

pbb successfully issues Tier 1 capital

- pbb's first AT1 issuance
- Further optimisation of capital structure

München, 12 April 2018 – On Thursday, pbb Deutsche Pfandbriefbank successfully issued a subordinated bond in AT1 format in the notional amount of €300 million. It is a perpetual bond with a coupon of 5.75% p.a. The issuance was clearly oversubscribed with a granular order book. The bond marks pbb's first AT1 issuance following a Tier 2 bond in 2017. With the new AT1 bond, pbb complements its capital structure also strengthening its leverage ratio.

The instrument is structured to comply with applicable regulatory requirements for AT1. With the issuance, the Tier 1 ratio and the own funds ratio (12/2017: 17.6% and 22.2% respectively) will each increase by around 2 percentage points and the leverage ratio will slightly exceed 5% (12/2017: 4.5%). The AT1 bond will not have an impact on the CET1 ratio (12/2017: 17.6%, all ratios are shown on a fully phased in basis).

Goldman Sachs International, J.P. Morgan Securities plc and UBS Investment Bank acted as Joint Lead Managers.

Notes to the Editors:

- The bond will be callable by pbb regularly every five years. Payment of the coupon will be subject to commercial and regulatory requirements in particular.
- If pbb's CET1 ratio falls below a threshold of 7.0%, the bond's terms and conditions provide for a temporary write-down of the nominal amount. The threshold of 7.0% is based on a consolidated basis in accordance with IFRS – or additionally in accordance with German GAAP on a single-entity basis, should pbb no longer be exempt from determining regulatory ratios on a single-entity basis.
- The bond will be traded on the Luxembourg Stock Exchange.

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