

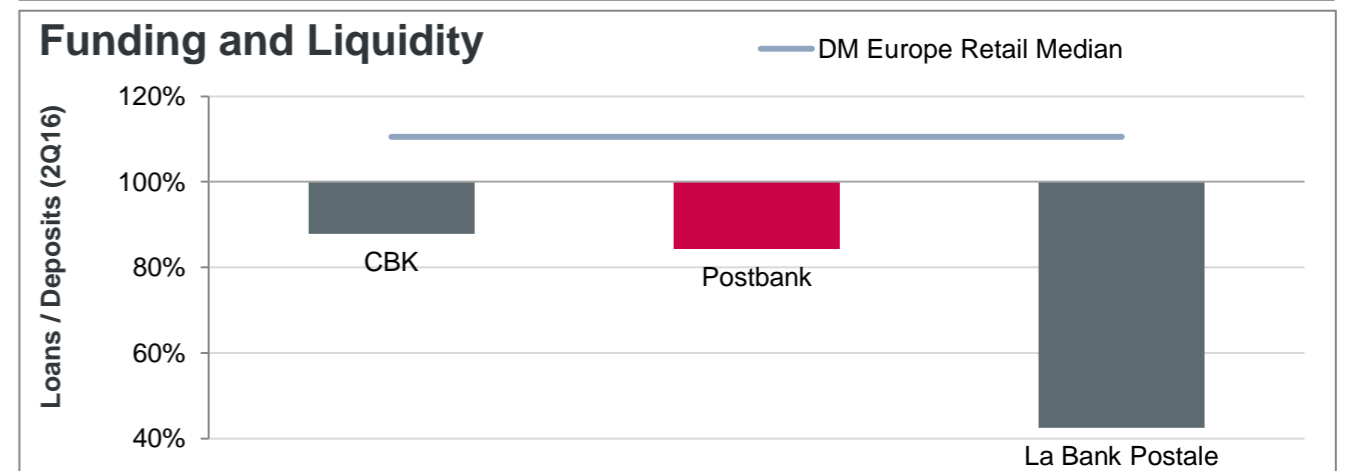
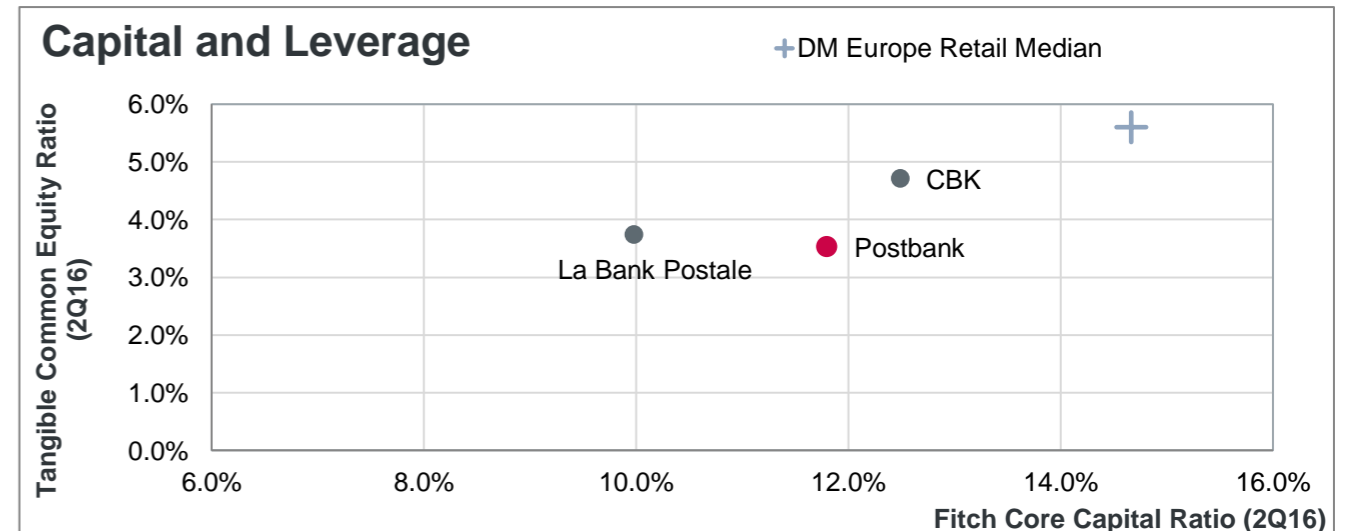
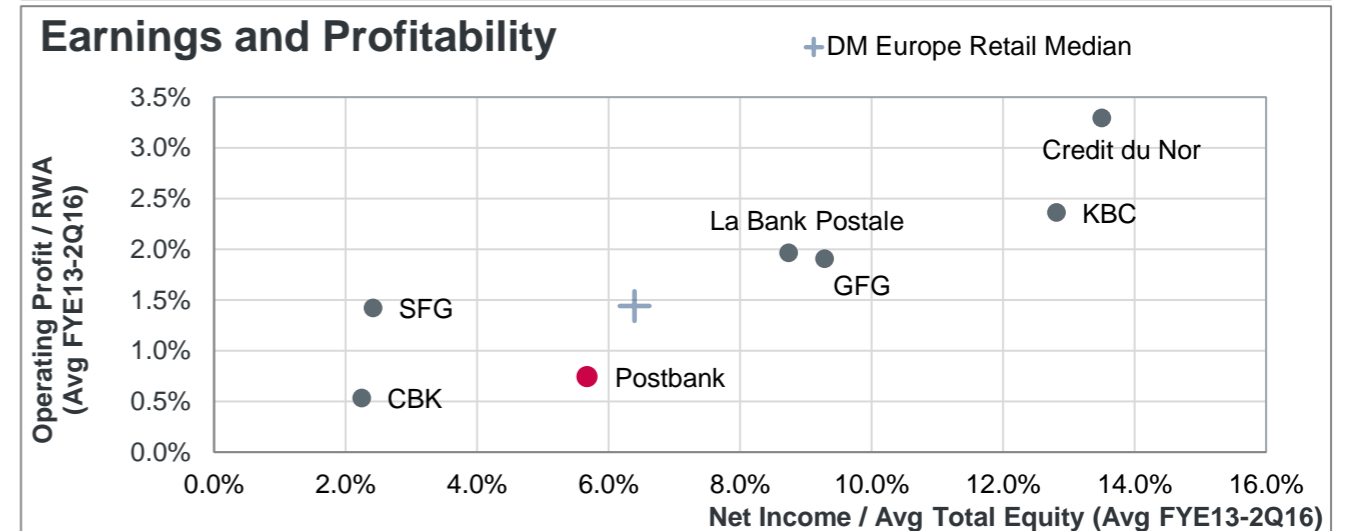
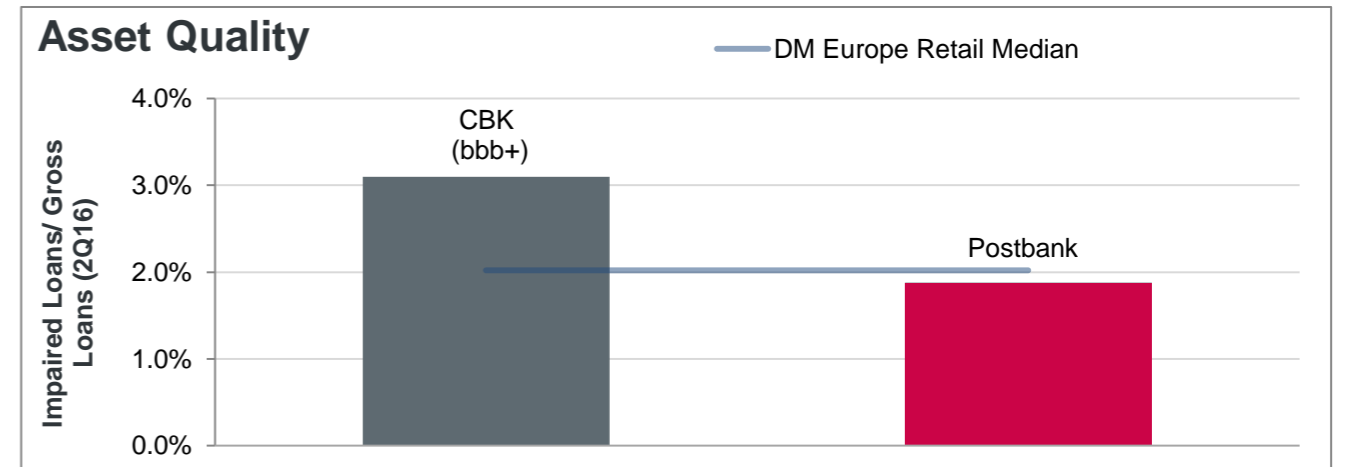
Banks Ratings Navigator		
Navigator date:	05 Sep 2016	
Last rating action:	26 Aug 2016	
Sector Details:		
Bank sector:	Retail	
Region:	DM Europe	
Country:	Germany	
Country IDR:	AAA Stable	
Last action:	01 Apr 16 Affirmed	
Country ceiling:	AAA	
Macro prudential indicator:	1	
Bank systemic indicator:	a	
Bank Rating History		
Viability Rating (VR)		
26 Aug 16	bbb+	New Rating
27 Sep 12	WD	Withdrawn
27 Sep 12	bbb	Affirmed
Issuer Default Rating (IDR)		
26 Aug 16	BBB+ Stable	Affirmed
10 Dec 15	BBB+ RWE	Downgrade
17 Aug 15	A- RWN	RW Maintained
Support Rating Floor (SRF)		
30 May 11	WD	Withdrawn
30 May 11	A+	Affirmed
20 Dec 10	A+	Affirmed
Bar Chart Legend:		
Vertical bars = VR range of Rating Factor		
Bar Colors = Influence on final VR		
■	Higher Influence	
■	Moderate Influence	
■	Lower Influence	
Bar Arrows = Rating Factor Outlook		
↑	Positive	↓ Negative
↕	Evolving	□ Stable
Peer Ratings bars = Count of banks		
73	DM Europe Retail	
3	Germany Retail	
Relevant Criteria & References		
Global Bank Rating Criteria (Jul 2016)		
Macro-Prudential Risk Monitor (May 2016)		
Analysts		
Patrick Rioual (+49 69 768076 123)		
Lola Yusupova (+49 69 768 076 114)		

Rating	Peer Ratings	Operating Environment	Company Profile	Management & Strategy	Risk Appetite	Financial Profile				Viability Rating	Institutional Support	Issuer Default Rating
						Asset Quality	Earnings & Profitability	Capitalisation & Leverage	Funding & Liquidity			
aaa										aaa	AAA	AAA
aa+										aa+	AA+	AA+
aa										aa	AA	AA
aa-										aa-	AA-	AA-
a+										a+	A+	A+
a										a	A	A
a-										a-	A-	A-
bbb+										bbb+	BBB+	BBB+ Stable
bbb										bbb	BBB	BBB
bbb-										bbb-	BBB-	BBB-
bb+										bb+	BB+	BB+
bb										bb	BB	BB
bb-										bb-	BB-	BB-
b+										b+	B+	B+
b										b	B	B
b-										b-	B-	B-
ccc										ccc	CCC	CCC
cc										cc	CC	CC
c										c	C	C
f										f	NF	D or RD

Institutional Support		Value
Parent IDR		A-
Total Adjustments (notches)		-1
Institutional Support:		BBB+
Support Factors (negative)		
Equalised	1 Notch	2+ Notches
Parent Ability to Support		
Parent/group regulation	✓	
Relative size		✓
Parent Propensity to Support		
Role in group		✓
Potential for disposal		✓
Implication of subsidiary default	✓	
Integration		✓
Jurisdiction	✓	
Size of ownership stake	✓	
Support track record		✓
Subsidiary performance and prospects		✓
Branding		✓
Legal commitments	✓	
Cross-default clauses		✓

Drivers & Sensitivities	
IDR Now Driven by VR, Parent's Support Still Highly Likely	Postbank's IDR is driven by the bank's individual strength, reflected in its VR. We view the support of PB's parent Deutsche Bank as highly probable as long as DB remains PB's majority owner, because failure to grant it would result in a huge reputational damage to DB.
Progress in Preparation of PB's Deconsolidation	Fitch has assigned PB a VR due to the sufficient progress in preparing PB's separation from the parent, evidenced by the recently completed steps to ensure bank's operational independence from DB upon its sale as well as the withdrawal of the declaration of backing by the DB.
VR Drivers	PB's VR reflects its adequate nationwide retail franchise, stable and transparent business model, with a strong focus on domestic retail banking, particularly deposit-taking, residential mortgage lending and SME financing, as well as bank's satisfactory financial profile.
Moderate Profitability	Moderate results are the main constraint to PB's VR. They are dented by continuing, although declining, losses of the Non-Core Operating Unit (NCOU) and costs related to separation from DB. Similarly to the peers, low interest rates and regulatory costs hamper PB's performance.
Solid Asset Quality	The strong quality of PB's loan book reflects its focus on domestic retail business, particularly residential mortgage lending, which has historically been robust and resilient. PB's securities holdings have been reduced and are dominated by bonds issued by banks and sovereigns.
Improved Capitalisation	PB's capitalisation has improved in recent years and is adequate in view of its solid and granular loan book. Capitalisation should benefit from the run-off of the NCOU, resulting in an improved internal capital generation and further deleveraging, albeit not in the short term.
Stable Funding and Liquidity	PB's funding and liquidity are underpinned by its stable and granular retail deposit base. The bank's other funding sources are well-diversified and mostly stable, with limited sensitivity to market sentiment.
VR Sensitivities	A VR upgrade would require materially and sustainably improved results or capitalisation, while maintaining solid asset quality through the cycle. Downside pressure could arise from a severe deterioration of the operating environment or a material shift in strategic objectives.

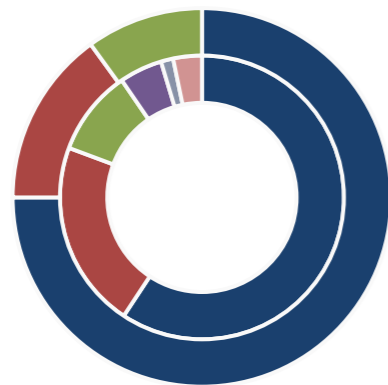
Key Financial Ratios (31 Aug 2016)	Postbank				Direct Peers Median				Region Sector Median							
	Number of Banks:				3	5	7	7								
	Statement:				2Q16	FYE15	FYE14	FYE13	2Q16	FYE15	FYE14	FYE13	2Q16	FYE15	FYE14	FYE13
Size (EURbn)																
Total assets	148	151	155	161	226	218	213	206	40	40	37	39				
Risk weighted assets (RWA)	44	45	44	47	55	54	80	80	17	15	16	17				
Total equity	7	7	6	6	9	9	12	12	3	2	2	2				
Fitch core capital (FCC)	5	5	5	4	5	5	10	10	2	2	2	2				
Asset Quality																
Impaired loans/gross loans	1.9%	2.0%	2.7%	2.9%	2.5%	3.4%	5.5%	6.8%	2.0%	3.3%	3.9%	4.0%				
Growth of gross loans	1.6%	0.4%	-3.3%	-4.7%	1.6%	4.1%	1.6%	0.4%	1.7%	1.5%	1.8%	-0.9%				
Reserves for impaired loans/impaired loans	51.1%	48.0%	52.2%	50.6%	53.6%	48.0%	50.2%	50.6%	49.1%	54.3%	55.0%	50.9%				
Loan impairment charges/avg gross loans	0.2%	0.2%	0.3%	0.3%	0.2%	0.3%	0.4%	0.3%	0.1%	0.3%	0.4%	0.6%				
Earnings and Profitability																
Operating profit/risk weighted assets	0.6%	1.1%	0.3%	1.0%	0.6%	2.0%	2.0%	1.6%	1.6%	1.6%	1.3%	1.2%				
Net interest income/average earning assets	1.7%	1.6%	1.6%	1.5%	1.5%	1.6%	1.8%	1.7%	1.5%	1.6%	1.6%	1.6%				
Non-interest expense/gross revenues	87.7%	81.4%	89.0%	79.6%	82.9%	74.0%	66.3%	65.3%	63.2%	62.6%	61.0%	61.4%				
Loans & secs imp charges/pre-imp op. profit	36.2%	30.6%	68.2%	41.2%	36.2%	23.5%	19.3%	26.2%	12.9%	19.5%	31.3%	40.4%				
Operating profit/average total assets	0.2%	0.3%	0.1%	0.3%	0.2%	0.5%	0.8%	0.6%	0.6%	0.7%	0.6%	0.4%				
Net income/average total equity	4.0%	9.0%	4.1%	5.7%	4.0%	9.0%	9.0%	5.8%	8.0%	6.9%	5.6%	5.1%				
Capital and Leverage																
FCC/FCC-adjusted risk weighted assets	11.8%	11.6%	10.3%	8.8%	11.8%	12.1%	11.5%	11.6%	14.7%	14.2%	13.2%	11.8%				
Basel leverage ratio	3.9%	4.1%	n.a.	n.a.	3.9%	5.2%	5.3%	n.a.	4.7%	5.3%	5.2%	4.1%				
Tangible common equity/tangible assets	3.5%	3.5%	2.9%	2.6%	3.7%	3.9%	4.0%	4.1%	5.6%	6.4%	6.0%	5.8%				
CET1 capital ratio	13.1%	13.7%	10.7%	n.a.	13.2%	13.7%	11.7%	11.4%	14.1%	13.6%	12.3%	11.9%				
Internal capital generation	4.0%	8.5%	4.0%	5.4%	4.0%	8.5%	3.6%	2.4%	7.6%	5.6%	4.1%	2.4%				
Imp loans less reserves for imp Loans/FCC	17.8%	19.1%	27.7%	35.0%	14.7%	19.1%	27.8%	40.2%	12.3%	11.5%	18.9%	24.7%				
Funding and Liquidity																
Loans/customer deposits	84.4%	82.6%	81.3%	84.2%	84.4%	83.4%	94.2%	96.7%	110.5%	107.9%	108.4%	116.2%				
Liquidity coverage ratio	n.a.	n.a.	n.a.	n.a.	n.a.	172.5%	152.0%	131.0%	143.0%	144.0%	190.0%	151.3%				
Customer deposits/total funding excl derivs	85.6%	84.3%	82.3%	80.0%	83.3%	71.3%	76.9%	74.5%	77.9%	74.2%	72.3%	67.3%				



Business Mix

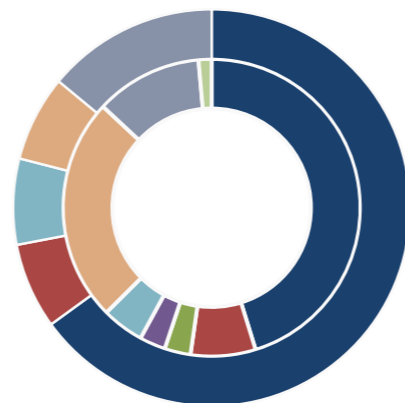
(by profit or revenue)

- Retail banking (75%)
- SME banking (15%)
- Corporate banking (10%)
- Investment banking (n.a.)
- Transaction banking (n.a.)
- Asset management (n.a.)
- Insurance (n.a.)
- Other (n.a.)



Lending Type

- Resi mortgages (65%)
- Comm mortgages (7%)
- Asset finance (n.a.)
- Other secured (n.a.)
- Personal unsecured (7%)
- Comm unsecured (7%)
- FIs & Sovs (14%)
- High yield (n.a.)
- Other unsecured (n.a.)



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