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

Results Q3/9M 2019
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Highlights 9M/19

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

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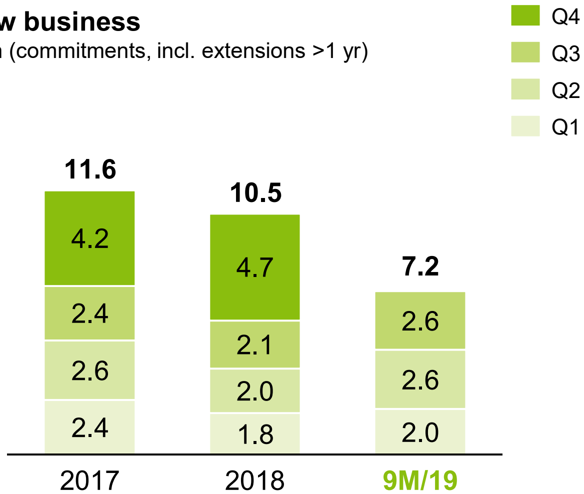
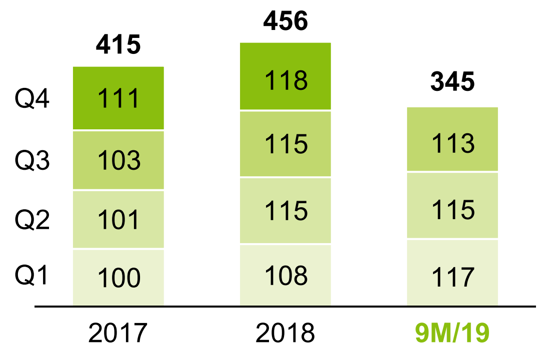
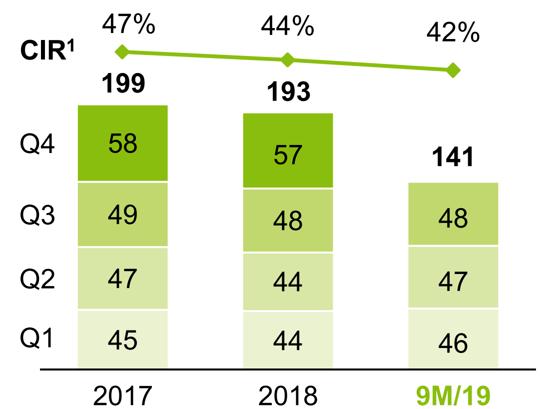
New business
€ bn (commitments, incl. extensions >1 yr)



Net interest and commission income
€ mn (IFRS)

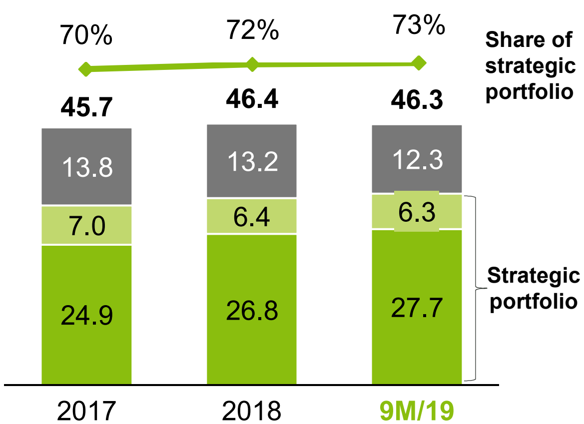


General and admin. expenses
€ mn (IFRS)

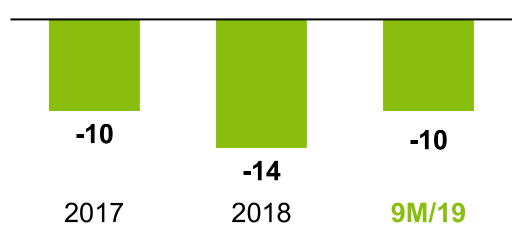


Portfolio
€ bn (financing volumes)

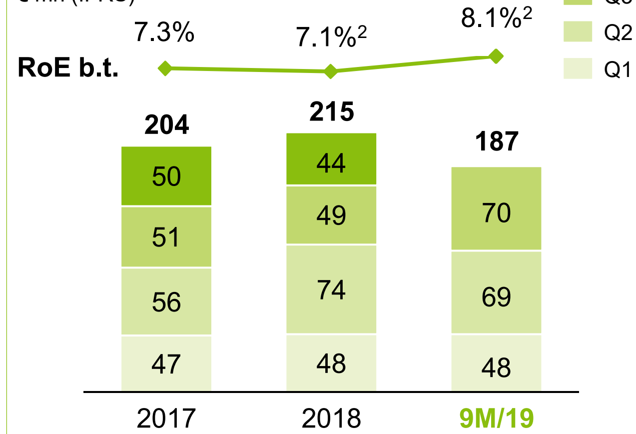
VP PIF REF



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)

Capital

Capitalisation remains strong, providing adequate buffer for expected regulatory changes

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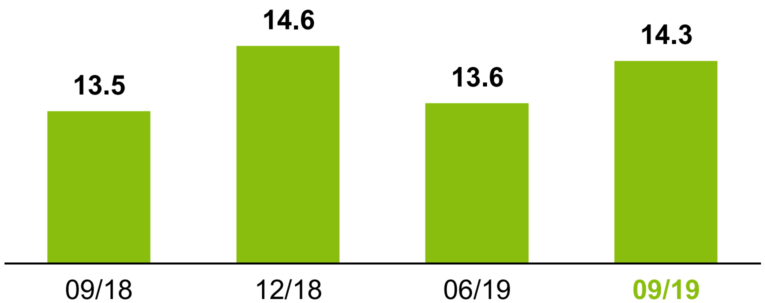
Basel III: RWA

€ bn (IFRS)



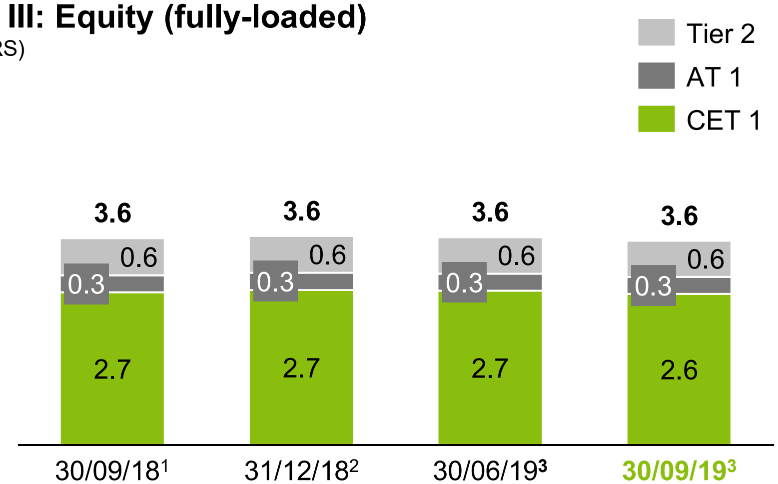
Basel III: Capital ratios

% (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%

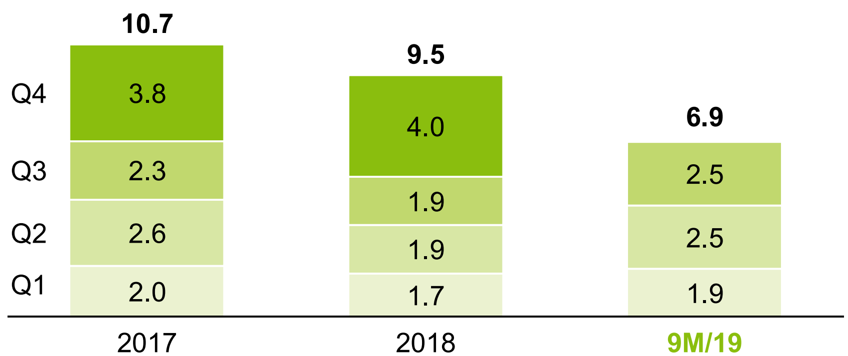
Note: Figures may not add up due to rounding 1 Incl. interim result Q1/18, post max. calc. dividend acc. to ECB methodology 2 Incl. full-year result, post proposed dividend 2018 3 Excl. Interim result 4 Incl. capital conservation buffer (2.5%) and anticipated countercyclical buffer (0.35%; actual as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

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)

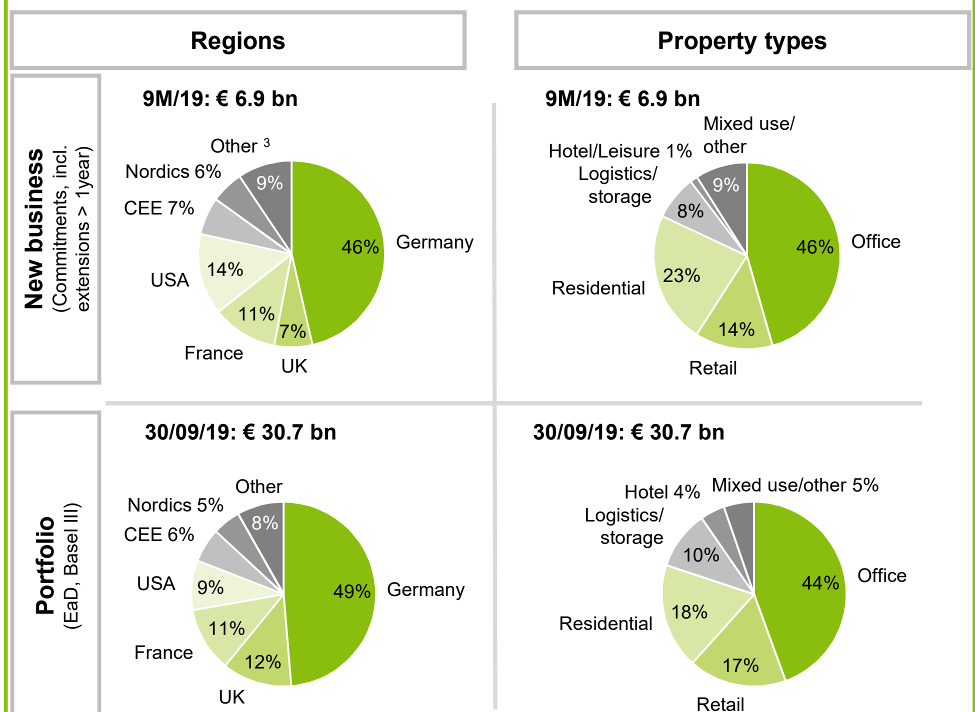


Key drivers Q3/9M 2019:

- 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%[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)

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



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

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

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