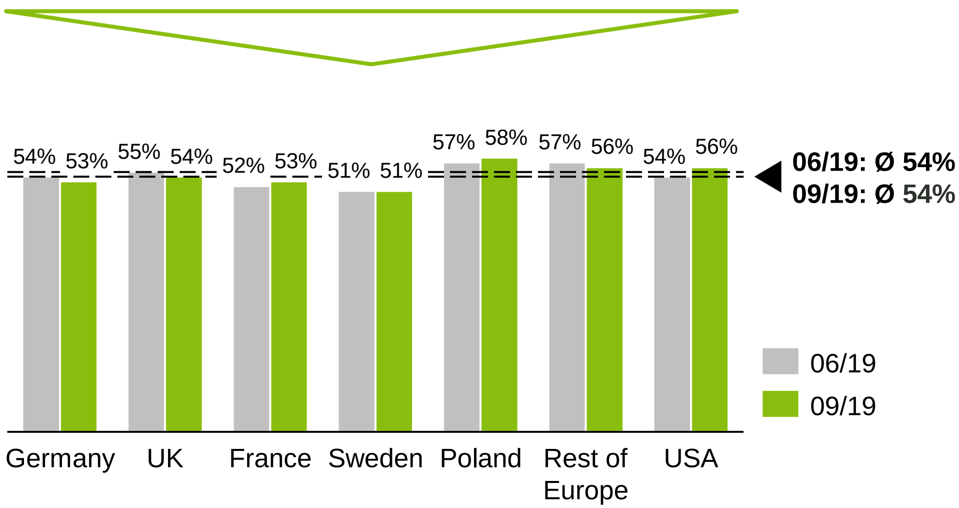
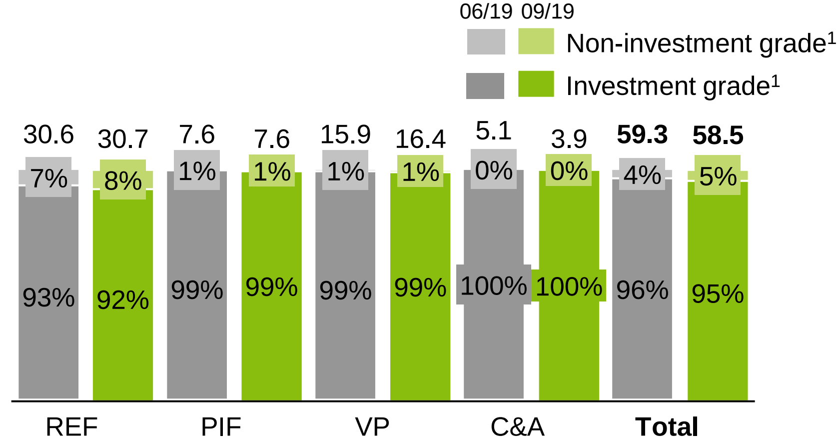
REF Portfolio: Avg. weighted LTVs
% (commitments)[2]





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%[2]
  - Avg. ISC >300%

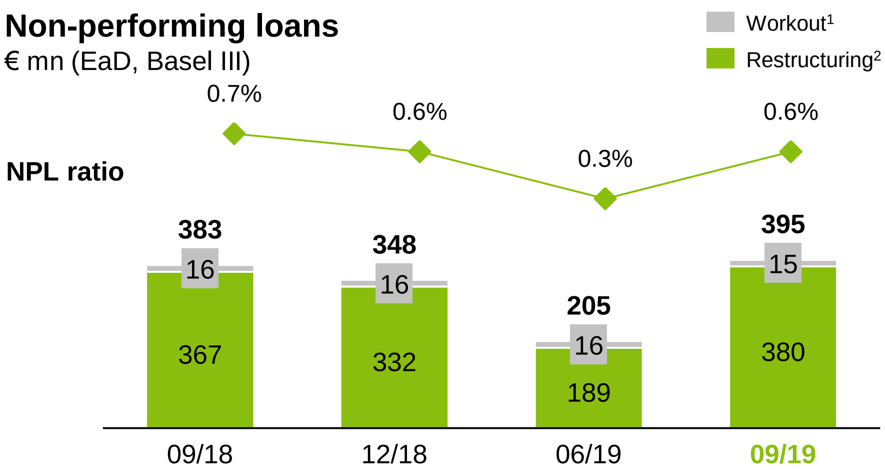
Note: Figures may not add up due to rounding 1 EL classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade 2 Based on performing investment loans only

Portfolio

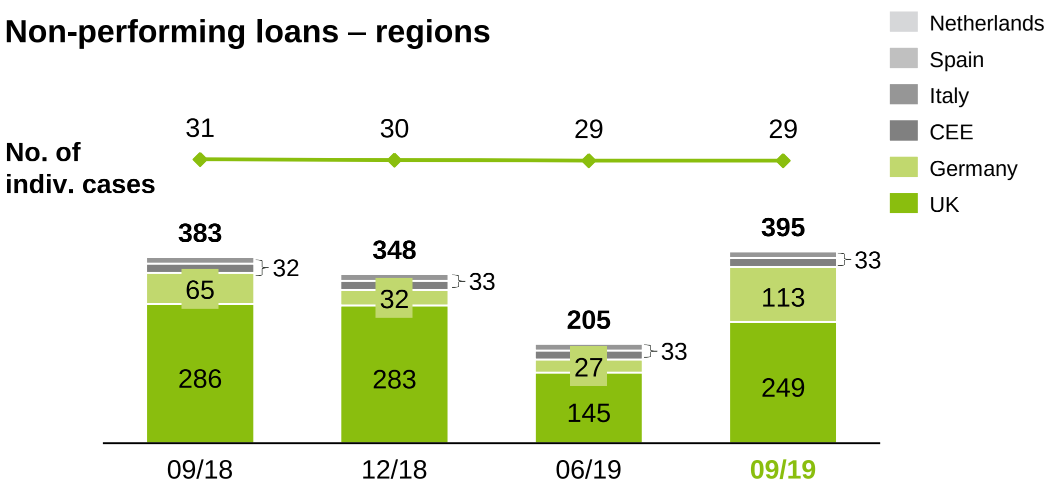
Non-performing loans up in Q3, but remaining at low level

Non-performing loans

€ mn (EaD, Basel III)



Non-performing loans – regions



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**[3] 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

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

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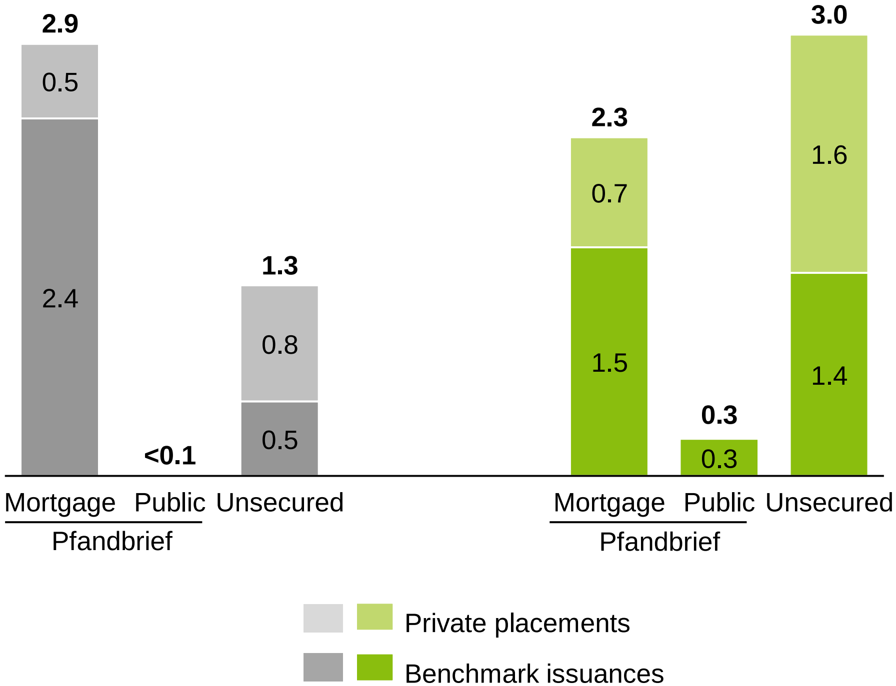
New long-term funding[1]

€ bn

	9M/18: € 4.2 bn[4]			9M/19: € 5.5 bn		
	Mortgage Pfandbrief	Public Pfandbrief	Unsecured	Mortgage Pfandbrief	Public Pfandbrief	Unsecured
Spread (Ø, bp)[2]	3	0	46	16	21	73
Tenor (Ø, yrs)[3]	7.3	20	7.4	6.9	16.1	5.6



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[5] 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

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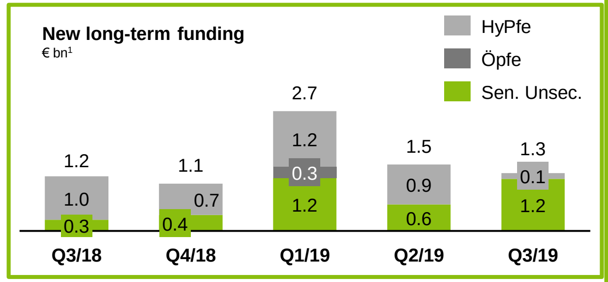
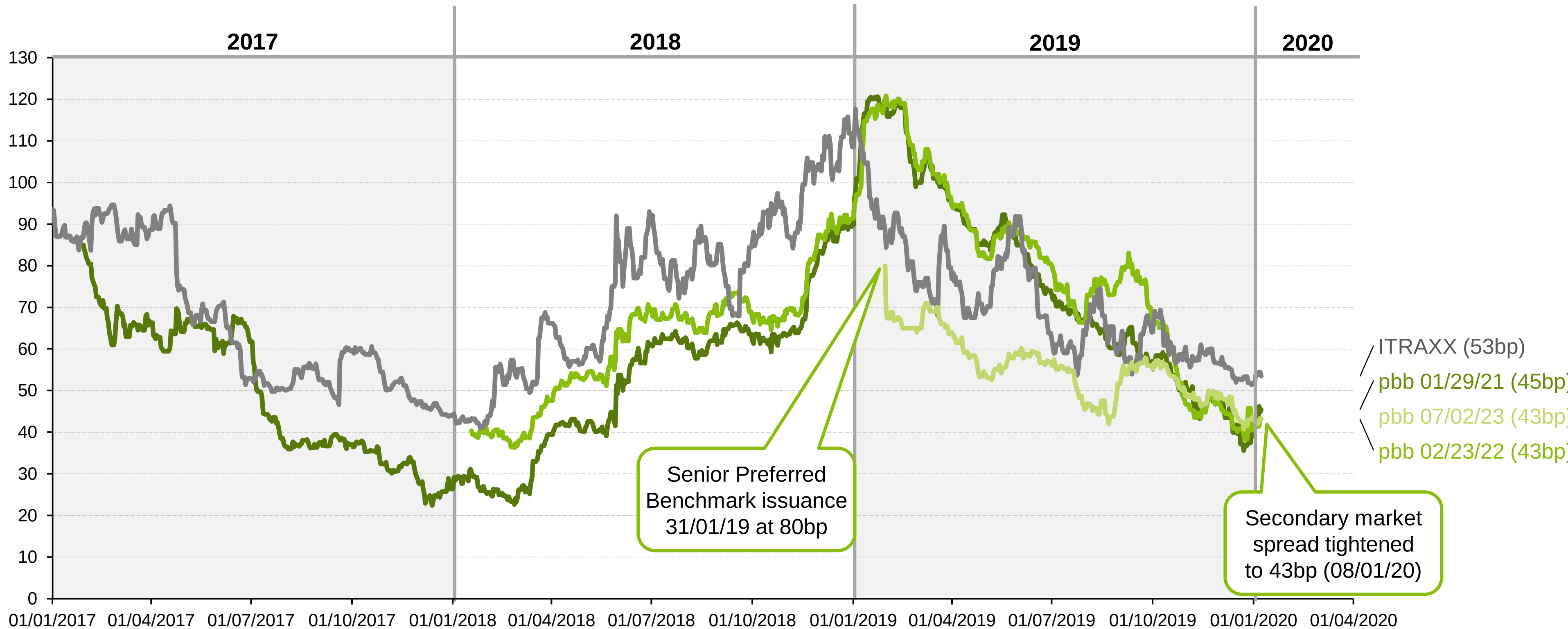


Spread development of pbb Senior Non-Preferred Benchmarks vs iTraxx Bank Senior

(Spread in bp vs. 6m Euribor)



Source: Bloomberg 1 Excl. money market and deposit business

Capital

Capitalisation remains strong, providing adequate buffer for expected regulatory changes

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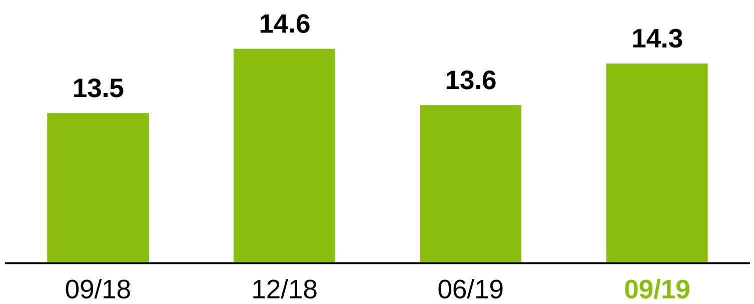
Basel III: RWA

€ bn (IFRS)



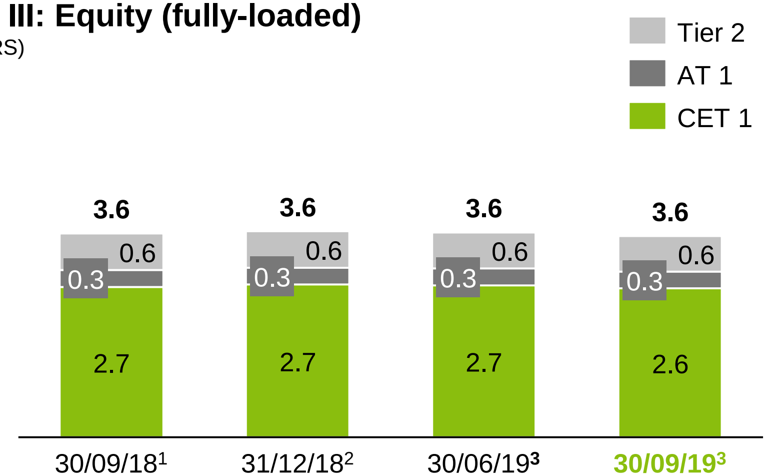
Basel III: Capital ratios

% (IFRS)

in %	09/18[1]	12/18[2]	06/19[3]	09/19[3]	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

Basel III: Equity (fully-loaded)

€ bn (IFRS)



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%[4] (2018: 9.95% fully-loaded)
- Own funds ratio: 13.35%[4] (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%

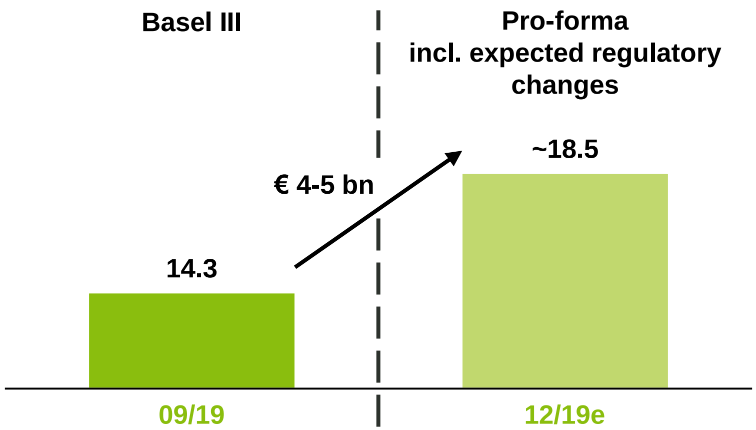
Note: Figures may not add up due to rounding 1 Incl. interim result Q1/18, post max. calc. dividend acc. to ECB methodology 2 Incl. full-year result, post proposed dividend 2018 3 Excl. Interim result
4 Incl. capital conservation buffer (2.5%) and anticipated countercyclical buffer (0.35%; actual as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

Capital

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

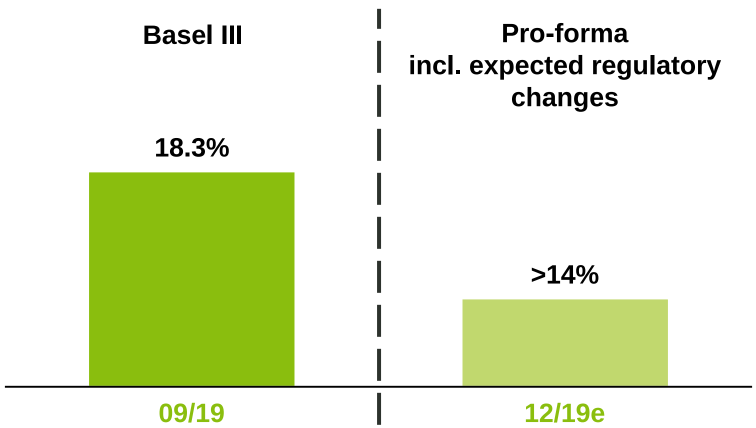
RWA

€ 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

Summary & Outlook

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

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➔ **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

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Outlook
pbb well positioned to manage challenges ahead

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Challenges		Strategy / risk approach
Changes in economic and interest environment	■ Reduction in property valuations expected, especially in certain market segments (e.g. retail) ■ Negative effects on LGD parameters	**Conservative lending criteria and intensive monitoring**
Advanced real estate cycle	■ Instability risks increase ■ Investment volumes, yields and vacancies on historical low level, prices peak ■ Expectation of higher volatility in risk provisioning	**Strong covenants and intensive monitoring**
Structural change in retail sector	■ Changes in shopping behaviour like online shopping influence retail property markets ■ Decreasing demand especially for shopping centres	**Cautious on Retail**
UK & Brexit	■ Increased risk focus on UK Retail ■ Long-term view on CRE markets (prime locations, low LTV)	**Cautious on UK**
Italy & spread developments	■ Valuation effects on Italian public sector exposure with only small P&L effects as largely accounted for at amortised costs and only ~5% at FV/P&L ■ Only marginal REF exposure	**Further run down of Italian portfolio**

Outlook 2019

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

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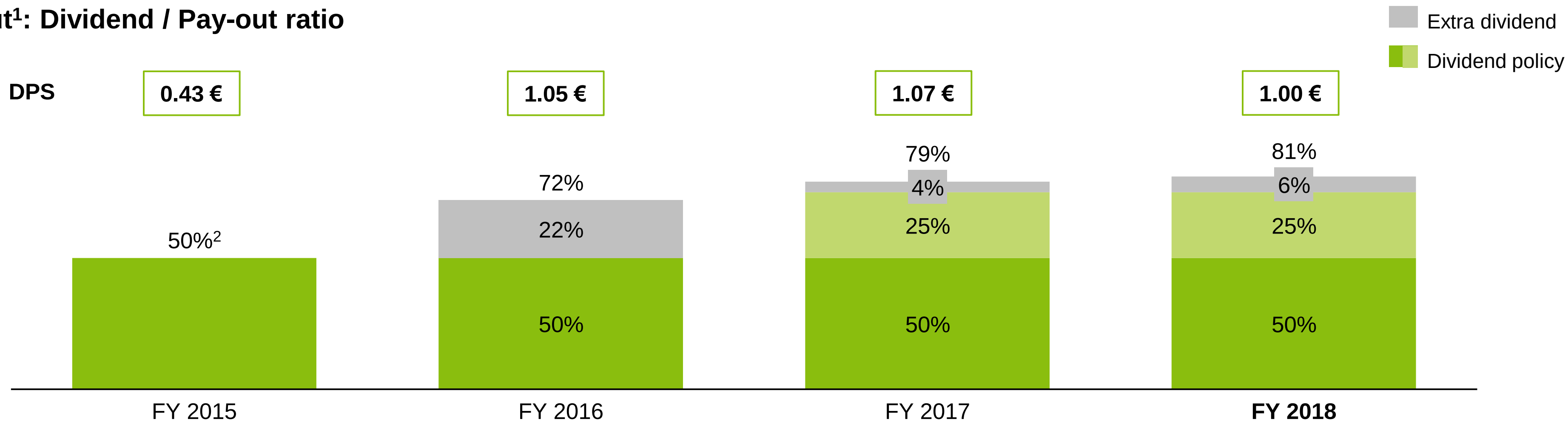
Operating trends	2017	2018	Guidance 2019	Adjusted guidance (11/19)
Real Estate Finance (REF)				
New business volume[1] (€ bn)	10.7	9.5	€ 8.5-9.5 bn	
Avg. gross margin (bp)	>155	~155	Slightly lower	Stable
Financing volume (€ bn)	24.9	26.8	Moderate increase (strategic portfolio)	
Public Investment Finance (PIF)				
Avg. gross margin (bp)	>100	>60	Slightly higher	
Financing volume (€ bn)	7.0	6.4	Stable (strategic portfolio in "hold" mode)	
Value Portfolio (VP)				
Financing volume (€ bn)	13.8	13.2	€ ~12 bn (non-strategic portfolio in run-down mode)	
Income statement (IFRS, EUR mn)	**2017**	**2018**	**Guidance 2019**	
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	
Pre-tax profit	**204**	**215**	€ 170-190 mn – updated 06/19: upper end or slightly above € 170-190 mn	€ 205-215 mn
Key ratios (%)	**2017**	**2018**	**Guidance 2019**	
RoE before taxes[2]	7.3	7.1	5.5-6.5%	> 6.5%
RoE after taxes[2]	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[3]	Significantly above SREP requirement of 9.5% + countercyclical buffer of 0.35% (2018[4]: 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

Dividend strategy

Dividend strategy: 50% regular + 25% supplementary dividend until FY 2019

Payout[1]: Dividend / Pay-out ratio



Dividend strategy:

- 50% regular dividend + 25% supplementary until and including FY 2019[1]
- Dividend strategy contains the reflection of different determinants, which include
  - planned strategic growth
  - regulation (e.g. ECB TRIM, EBA guidelines, Basel IV)
  - strategic measures/cyclicality
  - requirements from rating agencies and market participants
- Dividend strategy is subject to regulatory permissibility, regulatory and other legal requirements as well as economic viability

Dividend payment:

- Since IPO, payout ratios consistently ≥50% – extra dividends paid for FY 2016, 2017 and 2018
  - 2016: 100% payout on extraordinary HETA gain
  - 2017: 100% payout of profit exceeding initial PBT guidance, post taxes
  - 2018: 100% payout of profit exceeding initial PBT guidance, post taxes and AT1 coupon

1 Based on IFRS group profit after tax attributable to shareholders 2 Annualised; dividend payment only for period after IPO (16.07.2015)

Digitalisation
Integral concept in pbb

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Digitalisation in pbb

Action Fields	Approach	Solutions	Strategic & operational gains

Client Relationship	➢ Smooth/efficient **interaction between bank and client**
	➢ **Integral workflow** approach
		➢ Client interface via digital portal – **„customer portal“ for REF clients launched in April 2018**
		  ➢ Provision of payment and loan data
		  ➢ Exchange of loan data and documents
		➢ Further **expansion of functionality/ processes**
		➢ **Expansion into all customer groups**
			➢ **Customer satisfaction/retention**
			➢ **Efficiency gains** on both sides – for the clients and the bank

Process Efficiency	➢ **Adapt** agile digital approach **for whole organisation**	➢ Digitalisation of processes along **total value chain**	➢ **Speed** ➢ **Quality** ➢ **Cost savings**

New Products & Services	➢ **Leverage** pbb capabilities **into (new) products and services** for clients	➢ Lending portal – public sector financing portal **CAPVERIANT launched in May 2018**
		  ➢ Procurement of “plain vanilla” public sector lending via internet platform
		  ➢ In a first step, **introduced in German market, France followed in Q2/19**
		➢ **Further market expansion**
		  ➢ Broaden **client base**
		  ➢ Expand **regional reach**
		➢ **Broadening of product range**
		➢ **Augmentation of services**
			➢ **Develop/enhance business model**
			➢ **Efficiency/scalability**
			➢ **Earnings diversification/ strength**

Financials

Strong operating performance continued

Income statement

€ mn

	Q3/18	Q3/19	9M/18	9M/19
Operating Income	**119**	**133**	**350**	**371**
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
Pre-tax profit	**49**	**70**	**171**	**187**
Income taxes	-10	-14	-33	-32
Net income	**39**	**56**	**138**	**155**

	Q3/18	Q3/19	9M/18	9M/19
RoE before tax (%)	6.3	9.2	7.6	8.1
RoE after tax (%)	4.9	7.3	6.2	6.6
CIR[1] (%)	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)

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

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
thereof: Net interest income	*93*	*95*	*276*	*287*	*10*	9	26	26	*10*	6	28	24
Net income from realisations	*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
Pre-tax profit	**42**	**54**	**142**	**165**	**2**	**4**	**4**	**4**	**4**	**10**	**21**	**14**
Key indicators	**Q3/18**	**Q3/19**	**9M/18**	**9M/19**	**Q3/18**	**Q3/19**	**9M/18**	**9M/19**	**Q3/18**	**Q3/19**	**9M/18**	**9M/19**
CIR (%)[1]	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

Key drivers Q3/9M 2019:

REF

- Positive financial segment performance y-o-y mainly driven by strong NII and higher prepayment fees but higher operating costs
- Strong new business resulted in higher financing volume and RWA

PIF

- 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

Value Portfolio

- Financial segment performance in line with run-down strategy, resulting in lower NII
- Previous year benefited from one-off gain related to Heta (purchase price adjustment)

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

Balance sheet

Specialist lender with attractive German Pfandbrief as major funding instrument

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Balance sheet

IFRS, € bn

Assets	30/09/19	31/12/18	Liabilities & equity	30/09/19	31/12/18
Financial assets at fair value through P&L	**1.5**	**1.7**	**Financial liabilities at fair value through P&0**	**1.0**	**0.9**
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	**Financial liabilities measured at amortised cost**	**52.0**	**50.7**
Loans and advances to customers	0.6	0.6	thereof		
Financial assets at fair value through OCI	**1.8**	**2.0**	Liabilities to other banks (incl. central banks)	4.3	3.9
thereof			thereof		
Debt securities	1.4	1.6	*Registered Mortgage Pfandbriefe*	*0.3*	*0.2*
Loans and advances to other banks	-	-	*Registered Public Pfandbriefe*	*0.3*	*0.3*
Loans and advances to customers	0.4	0.4	Liabilities to other customers	25.2	24.9
Financial assets at amortised cost (after credit loss allowances)	**51.7**	**50.3**	thereof		
thereof			*Registered Mortgage Pfandbriefe*	*4.9*	*4.6*
Debt securities	7.9	8.0	*Registered Public Pfandbriefe*	*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		
Positive fair values of hedge accounting derivatives	**2.7**	**2.2**	*Mortgage Pfandbriefe*	*12.5*	*12.4*
Other assets	**2.1**	**1.6**	*Public Pfandbriefe*	*4.2*	*4.7*
			Subordinated liabilities	0.7	0.7
			Negative fair values of hedge accounting derivatives	**3.0**	**2.5**
			Other liabilities	**0.6**	**0.4**
			Equity (attributable to shareholders)	**2.9**	**3.0**
			AT1-capital	**0.3**	**0.3**
Total Assets	**59.8**	**57.8**	**Total liabilities & equity**	**59.8**	**57.8**

Share of Pfandbriefe of refinancing liabilities

63% / 64%

Note: Figures may not add up due to rounding

Key figures
pbb Group

DEUTSCHE PFANDBRIEFBANK

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	-
Operating Income	**453**	**112**	**119**	**119**	**350**	**471**	**119**	**119**	**133**	**371**
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
Pre-tax profit	**204**	**48**	**74**	**49**	**171**	**215**	**48**	**69**	**70**	**187**
Income taxes	-22	-9	-14	-10	-33	-36	-8	-10	-14	-32
Net income	**182**	**39**	**60**	**39**	**138**	**179**	**40**	**59**	**56**	**155**

Key ratios (%)	2017	Q1/18	Q2/18	Q3/18	9M/18	2018	Q1/19	Q2/19	Q3/19	9M/19
CIR[1]	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[2]	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[4]	19.4[5]	19.7[5]	19.7[5]	18.5[3]	18.8[6]	19.4[7]	18.3[7]	18.3[7]

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 3 Incl. full-year result, post proposed dividend 4 Post proposed dividend for 2017, incl. interim result Q1/18, post max. calc. dividend acc. to ECB methodology 5 Incl. interim result Q1/18, post max. calc. dividend acc. to ECB methodology 6 Excl. interim result, post proposed dividend 2018 7 Excl. interim result

Key figures
Real Estate Finance (REF)

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	**2017[3]**	**Q1/18**	**Q2/18**	**Q3/18**	**9M/18**	**2018**	**Q1/19[4]**	**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	-	-
Operating Income	**368**	**96**	**92**	**101**	**290**	**391**	**102**	**105**	**109**	**316**
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
Pre-tax profit	**177**	**47**	**53**	**42**	**142**	**182**	**49**	**62**	**54**	**165**

Key ratios (%)	**2017**	**Q1/18**	**Q2/18**	**Q3/18**	**9M/18**	**2018**	**Q1/19**	**Q2/19**	**Q3/19**	**9M/19**
CIR[1]	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

Key figures (€ bn)	**12/17**	**03/18**	**06/18**	**09/18**	**09/18**	**12/18**	**03/19**	**06/19**	**09/19**	**09/19**
Equity[2]	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
3 Adjusted acc. to IFRS 8.29 4 Segment allocation of net income from realisations retrospectively adjusted

Key figures
Public Investment Finance (PIF)

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	**2017[3]**	**Q1/18**	**Q2/18**	**Q3/18**	**9M/18**	**2018**	**Q1/19[4]**	**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	-
Operating Income	**26**	**7**	**7**	**9**	**23**	**38**	**9**	**6**	**11**	**26**
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	-	-	-	-
Pre-tax profit	**-12**	**-1**	**3**	**2**	**4**	**8**	**-1**	**1**	**4**	**4**

Key ratios (%)	**2017**	**Q1/18**	**Q2/18**	**Q3/18**	**9M/18**	**2018**	**Q1/19**	**Q2/19**	**Q3/19**	**9M/19**
CIR[1]	>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[2]	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
3 Adjusted acc. to IFRS 8.29 4 Segment allocation of net income from realisations retrospectively adjusted

Key figures
Value Portfolio (VP)

Income statement (€ mn)	**2017[3]**	**Q1/18**	**Q2/18**	**Q3/18**	**9M/18**	**2018**	**Q1/19[4]**	**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	-
Operating Income	**53**	**7**	**19**	**8**	**34**	**37**	**7**	**7**	**11**	**25**
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	-	-	-	-
Pre-tax profit	**33**	**-**	**17**	**4**	**21**	**20**	**-1**	**5**	**10**	**14**

Key ratios (%)	**2017**	**Q1/18**	**Q2/18**	**Q3/18**	**9M/18**	**2018**	**Q1/19**	**Q2/19**	**Q3/19**	**9M/19**
CIR[1]	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

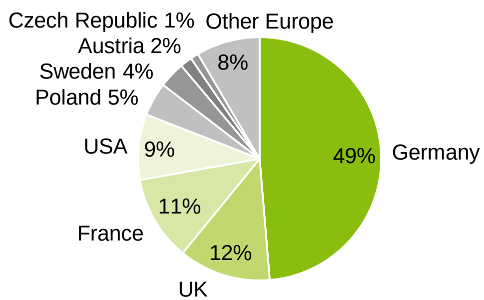
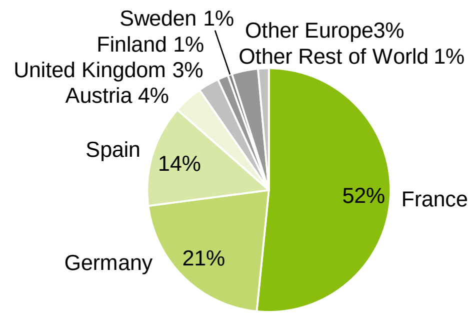
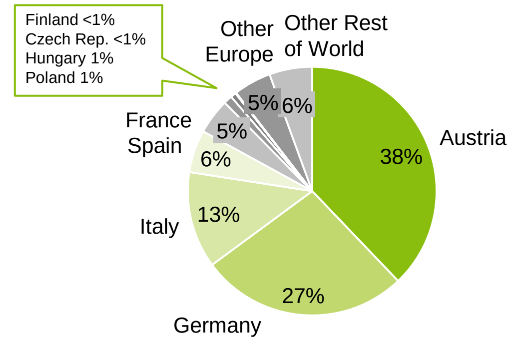
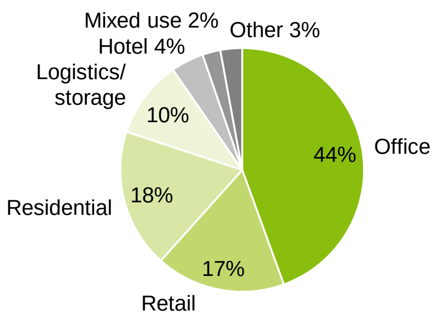
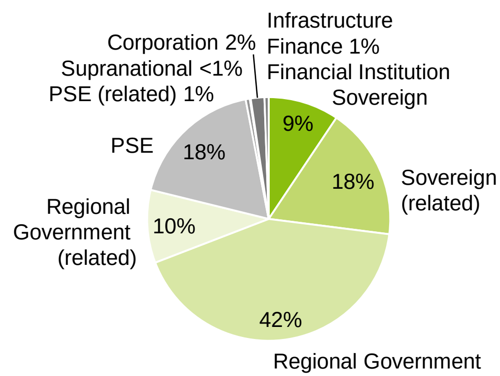
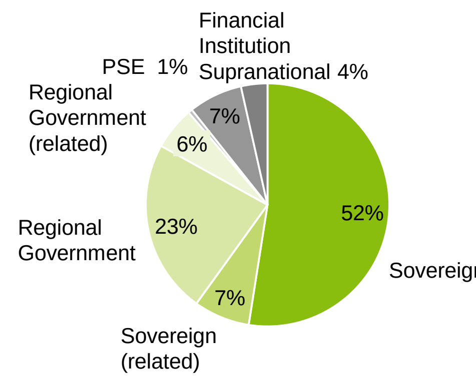
Key figures (€ bn)	**12/17**	**03/18**	**06/18**	**09/18**	**09/18**	**12/18**	**03/19**	**06/19**	**09/19**	**09/19**
Equity[2]	1.1	0.9	1.0	1.0	1.0	1.1	1.1	1.1	0.8	0.8
RWA	3.5	3.5	3.4	3.8	3.8	4.0	4.0	3.8	3.6	3.6
Financing volume	13.8	13.6	13.5	13.4	13.4	13.2	12.9	12.3	12.3	12.3

Note: annual results 2017 and 2018 audited 1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Equity now allocated according to going concern view instead of liquidation approach
3 Adjusted acc. to IFRS 8.29 4 Segment allocation of net income from realisations retrospectively adjusted

Portfolio

Stable and well diversified portfolio with continued focus on European markets, particularly on Germany

30/09/2019 (EaD, Basel III)

	Real Estate Finance	Public Investment Finance	Value Portfolio
by region			
by property type / borrower classification[1]			
Vol.	**€ 30.7 bn**	**€ 7.6 bn**	**€ 16.4 bn**
Strategy	**Strategic portfolio – moderate growth targeted**	**Strategic portfolio – in "hold" mode**	**Non-strategic portfolio – in run-down mode**

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

Definition of borrower classifications

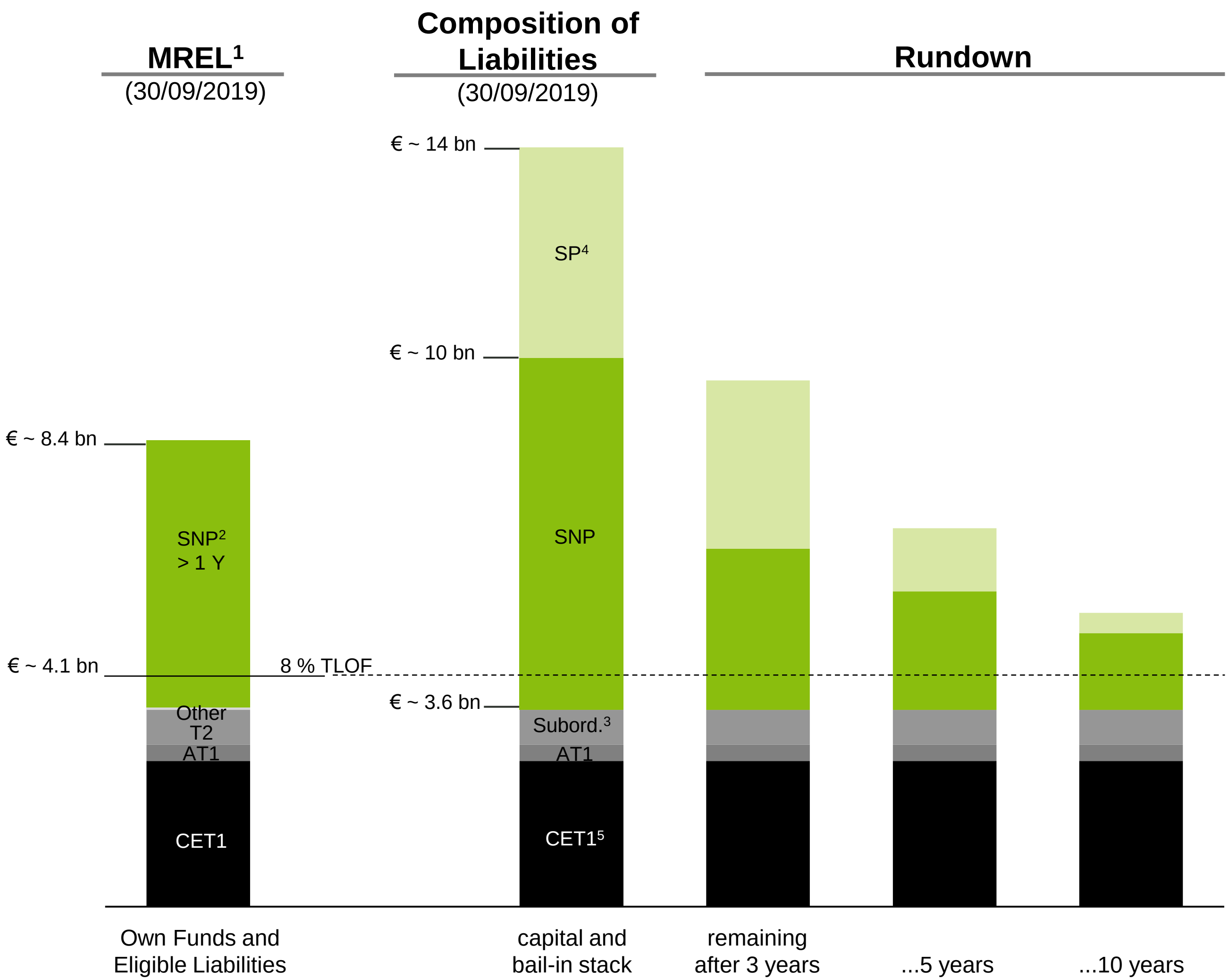
pbb DEUTSCHE PFANDBRIEFBANK

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

Funding

Ambition level for Own Funds and Eligible Liabilites 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

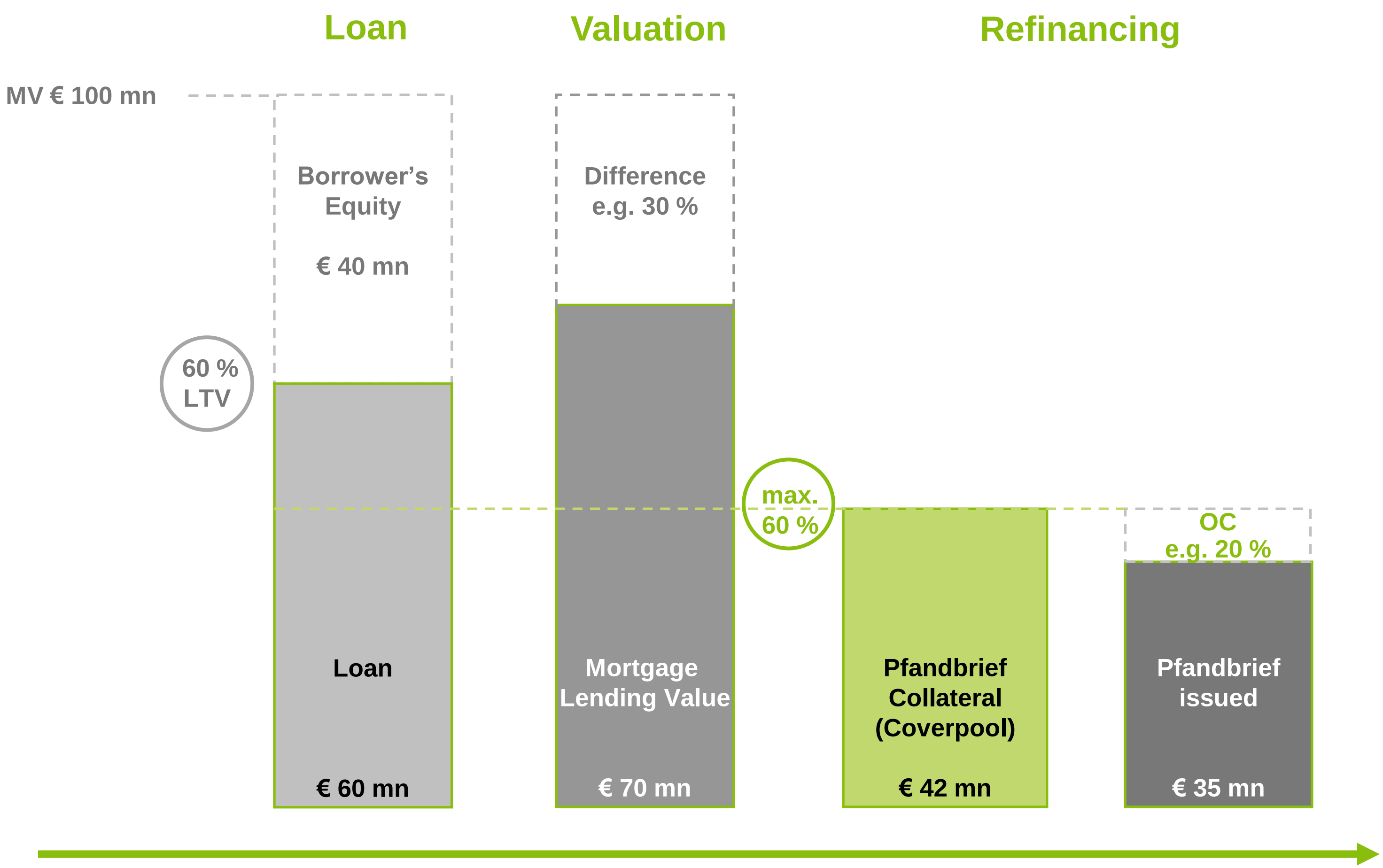
1 With 8% TLOF, pbb has set its ambition level at the high end of the regulatory range. As of 30 Sep 2019, MREL eligible items amounted to ~16% TLOF / ~59% RWA 2 MREL-eligible Senior Non-Preferred Debt >1Y according to legal maturities 3 Nominal amount of Tier 2 instruments; the capital stack includes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

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 (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[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 (4th 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 (5th Tap)	A1PG3M	16/01/2017	20/12/2019	GBP 50 mn	+50 bp[2]	1.875%	102.32%
Public Sector Pfandbrief (1st 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	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[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 (1st 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 (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[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 (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	Perpertual	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[2]	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[2]	1.50%	99.802%
Mortgage Pfandbrief	A2LQNK	13/11/2018	22/11/2021	USD 600 mn	+35 bp[3]	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[4]	0.125%	100.12%
Mortgage Pfandbrief	A2NBJ7	22/05/2019	31/05/2022	USD 600 mn	+32 bp[3]	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 (3nd 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[3]	2.50%	101.619%
Mortgage Pfandbrief	A2YNVM	09/10/2019	16/10/2025	EUR 500 mn	+5 bp	0.01%	101.984%
Senior Unsecured	A2YNVU	13/11/2019	21/11/2022	GBP 250 mn	+114 bp[2]	1.75%	99.849%
Mortgage Pfandbrief (1st Tap)	A1X3LT	19/11/2019	21/01/2022	EUR 100 mn	0 bp	1.875%	104.77%
Mortgage Pfandbrief	A2YNVY	01/14/2020	01/21/2028	EUR 750 mn	+5 bp	0.10%	99.992%

Funding

Pfandbrief funding – effect of the Mortgage Lending Value (very simplified example)



Mandated Ratings (1 October 2019)

Bank ratings	S&P	
Long-term	**A-**	
Outlook/Trend	Negative	
Short-term	A-2	
Stand-alone rating[1]	bbb	
Long Term Debt Ratings		
“Preferred” senior unsecured Debt[2]	A-	
“Non-preferred” senior unsecured Debt[3]	BBB-	
Subordinated Debt	BB+	

Pfandbrief ratings		Moody’s
Public Sector Pfandbrief		Aa1
Mortgage Pfandbrief		Aa1

Disclaimer:

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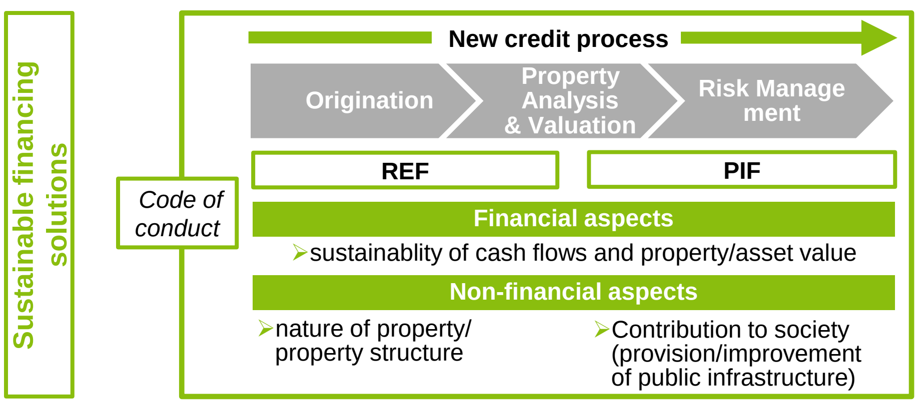
Note: The above list does not include all ratings 1 Stand-alone credit profile 2 "Senior Unsecured Debt" 3 "Senior Subordinated Debt"

CSR Concept

CSR structurally anchored in pbb – financial and non-financial aspects condition each other

DEUTSCHE PFANDBRIEFBANK

- **General framework defined** by code of conduct, providing non-negotiable standards to all employees
- **CSR Committee implemented**
  - Direct Board Member responsibility
  - Comprising representatives from all relevant business areas
  - Taking decisions on CSR strategy
- **Non-financial report** published since fiscal year 2017 according to CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungs-gesetz)
  - In line with best practice
  - Audited with limited assurance by KPMG
- **Material topics and aspects** identified through **materiality analysis** for pbb



Material topics and aspects

Topics	Aspects	Main targets
Corporate Gover-nance	**Compliance**	*Guarantee compliance with laws and regulations* *Avoid compliance related issues (e.g. money laundring, terrorist financing, corruption /bribery, data protection)*
	Human rights	*Respect and comply with human rights throughout the whole value chain*
Employee matters	**Remuneration and employee benefits**	*Guarantee a performance-related fair remuneration and employee benefits in line with the market*
	Working environment	*Provide an attractive, modern, secure and healthy workplace with fair working conditions, promotion of the reconciliation of work and private life, assurance of involvement and co-determination*
	Training and continuing professional development	*Highly qualified employees through continuous training /professional development, knowledge management and securing new talent/employer attractiveness*
Environ-ment	**Mobility**	*Handle natural resources responsibly and make active contribution to climate protection by minimizing requirements for energy and raw materials, and to avoid environmental impacts – esp. with focus on travel and car policy*
Industry-specific aspects	**Client orientation**	*Client satisfaction /loyalty and best possible fulfilment of client need's*
	Risk management	*Minimize risks and loss potential*
	Sustainable financing solutions	*Sustainability of cash-flows and property structure to secure loan repayment/ property value*

CSR Ratings

Actively supported ratings from ISS ESG and imug reflect excellent standing and continuous improvement

pbb DEUTSCHE PFANDBRIEFBANK

„Prime“ from ISS ESG (formerly „oekom“) since initiation in 2012

Corporate ESG Performance
Prime
RATED BY ISS ESG

2016

imug UNCOVERED BONDS – RATING 2016 POSITIVE B
imug HYPOTHEKENPFANDBRIEFE – RATING 2016 NEUTRAL CCC
imug ÖFFENTLICHE PFANDBRIEFE – RATING 2016 POSITIVE BBB

2017

imug SUSTAINABILITY RATING – RATING 2017 POSITIVE BB
imug HYPOTHEKENPFANDBRIEFE – RATING 2017 POSITIVE B
imug ÖFFENTLICHE PFANDBRIEFE – RATING 2017 VERY POSITIVE A

2018

Top 3 “Best of same Sector“

imug SUSTAINABILITY RATING – RATING 2018 POSITIVE BB
imug HYPOTHEKENPFANDBRIEFE – RATING 2018 POSITIVE BB
imug ÖFFENTLICHE PFANDBRIEFE – RATING 2018 VERY POSITIVE A

2019

Top 3 “Stress Test Sustainability – How good are the 25 largest German banks?“[1]

1 imug Impuls 2019 “Stresstest Nachhaltigkeit – Wie gut sind die 25 größten deutschen Banken?”, 2 December 2019

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