

## News Release



### **pbb adopts policy for higher dividend distributions until 2019, and will propose a dividend of €1.07 per share for 2017**

- 79% pay-out ratio planned for 2017 – pbb intends to fully distribute net income over and above original guidance
- Consolidated pre-tax profit for 2017 in accordance with IFRS reaches €204 million – new business rises to €11.6 billion
- pbb maintains cautious outlook for 2018

**Munich, 1 March 2018** – The Management Board and Supervisory Board of Deutsche Pfandbriefbank AG (pbb) resolved on a new dividend policy on Thursday: the current pay-out ratio of between 40% and 50% of consolidated profit after taxes in accordance with IFRS is set to be raised to a regular dividend of 50% plus a special dividend of 25%, until 2019 inclusive. In addition, for 2017 pbb wants to distribute net income (after taxes) over and above its original results guidance, in full. This would equate to a total dividend of € 1.07 per share and a pay-out ratio of 79%. The dividend policy is subject to regular review against legal and regulatory requirements, as well as in terms of commercial viability.

Adopting its new dividend policy, pbb has considered its strong capital base, whilst bearing in mind ongoing considerable regulatory requirements, potential cyclical market fluctuations, as well as its planned strategic growth.

In 2017, pbb generated profit before taxes of €204 million (preliminary, unaudited consolidated figures in accordance with IFRS) – exceeding the guidance which it had raised at the beginning of November 2017. Likewise, pbb saw further growth in its new business during the fourth quarter, bringing the total volume for 2017 to €11.6 billion, which exceeds the previous year's figure of €10.5 billion (each including extensions beyond one year). Profit after taxes for 2017 was €182 million, reflecting a markedly lower tax rate. This equates to earnings per share of €1.35.

Looking ahead to the 2018 financial year, pbb adheres to its cautious guidance on results – communicated after the third quarter of 2017 – with conservative risk costs, whilst all other income statement items are anticipated to be largely stable.

Results for the 2017 financial year are scheduled for publication on 7 March 2018.

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