

**Financial statement
dated 31 December 2018
and situation report**

AUDIT CERTIFICATE

VÖB-ZVD Processing GmbH
Bonn

Annual Balance Sheet 31 December 2018
VÖB-ZVD Processing GmbH Bonn

Asset side	31/12/2018	31/12/2017
	Euro	Euro
1. Cash reserve	76,808,732.19	61,571,392.97
a) from payment services and the expenditure of electronic money including:	76,808,436.14	61,571,342.94
Credit balances at central banks	7,163,990.00	3,857,215.00
b) from other activities	296.05	50.03
2. Receivables	53,579,044.42	62,956,913.67
a) from payment services and the expenditure of electronic money of that, balances in escrow accounts	15,499,401.06	14,550,626.24
b) from other activities	15,021,310.79	14,078,302.55
aa) due daily	38,079,643.36	48,406,287.43
bb) other receivables	32,244,417.21	46,084,642.04
3. Receivables from customers	5,835,226.15	2,321,645.39
a) from payment services and the expenditure of electronic money of that: from commissions	438,246.00	123,296.33
b) from other activities	343,971.63	43,980.40
4. Receivables from institutes pursuant to §1(3) of the Zahlungsdiensteaufsichtsgesetz	0.00	0.00
a) from payment services and the expenditure of electronic money	94,274.37	79,315.93
b) from other activities	13,789,348.89	8,748,717.32
aa) purchased concessions, industrial property rights and similar rights and values and licenses to such rights and values	13,433,930.00	8,517,550.00
bb) advance payments	355,418.89	231,167.32
5. Shareholdings	251,000.00	251,000.00
a) from payment services and the expenditure of electronic money including:	26,000.00	26,000.00
aa) in institutes pursuant to §1(3) of the Payment Services Oversight Act	26,000.00	26,000.00
b) from other activities	225,000.00	225,000.00
6. Intangible assets	1,061,442.50	1,461,585.00
a) from payment services and the expenditure of electronic money	115,501.38	153,967.60
aa) purchased concessions, industrial property rights and similar rights and values and licenses to such rights and values	114,251.80	153,967.60
bb) advance payments	1,249.58	0.00
b) from other activities	945,941.12	1,307,617.40
aa) purchased concessions, industrial property rights and similar rights and values and licenses to such rights and values	935,707.20	1,307,617.40
bb) advance payments	10,233.92	0.00
7. Tangible assets	1,987,452.98	2,499,822.94
a) from payment services and the expenditure of electronic money	212,127.89	256,646.01
b) from other activities	1,775,325.09	2,243,176.93
8. Other assets	987.30	148,806.64
a) from payment services and the expenditure of electronic money	70.21	0.00
b) from other activities	917.09	148,806.64
9. Accruals and deferrals	1,626,236.52	2,414,365.34
a) from payment services and the expenditure of electronic money	168,197.66	242,439.31
b) from other activities	1,458,038.86	2,171,926.03
Total assets	149,542,490.80	140,175,900.21

Annual Balance Sheet 31 December 2018
VÖB-ZVD Processing GmbH Bonn

Liabilities side	31/12/2018	31/12/2017
	Euro	Euro
1. Liabilities due to credit institutes	94,488,225.46	73,671,310.86
a) from payment services and the expenditure of electronic money	94,431,024.36	73,671,266.91
aa) due daily	90,799,079.17	70,535,802.05
bb) with contractual term or termination notice period	3,631,945.19	3,135,464.86
b) from other activities	57,201.10	43.95
aa) with contractual term or termination notice period	57,201.10	43.95
2. Liabilities due to customers	12,175,536.33	11,917,468.53
a) from payment services and the expenditure of electronic money thereof:	11,884,587.76	11,163,402.93
for the execution of payment transactions	11,407,602.99	10,976,596.84
including:		
in payment accounts	11,389,365.60	10,942,282.96
b) from other activities	290,948.57	754,065.60
3. Liabilities due to institutes pursuant to §1(3) of the Payment Services Oversight Act	680.00	680.00
a) from payment services and the expenditure of electronic money	680.00	680.00
b) from other activities	0.00	0.00
4. Other liabilities	251,205.83	1,111,593.62
a) from payment services and the expenditure of electronic money	17,808.46	14,572.05
b) from other activities	233,397.37	1,097,021.57
5. Accruals and deferrals	89,071.50	52,074.62
a) from payment services and the expenditure of electronic money	0.00	0.00
b) from other activities	89,071.50	52,074.62
6. Provisions	9,379,748.31	12,258,240.55
a) Provisions for pensions and similar obligations	1,906,554.00	1,469,995.00
aa) from payment services and the expenditure of electronic money	135,713.70	82,240.90
bb) from other activities	1,770,840.30	1,387,754.10
b) Tax provisions	5,305,720.08	8,759,516.16
aa) from payment services and the expenditure of electronic money	742,460.14	452,343.17
bb) from other activities	4,563,259.94	8,307,172.99
C) Change in other provisions	2,167,474.23	2,028,729.39
aa) from payment services and the expenditure of electronic money	182,581.41	275,694.23
bb) from other activities	1,984,892.82	1,753,035.16
7. Equity capital	33,158,023.37	41,164,532.03
a) Subscribed capital	425,000.00	425,000.00
b) Capital reserve	10,847,476.28	10,847,476.28
c) Retained earnings	13,904,501.55	3,904,501.55
aa) other retained earnings	13,904,501.55	3,904,501.55
d) Net profit	7,981,045.54	25,987,554.20
Total liabilities	149,542,490.80	140,175,900.21

Profit and Loss Statement for the period from 01/01/ - 31/12/2018
VÖB-ZVD Processing GmbH Bonn

	2018	2017
	Euro	Euro
1. Interest income	507,201.37	518,630.52
a) from payment services and the expenditure of electronic money	649,471.47	605,423.85
aa) from credit and money market transactions	649,471.47	605,423.85
b) from other activities	-142,270.10	-86,793.33
bb) from credit and money market transactions	-142,270.10	-86,793.33
2. Interest costs	889,086.81	764,143.22
a) from payment services and the expenditure of electronic money	682,005.94	620,410.79
b) from other activities	207,080.87	143,732.43
3. Current income	171,061.96	94,190.30
a) from payment services and the expenditure of electronic money	0.00	0.00
aa) Shareholdings	0.00	0.00
b) from other activities	171,061.96	94,190.30
bb) Shareholdings	171,061.96	94,190.30
4. Commission revenues	25,853,634.23	33,393,107.92
a) from payment services and the expenditure of electronic money	2,813,275.68	3,517,726.81
b) from other activities	23,040,358.55	29,875,381.11
5. Commission costs	3,740,411.84	8,070,434.28
a) from payment services and the expenditure of electronic money	1,399,680.66	1,174,338.82
b) from other activities	2,340,731.18	6,896,095.46
6. Other operating income	7,055,908.42	30,302,904.67
a) from payment services and the expenditure of electronic money	201,097.07	167,122.31
b) from other activities	6,854,811.35	30,135,782.36
7. General administrative costs	15,163,408.69	20,085,177.57
a) from payment services and the expenditure of electronic money	869,821.84	1,432,667.32
aa) Personnel expenses	536,936.12	537,828.20
aaa) Wages and salaries	445,169.81	454,893.70
bbb) Social contributions and expenses for of old-age pension and support	91,766.31	82,934.50
including: for old-age pension	22,688.80	13,701.64
bb) other administrative expenditures	332,885.72	894,839.12
b) from other activities	14,293,586.85	18,652,510.25
aa) Personnel expenses	7,006,132.20	9,075,451.57
aaa) Wages and salaries	5,808,732.99	7,675,993.42
bbb) Social contributions and expenses for of old-age pension and support	1,197,399.21	1,399,458.15
including: for old-age pension	296,051.50	231,205.01
bb) other administrative expenditures	7,287,454.65	9,577,058.68
8. Amortisation and value adjustment of intangible assets and tangible assets	1,878,954.14	2,212,265.97
a) from payment services and the expenditure of electronic money	2,384.24	226,552.39
b) from other activities	1,876,569.90	1,985,713.58

	2018	2017
	Euro	Euro
9. Other operating costs	40,359.50	152,173.34
a) from payment services and the expenditure of electronic money	72.88	828.73
b) from other activities	40,286.62	151,344.61
10. Write-downs and value corrections on receivables and certain securities as well as inflows into provisions in the credit segment	0.00	1,016.97
a) from payment services and the expenditure of electronic money	0.00	107.13
b) from other activities	0.00	909.84
11. Earnings from appreciations on receivables and certain securities as well as from the dissolution of provisions in the credit segment	0.00	436.53
a) from payment services and the expenditure of electronic money	0.00	45.99
b) from other activities	0.00	390.54
12. Earnings from normal business operations	11,875,585.00	33,024,058.59
a) from payment services and the expenditure of electronic money	709,878.66	835,413.77
b) from other activities	11,165,706.34	32,188,644.82
13. Taxes on income and profit	3,894,539.46	7,036,504.39
a) from payment services and the expenditure of electronic money	230,104.24	174,195.38
b) from other activities	3,664,435.22	6,862,309.01
14. Annual net profit	7,981,045.54	25,987,554.20
a) from payment services and the expenditure of electronic money	479,774.42	661,218.39
b) from other activities	7,501,271.12	25,326,335.81
15. Balance sheet profit	7,981,045.54	25,987,554.20

Appendix

VÖB-ZVD Processing GmbH Bonn

**Attachment for the fiscal year
from 1 January to 31 December 2018**

I. General information

VÖB-ZVD Processing GmbH (VÖB-ZVD Processing) is incorporated in Bonn and is registered in the District Court of Bonn commercial register under the register number HRB 23407.

On 25 May 2018, Deutsche Postbank AG, Bonn, was merged into Deutsche Bank Privat- und Geschäftskunden AG, Frankfurt am Main, in accordance with §2(1) of the UmwG (Environmental Act) effective on 1 January 2018. At the same time, Deutsche Bank Privat- und Geschäftskunden AG, Frankfurt am Main, was renamed to DB Privat- und Firmenkundenbank AG, Frankfurt am Main (DB PFK AG).

Deutsche Bank AG, Frankfurt am Main is DB PFK AG's parent company. The companies in the DB Privat- und Firmenkundenbank Group are included in the Deutsche Bank AG consolidated financial statement.

VÖB-ZVD Processing is included in DB Privat- und Firmenkundenbank AG's (smallest consolidation unit) partial consolidated financial statement and Deutsche Bank AG's (largest consolidation unit) consolidated financial statement.

The DB Privat- und Firmenkundenbank AG and der Deutsche Bank AG consolidated financial statements are published in the Federal Gazette.

The share capital amounts to €425k. The shareholders are Postbank, which holds 75%, and Bundesverband Öffentlicher Banken Deutschlands e.V., Berlin (VÖB e.V.), which holds 25%. The share held by VÖB e.V. in the amount of €106k, shall hereby be held in escrow by VÖB e.V. (fiduciary) for DB PFK AG (formerly Postbank; (trustor)) in accordance with the escrow agreement concluded on 13 January 2017.

Since the conclusion of the agreement on 12 May 2014 and effective since 1 January 2014, a sales tax allocation agreement between Deutsche Bank AG (parent company) and VÖB-ZVD Processing (subsidiary) has applied on the basis of the sales tax entity.

II. Accounting regulations

In a letter dated 29 September 2017, VÖB-ZVD Processing notified BaFin in accordance with §66(2) of the (ZAG) that the company would like to continue providing payment service past 13 July 2018. In a letter from the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) dated 23 July 2018, VÖB-ZVD Processing was issued a permit to provide payment services pursuant to § 1(1) Sentence 2 Nos. 1, 2, 3, 3a, 3c, 5 and 6 of the Payment Services Oversight Act (Zahlungsdiensteaufsichtsgesetz (ZAG)).

VÖB-ZVD Processing is subject to the legal standards in the Payment Service Oversight Act (Zahlungsdiensteaufsichtsgesetz (ZAG) and shall be monitored accordingly under oversight laws, by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and the central bank for the Federal Republic of Germany (Bundesbank). The company compiles its annual financial statement for the fiscal year period from 1 January to 31 December 2018 in accordance with mandatory structure for payment institutes (Forms 1 and 2) in the Payment Institutes Accounting Ordinance (Zahlungsinstituts-Rechnungslegungsverordnung (RechZahIV). In addition, the regulations in §§ 340 et seq in conjunction with §§ 238 et seq. of the HGB, compliance with which is required for payment institutes, were applied.

III. Accounting and assessment methods

The cash reserve, receivables from credit institutes, receivables from customers, receivables from institutes pursuant to §1(3) of the Payment Service Oversight Act (Zahlungsdiensteaufsichtsgesetz(ZAG) and the other assets have been recognised at the nominal value in compliance with the strict lowest value principle.

There are no foreign currency receivables on the balance sheet date.

Equity interests have been capitalised at amortized acquisition cost. In the event of continuous write-downs, unscheduled write-downs shall be applied. If value recovery is required, they shall be executed

in accordance with § 253(6) of the HGB. The option granted in accordance with § 253(3) Sentence 6 of the HGB shall not be exercised.

Purchased intangible assets and tangible assets shall be capitalised at acquisition cost, reduced by scheduled, utilisation-dependent write-downs. The write-downs were determined linearly based on the expected normal operational duration of use. In the event of continuous write-downs, unscheduled write-downs shall be applied.

The option granted in accordance with § 248(2) of the HGB to include internally generated intangible assets in the capital assets as an asset item on the balance sheet was not exercised.

The fixed assets exclusively include the operational and business equipment. VÖB-ZVD Processing does not own any land or buildings for own use.

Write-downs on low-value assets have been executed in compliance with tax regulations pursuant to 6(2a) since 2018. The depreciation standard applied in the previous years in compliance with § 6(2a) of the EStG (Income Tax Act) is no longer applied.

Advance payments shall be evaluated at the nominal amount.

An accounting of the deferred tax assets on 31 December 2018 shall be waived pursuant to § 274(1) Sentence 2 of the HGB.

With the amendment of §253(2) of the HGB in 2016, the observation period to determine the average interest for old-age pension obligations was expanded from seven to ten fiscal years. The difference resulting from assessment at the 10-year average and assessment at the 7-year average is subject to a dividend payout block (see Section VI. Other disclosures).

The recognised liabilities due to credit institutes, liabilities due to customers, liabilities due to payment institutes and other liabilities shall be recorded at the fulfilment amount.

There are no foreign currency liabilities on the balance sheet date.

The recognised pension provisions and similar obligations are based on actuarial assessments which determine the amount of the provisions based on the projected, unit credit method, while taking the "Guideline Tables 2018 G" by Prof. Klaus Heubeck (previous year: "Guideline Tables 2005 G" by Prof. Dr. Klaus Heubeck). The impacts with an effect on income from the initial application of the new biometric accounting principles amount to €24,000 (increases provisions).

When calculating the pension provisions, an actuarial interest rate based on the average market interest rate of the past ten fiscal years in the amount of 3.21 % (12/31/2017 3.68 %) was applied. The average market interest rate of the past seven fiscal years would have been 2.32%. The dynamic growth on creditable compensations was accounted for at 2.2 % (31/12/2017 2.4 %), the dynamic growth on the income threshold for the statutory pension insurance at 2.2 % (31/12/2017 2.4 %), and the dynamic growth of the adjustment of current pensions at 1.6 % (31/12/2017 1.8 %). Deferred compensations shall be adjusted at a fixed rate of 1.0%. In total, a remaining term of 15 years was assumed for the pension provisions.

The tax provisions and the other provisions took all identifiable risks and uncertain obligations into account. The provisions are carried as liabilities at the necessary settlement amount and are discounted pursuant to § 253(1) of the HGB in the event of a remaining term of more than one year.

Accrued and deferred income was recognised in accordance with § 250 of the HGB.

The equity capital, in compliance with § 252 of the HGB, includes the subscribed capital, the capital reserves, the other retained earnings and the net profit. The company's share capital has been fully paid up.

IV. Notes on the balance sheet

First, the following explanation: as already detailed above, Deutsche Postbank AG, Bonn, was merged into Deutsche Bank Privat- und Geschäftskunden AG, Frankfurt am Main on 25 May 2018 and renamed DB Privat- und Firmenkundenbank AG, Frankfurt am Main. The brands, "Deutsche Bank" and "Postbank" which were established on the German banking market, were retained. As VÖB-ZVD Processing is or was in a business relationship with both of the aforementioned companies, the interconnected relationships are differentiated into "DB PFK AG Postbank Brand" or "DB PFK AG Deutsche Bank Brand".

Cash reserve

The cash reserve in the amount of €76.809 million (31/12/2017 €61,571 million) resulted almost exclusively from the automatic teller machine business segment and includes €69.645 million in cash held in automatic teller machines (31/12/2017 €57.714 million) and €7.164 million in credit balances at Deutsche Bank (31/12/2017 €3.847million). (31.12.2017 €57.714 million) and €7.164 million in credit balances at the Deutsche Bundesbank (31.12.2017 €3.857 million).

Receivables

The receivables from credit institutes in the amount of €53.579 million (31/12/2017 €62.957 million), of which €53.545 million (31/12/2017 €62.923 million) are due from affiliated companies, are largely comprised of credit balances in the payment transaction processing accounts as trust assets at DB PFK AG Postbank Brand in the amount of €15.021 million (31/12/2017 €14.078 million) and the internal business account credit balance at DB PFK AG Postbank Brand in the amount of €32.240 million (31/12/2017 €46.080 million). Of the remaining receivables from PFK AG Postbank Brand, €1.347 million consist of trade receivables (31/12/2017 €470,000). There is a receivable from chargeable capital gains taxes against the tax parent company Deutsche Bank AG from the tax group with the former PBC Banking Services German from 2014 amounting to €4000. There additional are receivables from affiliated credit institutes in the amount of €9.916 million (31/12/2017 €1.479 million) from DB PFK AG Deutsche Bank Brand, €277,000 (31/12/2017 €238,000) from Konzernobergesellschaft Deutsche Bank AG, and €47,000 (31/12/2017 €110,000) from norisbank GmbH, Bonn, from trade receivables. The receivables from credit institutes have terms of up to three months.

Receivables from customers

Receivables from customers in the amount of €438,000 (31/12/2017 €123,000) are the result of trade payables from the automatic teller machine business. There are receivables from affiliated companies in the amount of €5,000 (31/12/2017 €5,000). The receivables from customers have terms of up to three months.

Receivables from institutes in accordance with § 1(3) of the ZAG (Payment Services Oversight Act)

The receivables from institutes in accordance with §1(3) of the ZAG amount to €13.789 million (31/12/2017 €8.749 million), are payable within 3 months and result almost exclusively from offsetting credit card revenue from the operated ATMs. The receivables from credit institutes, customers and institutes in accordance with §1(3) of the ZAG are fully non-securitised.

Capital assets

VÖB-ZVD Processing owns the following **shareholdings**:

Name and place of incorporation:	Share of the capital	Equity capital as of 12/31/2017	Profit and loss 2017	Balance sheet value 31/12/2018
	%	€millions	€thousands	€thousands
EURO Kartensysteme GmbH, Frankfurt am Main (EKS)	1.0	11.835	590	26
SRC Security Research & Consulting GmbH, Bonn (SRC)	22.5	5.356	855	225

The development of the capital assets is presented in the asset analysis (attachment to the Appendix). The operating and business equipment amounts to €1.849 million (31/12/2017 €1.845 million) on the balance sheet date. VÖB-ZVD Processing does not own any land or buildings designated for their own use.

The major inflows during the fiscal year consist of €1.174 million for hardware components (firewall, network, server systems) of which €646,000 were transfers from advance payments made for the network components which were still being built around the end of 2017. An additional €546,000 in the reporting year are allocated to new servers and cryptoboxes. €268,000 relate to software and result largely from expansions of the client-capable authorisation system. Additional provisions in the amount of €25,000 relate to operating and business equipment (€18,000) and low-value assets (€7,000). In addition, €145,000 were spent on advance payments for hardware and software projects in progress on the balance sheet date.

Other assets

Other assets amount to €1000 (31/12/2017 €149,000).

Deferred charges

On 31 December 2018, the deferred charges amount to €1,626k (31/12/2017 €2,414k) and are the result of payments made in advance for software and hardware maintenance, licenses, support services and salaries paid in advance.

Liabilities due to credit institutes

The liabilities due to credit institutes in the amount of €94.488 million (31/12/2017 €73.671 million) are largely the liabilities to DB PFK AG Postbank Brand from the operating loan for the purpose of filling the ATMs with cash in the amount of €90.792 million (31/12/2017 €70.535 million). As a result of our position as a head elc fee office, liabilities in the amount of €3.632 million (31/12/2017 €3.136 million) arise from ec cash fees from November 2018 which still have to be passed on. In total, there are liabilities due to affiliated companies in the amount of €94.488 million (31/12/2017 €73.671 million). The liabilities due to credit institutes have terms of up to three months.

Liabilities due to customers

This item in the amount of €12.176 million (31/12/2017 €11.917 million) is fully non-securitised, payable within three months and is largely comprised of the asset and offsetting account kept as trust liabilities from charging processes in the money card central database ("stock market offsetting accounts) business segment in the amount of €10.326 million (31/12/2017 €10.006 million). In total, the trust liabilities amount to €11.389 million (31/12/2017 €10.942 million). There are no liabilities due to companies in which a participating interest is held.

Liabilities due to institutes in accordance with § 1(3) of the ZAG (Payment Services Oversight Act)

Liabilities due to payment institutes in the amount of €1000 (31/12/2017 €1000) are the result of trade payables. The liabilities due to payment institutes have terms of up to three months.

Other liabilities

The other liabilities in the amount of €251,000 (31/12/2017 €1.112 million) relate to pending corporate taxes/solidarity surcharge, payroll taxes and social insurance contributions. The other liabilities have terms of up to three months.

All reported liabilities are non-securitised and unsecured.

Deferred income

The deferred income in the amount of €89,000 (31/12/2017 €52,000) includes deferrals from fees collected in advance.

Provisions

The pension liabilities on 31 December 2017 in the amount of €1.907 million (31/12/2017 €1.470 million) are the result of seven direct commitments, of which three commitments in the amount of €947,000 were issued in the form of compensation conversions for operational old-age benefits (deferred compensation). All commitments were assessed in an actuarial assessment performed by Willis Towers Watson GmbH, Reutlingen.

There are tax provisions totalling €5.306 million (31/12/2017 €8.760 million) in the amount of €1.857 million for commercial tax for the previous year and in the amount of €3.449 million for corporate taxes/solidarity surcharge.

Other provisions in the amount of €2.167 million (31/12/2017 €2.029 million) include personnel-related provisions in the amount of €657,000 (31/12/2017 €538,000) which are largely comprised of expected reconciliation of interests payments resulting from the sale of the Frankfurt network operation, from employee bonus claims and residual holiday time claims. The provisions for bonus payments are divided into claims from the 2018 fiscal year as well as potential claims which will not be paid out until later periods in the framework of the corporate sustainability rules.

Other provisions not related to personnel in the amount of €1.511 million (31/12/2017 €1.490 million) are largely comprised of €503,000 (31/12/2017 €470,000) in provisions from dismantling obligations for rented real estate, €180,000 (31/12/2017 €180,000) from annual financial statement costs, €703,000 (31/12/2017 €641,000) in provisions for pending invoices, €58,000 (31/12/2017 €79,000) for tax consulting services and €66,000 (31/12/2017 €65,000) in provisions for archiving costs.

Discounts over the corresponding remaining terms were executed.

Equity capital

The company's subscribed capital amounts to €425,000 (31/12/2017 €425,000), the capital reserves €10.847 million (31/12/2017 €10.847 million) and the retained earnings €13.905 million (31/12/2017 €3.905 million).

In total, VÖB-ZVD Processing's profit in the 2017 fiscal year amounts to €7.9813 million (previous year €25.988 million).

V. Information about the profit and loss statement

The interest earnings in the amount of €507,000 (2017 €519,000) are offset by interest expenses in the amount of €899,000 (2017 €764,000). The accrued interest on existing provisions amounts to €223,000 (2017 €147,000). There are interest expenses due to affiliated companies in the amount of €666,000 (2017 €616,000). The interest income includes custodian fees in terms of negative interest in the amount of €142,000 (previous year €100,000).

The current earnings in the amount of €171,000 (2017 €94,000) relate to the payout of the shares in SRC.

The commission revenues amount to €25.854 million (2017 €33.393 million). A total of €19.905 million (2017 €18.479 million) resulted from transactions with affiliated companies.

The commission expenses amounted to €3.740 million (2017 €8.070 million). A total of €6,000 (2017 €6,000) resulted from transactions with affiliated companies.

The other operating income in the amount of €7.056 million (2017 €30.303 million) are largely comprised of earnings from the milestones payments in the amount of €6 million resulting from the sale of the Frankfurt network operation as well as tax refunds in the amount of €571,000 in 2017. There were no earnings from relationships to affiliated companies during the reporting year (2017 €125,000).

Personnel expenses amounted to €7.543 million (2017 €9.613 million). In 2018, two chief executives received compensation from VÖB-ZVD Processing. Another chief executive received his compensation directly from DB PFK AG. From 1 January 2019, all chief executives received their compensation directly from DB PFK AG. For more information about the development of personnel numbers, please refer to the information provided under 'Other disclosures'.

The other administrative expenses amount to €7.620 million (2017 €10.472 million). The following amounts due from affiliated companies were disclosed: €954,000 (2017 €1.009 million), of that €603,000 (2017 €649,000) from Postbank Systems AG, Bonn, €273,000 (2017 €275,000) from DB PFK AG Postbank Brand, €45,000 from Betriebscenter für Banken AG, Frankfurt am Main, (BCB AG) and €33,000 from PB Immobilien und Baumanagement GmbH & Co Objekt Leipzig KG.

The write-downs on intangible assets and tangible assets amount to €1.879 million (2017 €2.212 million) and consist of €680 in intangible assets, €1.188 million for hardware/data processing systems and workstation systems and €11,000 in low-value assets. There were no unscheduled write-downs this fiscal year.

Other operating expenses amount to €40,000 (2017 €152,000). There are no expenses owed to affiliated companies.

Write-downs and value adjustments on trade receivables were executed not during the reporting year (2017 €1,000).

The profit taxes in the amount of €3.895 million (2017 €7.037 million) are largely from the 2018 fiscal year. Of that, €2.006k million are allocated to commercial taxes and €1.847 million to corporate taxes and the solidarity surcharge.

The earnings were generated almost exclusively on the domestic market.

VI. Other information

Employees

The average number of staff employed decreased by 28 to 84 during the fiscal year. The cause of the decrease is the sale of the Frankfurt network operation in 2017 and the associated transfer of employees. Using the internal corporate full-time employee method, the 84 employees employed at the end of the year correspond to a total of 77.3 FTEs.

	31/03/2018	30/06/2018	30/09/2018	31/12/2018	average	
					2018	2017
Number of employees	86	84	83	81	84	112
of which work in Bonn/Leipzig	84	83	82	81	83	87
of which work in Frankfurt	2	1	1	0	1	25
of which work full-time	70	69	68	67	69	87
of which work part-time	16	15	15	14	15	25

(Information without members of the executive board)

Audit fee

With respect to the financial auditor's fees pursuant to §285 No. 17 of the HGB for the 2018 fiscal year, please refer to the information in the DB PFK AG consolidated financial statement which includes the amounts for VÖB-ZVD Processing.

Payout block

The difference, which is subject to a payout block in accordance with § 253(6) Sentence 1 of the HGB amounts to €380k.

Due to the adequate freely available equity components which correspond to at least the amounts subject to a payout block, the limitations of the payout block do not apply during the fiscal year.

Payment transactions and payment volumes

During the fiscal year 8,299,255 (2017: 58,403,375) payment transactions were executed with a payment volume in the amount of €960.3 million (2017: € 4,036.8 million). The decrease is the result of the sale of the Frankfurt network operation in 2017 and the associated elimination of the related transactions.

Off-balance-sheet transactions/contingent liabilities

There are no off-balance-sheet transactions or contingent liabilities in accordance with §251 of the HGB

Report on Events after the Balance Sheet Date

After the conclusion of the fiscal year, no transactions of particular significance that might have an impact on the current and future development of VÖB-ZVD Processing were executed.

Profit and loss (profit) utilisation

The executive board recommends paying out the net profit in the amount of €7.981 million) to the shareholders.

Executives/managing directors

The following persons were hired in the past fiscal year:

Hermann Beckers, Bad Münstereifel,
Executive board spokesperson for VÖB-ZVD Processing GmbH Bonn
Division Manager at DB Privat- und Firmenkundenbank AG, Frankfurt am Main

Ingo Faerber, Cologne,
Chief executive of VÖB-ZVD Processing GmbH Bonn
Department Head at DB Privat- und Firmenkundenbank AG, Frankfurt am Main

Markus Schierack, Bonn
Chief executive of VÖB-ZVD Processing GmbH Bonn
Department Head at DB Privat- und Firmenkundenbank AG, Frankfurt am Main

Chief executive Faerber did not receive any compensation from VÖB-ZVD Processing during the fiscal year. Chief executive Schierack received his compensation from VÖB-ZVD Processing until mid-2018 and then transferred to DB PFK AG. Since 1 January 2019, Mr. Beckers has also been receiving his compensation directly from DB PFK AG.

The disclosure of the executives' compensation was waived in accordance with §286(4) of the HGB.

In compliance with §8 of the VÖB-ZVD Processing articles of association, a supervisory body (advisory board) was established. The following men and women were or are members of the advisory board:

Dr. Thomas Mangel
Board of directors Postbank Systems AG, Bonn

(Chair of the Advisory board)

Markus Dahm

Division Manager Corporate Purchasing DB Privat- und Firmenkundenbank AG, Frankfurt am Main

Britta Lehfeld

Board of directors DB Privat- und Firmenkundenbank AG, Frankfurt am Main

Dr. Andreas Steininger

Division Manager Sales Support DB Privat- und Firmenkundenbank AG, Frankfurt am Main

The members of the advisory board do not receive compensation.

The members of the executive and the advisory boards received neither advances nor loans from the company during the reporting year, as in the previous years.

Bonn 26 April 2019

The executive board

Hermann Beckers

Ingo Faerber

Markus Schierack

Situation Report
for the Fiscal Year from 1. January to 31. December 2018
VÖB-ZVD Processing GmbH Bonn

1. Basic information and business model

1.1 Basic information

VÖB-ZVD Processing GmbH, Bonn, (hereinafter referred to as VÖB-ZVD Processing) is a subsidiary of DB Privat- und Firmenkundenbank AG, Frankfurt am Main (hereinafter referred to as DB PFK AG). On 25 May 2017, Deutsche Postbank AG, Bonn (formerly VÖB-ZVD Processing's parent company), was merged into Deutsche Bank Privat- und Geschäftskunden AG, Frankfurt am Main, in accordance with §2(1) of the UmwG (Environmental Act), retroactively effective on 1 January 2018. At the same time, Deutsche Bank Privat- und Geschäftskunden AG, Frankfurt am Main, was renamed to DB Privat- und Firmenkundenbank AG, Frankfurt am Main. The company is a subsidiary of Deutsche Bank AG, Frankfurt am Main and is integrated accordingly, with its subsidiaries, into the Deutsche Bank AG consolidated financial statement. VÖB-ZVD Processing does business at its locations in Bonn (company headquarters) and Leipzig. The company belongs to the consolidated companies of Deutsche Bank AG. Moreover, VÖB-ZVD Processing is a consolidated company in the DB PFK AG subgroup.

In addition to being a subsidiary of the DB PFK AG Group, VÖB-ZVD Processing is also an institution of the Bundesverbandes öffentlicher Banken Deutschlands e.V., VÖB, Berlin. In its position as one of four banking head offices which handle what are commonly referred to as "sovereign tasks" in card-supported payment transactions on behalf of the associations represented in the Deutsche Kreditwirtschaft (DK), the company operates in the following business sectors on behalf of VÖB:

- Card production
 - Debit cards (electronic cash cards and customer cards)
 - Merchant cards (money card system)
 - Services in the card production segment (e.g. creation of PIN letters)
- Key management
 - Generation of cryptographic keys in accordance with the requirements of the Deutsche Kreditwirtschaft (e.g. PAC/MAC, PIN and chip keys)
- Routing/authorisation of national and international automated teller machines (debit and credit cards), electronic cash transactions, money card charging and online as well as batch blocking transactions
- Credit industry central database for the processing of money card revenues
- Online personalisation of terminals (OPT)
- Functional tests on money card and electronic cash systems on behalf of the four major credit associations.

VÖB-ZVD Processing is almost exclusively active on the domestic sales market for payment transaction services in Germany.

During the fiscal year, VÖB-ZVD Processing was subject to the legal standards of the ZAG and was monitored accordingly by BaFin and the Federal Bank in accordance with oversight laws.

In addition, VÖB-ZVD Processing is one of approximately 20 electronic cash network operators certified in Germany and acts as a ZAG service provider in the field of ATM operation for third-party location operators.

1.2 Business model

VÖB-ZVD Processing's business model did not change significantly after the sale of the Frankfurt network operation at the end of 2017. Only the revenue from the network operation, terminal sales and services associated with the Frankfurt network operation have been eliminated. The consequence thereof is that a comparison with figures from previous years can only be made to a limited extent.

VÖB-ZVD Processing's main areas of activity include the provision of infrastructure and payment transaction services via data and internet networks in the stationary and mobile point of sale segment, in the e-commerce segment and in similar segments. This includes the sale of the corresponding goods and services to providers, in particular, to commercial network operators and the transaction business, the acquisition and sale of licenses and other rights in the field of payment transactions and the execution of joint tasks of the Deutsche Kreditwirtschaft in the framework of payment transactions and the card system.

Effective 13 July 2018 pursuant to the permit notification from the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)) in conjunction with the notice of intent submitted in accordance with §66(2) of the ZAG (application dated 29 September 2017/18 January 2018) to continue providing payment services in accordance with §8 of the ZAG pursuant to the permits dated 28 April 2011 and 4 July 2012, VÖB-ZVD Processing possess the following permits pursuant to the ZAG (Payment Services Oversight Act):

- Deposit transactions (§1(1) Sentence 2 No. 1 of the ZAG)
- Payout transactions (§1(1) Sentence 2 No. 2 of the ZAG)
- Payment transactions (§1(1) Sentence 2 No. 3 of the ZAG) in the form of the direct debit transaction (§1(1) Sentence 2 No. 3a of the ZAG) and transfer transactions (§1(1) Sentence 2 No. 3c of the ZAG)
- Acquisition transactions (§1(1) Sentence 2 No. 5 of the ZAG)
- Financial transfer transactions (§1(1) Sentence 2 No. 6 of the ZAG)

The services provided by VÖB-ZVD Processing are largely offered to internal group customers. In addition, existing services or IT structures are also offered in the third-party customer segment.

2. Economic report

2.1 Overall economic framework conditions in 2018¹

Despite the fact that VÖB-ZVD Processing appears to be relatively unaffected by economic cycles or fluctuations as a result of the segments in which it operates, significant macroeconomic changes may impact VÖB-ZVD Processing's earnings situation. The focus is, however, on the conditions on the national market. In particular, changes in the overall economic demand in the private sector are relevant here. In addition, there are dependencies with respect to economic developments in the financial services sector, in particular, in the retail business segment.

The German economy demonstrated some surprising weaknesses in 2018. Delays with respect to emissions certifications for new vehicles inhibited automotive production and thus economic value creation. The growth rate decreased as result from 2.2 % in 2017 to 1.4 % in 2018. The annual average inflation rate in 2018 remained nearly constant at 1.9 % in comparison to the previous year (1.8 %). The German labour market continued to develop positively; the average unemployment rate decreased to 5.2 % (previous year 5.7 %). The low-interest policy of the European Central Bank (ECB) was continued in 2018. The main refinancing rate remained at 0.00%, the savings rate at -0.40 % and the peak refinancing rate at 0.25%.

2.2 Branch and market development / economic environment²

After the sale of the Frankfurt network operation and the associated elimination of a large portion of VÖB-ZVD Processing's third-party business, there are now greater economic dependencies to the branch and market developments in the banking sector. In particular, as a service provider for the group companies in the Deutsche Bank Group, VÖB-ZVD Processing is impacted more by market-based and product-specific changes in the retail segment.

In 2018, the banks in the Euro area recorded appreciable growth in the credit segment with companies for the first time since the financial crisis (volume +2% in comparison to the previous year). In contrast, the dynamic growth in real estate loans to households and consumer loans decreased slightly (to +3% or +5%). The unchanged and nearly historically low interest rate is putting a strain on banks' interest margins as well as the investment segment which cooled down considerably with companies (to only 3.5% in comparison to the previous year), but gained some momentum with private persons (to more than +4%). The bottom line is, Europeans banks' earnings and administrative costs should have decreased slightly and the risk provisioning even significantly (from an already low level).

In Germany, the issuance of loans to companies and self-employed persons in the last year accelerated rapidly (+5.5% in comparison to the previous year). That level hasn't been reached since the new economy bubble and was associated with a decline in the issuance of corporate loans. Business with private customers also continued its expansion (+3.5%), driven by mortgage volume which was 5% higher. On the refinancing side, the large deposits from households was maintained (+4.5%), however, they slowed down significantly on the corporate side (+2.5%). Despite the excellent credit quality, nothing should have changed with respect to the structurally low profitability of German banks, especially due to the intense competition and zero interest environment.

The persistent low-interest policy of the European Central Bank (ECB) continues to be a major challenge in retail banking, in particular, when investing customer funds. The associated challenges in

¹ Source: Internet: statista.com; destatis.de (Federal Office of Statistics)

² Source: Deutsche Bank Research Forecasts

the banking landscape of being able to generate adequate corporate earnings, in particular, from deposit-rich institutes, leads to reorganisation in their product and fee models. Thus, products, e.g. account models, are more highly optimised, however, there are now costs for services for consumers that were formerly free of charge. Moreover, the aforementioned challenges result in major effort being invested in the optimisation of institutes' cost basis. This is also made clear by, amongst other things, increased investments in digitalised processes. The changing requirements of bank customers from personal consulting toward multi-channel consulting and the use of multi-channel services are palpably changing the banking sector. The aforementioned factors impact on the VÖB-ZVD Processing's business development.

2.3 Business development

Earnings from commissions in the amount of €25.854 million (previous year €33.393 million) were generated in the 2018 fiscal year.

The company's major business segments have developed as follows from a non-monetary perspective:

Technical issuing

In the fields of routing, clearing and authorisation of electronic payment transactions, the transaction volume processed via VÖB-ZVD Processing's systems demonstrated positive development. 656 million transactions were processed in the 2018 fiscal year. This corresponds to a growth of 2.4 % in comparison to the previous year (641 million transactions). The positive development is connected to decreasing costs for the girocard system and the resulting change from electronic direct debit procedures (electronisches Lastschriftverfahren (ELV)) to girocard.

Technical acquiring/end device operation

A total of 335 million transactions were processed in the 2018 fiscal year. This corresponds to a reduction of 7.1 % in comparison to the 360 million transactions in the previous year. This is partly due to the increased use of the cash withdrawal option at the POS (cash back in the framework of the POS payment) and, on the other hand, the fact that a greater number of branch offices in the overall banking environment were closed in 2018.

In the end device operation segment (group internal terminal connections), the number of connected ec cash terminals successively decreased over the course of 2018 from 3,839 at the end of 2017 to 0 terminals because the POS network operation was transferred to a market participant in the last quarter of 2018. The transaction volume decreased from 5.2 million in 2017 to 4.9 million in 2018 (-0.8%).

Automatic teller machine operation

The number of operated automatic teller machines and cash recyclers for third-party location operators amounts to 1,566 in December 2018 (31/12/2017: 1,299; + 20.7 %) devices.

Cash management / cash forecast

As of the end of December 2018 the cash forecast was performed for a total of 9,461 end devices. This included both the automatic teller machines/cash recyclers belonging to third-party location

operators as well as the group's devices. Thus, the number increased by approx. 4.7 % in comparison to the end of 2017 (9,026 devices).

Internet payment transactions

The number of connected merchants in the third-party segment increased by 20.6 % to 10,652 in the fiscal year (2017: 8,831). The transaction volume developed in a positive direction and was at 30.9 million transactions at the end of 2018 (2017: 28 million; + 4.2 %). The decreasing trend of the previous years continued in the corporate transaction segment. The number of transactions dropped to 1.7 million (2017: 1.8 million).

Card production

A total of 3.1 million bank cards were produced during the reporting period (2017: 2.1 million). The growth was the result of the cycle-related fluctuations in the respective card generations that needed to be replaced. In addition, 1.6 million PIN letters were produced in the girocard, savings card and credit card segment (2017: 1.6 million).

Other important transactions in the fiscal year

Important transactions in the fiscal year from the company's perspective include:

- Conclusion of a contract (12/17 December 2018) with the Verband öffentlicher Banken (VÖB) to secure the publishing functions in the banking sector
- In the framework of the sale of the Frankfurter network operation, the majority of services from the Transitional Service Agreements (TSA) and the payment of the milestone payments by the purchaser were terminated.

Upon merging with DB PFK AG, Deutsche Postbank AG gave up its membership in the Bundesverband öffentlicher Banken Deutschlands e.V. (Federal Association of Public Banks in Germany). This has resulted in the need for VÖB-ZVD Processing to find a new cooperation model to secure the publishing function as a girocard publisher with the association. The provision of the cryptographic key by VÖB from 1 January 2019 was regulated in a contract which was concluded at the end of 2018.

Agreements (TSAs) for the continued operation of the sold IT infrastructure were concluded in 2017 in the framework of the sale of the POS network operation in Frankfurt (Project Felix). The provisions and the resulting payments expired as planned at the end of 2018. A new contract was drafted for the continued provision of communications services outside the TSA provisions which also secures the necessary availability of the SSL gateways for Six Payment Services (Europe) S.A., Luxembourg (Six Payment) terminals long-term. The postponed payments from the purchaser (milestone payments) associated with the migration progress were executed in 2018 as agreed.

3. Earnings, assets and financial position

3.1 Earnings

VÖB-ZVD Processing's earnings situation was once again positive during the fiscal year from 1 January to 31 December 2017 and closed overall with a gross profit amounting to €11.876 million (2017 €33.024 million). The 2018 fiscal year was impacted by a one-off effect. The sales transaction of VÖB-ZVD Processing's Frankfurt business segment (network operation) to Six Payment resulted in earnings from two milestone payments due after the successful technical migration in the amount of €6 million. If this special circumstance is taken out of the equation, the reconciled gross profit is €5.876 million (2017 €7.590 million). Adjusted earnings were offset against expected profits for the 2018 fiscal year in the amount of €5.822 million. The budget figure was therefore slightly exceeded. Please refer to our itemisations in the following paragraphs.

The interest earnings amount to -€283,000 (previous year -€246,000) and, at -€234,000, is above the expected negative target profit. The increase of the negative earnings is due in particular to increased interest accrual expenses for pension provisions (€220,000; previous year €139,000). The low interest rates also have an impact on the capital markets. The custody costs (0.4%) charged by DB PFK AG on VÖB-ZVD Processing's credit balances amounted to -€142,000 (previous year -€100,000). The interest expenses to be paid from the automatic teller machine segment from Postbank's operating loan are offset against interest earnings from the cost allocation to the third-party location operators in nearly the same amount.

The current earnings in the amount of €171,000 (2017 €94,000) pertain to the payout of the shares in SRC. The earnings on shares was €81k above the projections.

The commission profits amounted to €22.113 million during the fiscal year (previous year €25.323 million) and, ultimately, were below the projections at €1.203 million (-5.2 %). Please refer to the following statements regarding commission revenues. The commission revenues in the amount of €25.854 million (previous year €33.393 million) are offset against commission expenses in the amount of €3.740 million (previous year €8.070 million).

The technical issuing segment developed positively. Earnings in the amount of €9.208 million (previous year €8.687 million) were generated during the fiscal year.

An increase in earnings was also recorded in the technical acquiring segment (meaning in the literal sense of the phrase without end device operation). This segment contributed a total of €5.691 million (previous year €5.498 million) in commission revenues. Overall, it can be stated that the two aforementioned segments slightly exceeded the projections overall.

The earning in the end device segment cumulatively totalled €419,000 (previous year €5,049k). The decrease is almost exclusively due to the sale of the Frankfurt network operation in 2017 and the associated elimination of earnings. The projections which had already taken into account the decrease in earnings due to the sale of the Frankfurt network operation, were slightly exceeded.

The earnings from the operation of automatic teller machines/cash forecasts amount to €3.157 million during the fiscal year (previous year €2.446 million). The increase was the result of the increased number of connected and managed end devices. The projections were exceeded here.

The earnings from the card production/private customer (€3.313 million; previous year €3.007 million) and electronic payment (€1.595 million; previous year €1.762 million) sectors increased slightly overall in comparison to the previous year and were also slightly above the aggregated projections.

The earnings from the other business segments developed differently, but were overall higher than in the previous year. The projections here, however, were well below budget expectations because the earnings targets were only partly achieved and some expected project earnings could either not be realised at all or were not realised in the projected amount.

The commission expenses on the balance sheet date amounted to €3.740 million (previous year €8.070 million). The decrease is almost exclusively the result of the sale of the Frankfurt business segment in 2017 and the associated elimination of the costs (primarily cost of sales). Overall, the commission revenues exceeded the budget figure by €562,000, which is largely due to higher expenses in the areas of issuing and acquiring as well as automatic teller machines/cash prognosis. These additional expenses will, however, be more than compensated for by higher earnings from the aforementioned segments.

The personnel costs decreased by €2.070 million to €7.543 million in comparison to the 2017 calendar year. The decrease was the result of the sale of the Frankfurt network operation and the associated transfer of the Frankfurt staff to the purchaser in 2017. Overall, the budget figure for 2018 was slightly exceeded at €118,000. The company's staff, including the senior management, consisted of 82 employees at the end of the fiscal year in December 2018 (31/12/2017 89 employees). In accordance with the corporate calculation method, this corresponds to a total of 77.28 full-time employees (FTE) (31/12/2017 83, 61 FTE), taking full-time and part-time employees into account. Please refer to our presentation in the Appendix.

The other administrative expenses amount to €7.620 million (previous year €10.472 million) and are thus significantly below the previous year. The underlying projections (€8.342 million) were also well short of this figure. The cause of the lower costs is almost exclusively the elimination of the legal, consulting and project services incurred in the framework of the sale of the Frankfurt network operation. In general, it can be stated that cost savings, which already began in the previous year, cost savings were achieved in smaller amounts spread across a variety of individual expense types. The cost discipline ordered on the corporate side, was successfully complied with.

The other operating earnings for the fiscal year amount to €7.016 million (previous year €30.151 million) and was almost exclusively the result of the milestones payments in the amount of €6 million, payable after the successful technical migration, for the sale of the Frankfurt network operation.

The write-downs on intangible and tangible assets amount to €1.879 million (previous year €2.212 million). Please refer to our statements in the Appendix as well as in the assets analysis in the attachment to the Appendix. Overall, the write-downs during the fiscal year, at €251,000, were below the budget figure which is primarily the result of the fact that the acquisitions were not executed until later in the reporting year and several acquisitions had not yet reached operationally ready status within 2018.

3.2 Asset situation

The company's balance sheet total increased by €9.367 million to €149.542 million during the 2018 fiscal year (31/12/2017 €140.176 million). The major changes are as follows:

On the asset side, the increase in cash reserves by €15.237 million and the increase in receivables from payment institutes by €5.041 million are largely offset against the decline in receivables from credit institutes by €9.378 million, the deferred charges by €788,000, the tangible assets by €512,000 and the intangible assets by €400,000. The liabilities side is largely characterised by the increase in liabilities due to credit institutes by €20.817 million, which is offset by a decrease in equity

capital by €-8.007 million and the provisions by €-2.878 million as well as a reduction of other liabilities by €-860,000.

Three major items on the VÖB-ZVD Processing balance sheet are the asset items, cash reserve and receivables from institutes in accordance with §1(2a) of the ZAG which, in total, are offset against the liabilities item, liabilities due to credit institutes. These balance sheet items correspond largely. The reason for this is the automated teller machine segment operated by the company. The operating loan utilised by DB PFK AG in the amount of €90.792 million (31/12/2017 €70.535 million) serves almost exclusively to stock the automatic teller machines with cash. The balances are reported under cash reserves. In addition, the receivables from institutes include the payment transaction files from credit card revenues at automatic teller machines that have been submitted but not yet cleared. The remaining liabilities due to credit institutes were almost exclusively the result of the elc fees from girocard transactions toward the end of 2018, which have yet to be paid to the institutes issuing the cards.

The significantly decreased receivables from credit institutes are primarily the result of the reduced business account balances which, in turn, are related to the dividend payout executed in 2018.

Several components of the balance sheet item, receivables from credit institutes, must be held in escrow accounts in accordance with §13 of the ZAG. These escrow conditions are the result of, amongst other things, the money card segment, in which the credit on the debit cards from the institutes that issue the cards and are managed by VÖB-ZVD Processing are managed in escrow accounts (€10.326 million; 31/12/2017 €10.006 million). The trust balance is offset by corresponding liabilities due to customers. VÖB-ZVD Processing does not possess any call money or time deposits in 2018 due to the current low-interest phase. DB PFK AG continued to charge the custody costs for the credit balances in own business accounts in 2018.

The company holds a 22.5% share in SRC Security Research & Consulting GmbH (SRC) which is incorporated in Bonn. SRC's share capital amounts to €1 million. The other shareholders are Bank-Verlag GmbH, Cologne, der Deutsche Genossenschafts-Verlag eG, Wiesbaden, and Deutsche Sparkassen Verlag GmbH, Stuttgart-Vaihingen, (each 22.5%). 10% of share capital is held by Mitarbeiterbeteiligungs-GbR. In the 2018 fiscal year, a gross profit of €171,000 (2017: €94,000) was earned on the shareholding.

On the balance sheet date, the company held a share of 1% in EURO Kartensysteme GmbH (EKS) which is incorporated in Frankfurt am Main. No profit on shareholdings were earned on the shareholding during the reporting year.

Regarding the development of the capital assets, please refer to our statements in the Appendix and the attachment to the Appendix (asset analysis).

The deferred charges (€1.626 million; 31/12/2017 €2.414 million) are the result of, in particular, It-specific licensing models and advance payments for future maintenance and support services as well as prepaid salaries. The decrease is largely the result of the elimination of previously necessary maintenance and support services for the Frankfurt business segment.

The provisions amount to €9.380 million (31/12/2017 €12.258 million) and include provisions for pensions and similar obligations (€1.907 million; 31/12/2017 €1.470 million), tax provisions (€5.306 million; 31/12/2017 €8.759 million) and other provisions (€2.167 million; 31/12/2017 €2.029 million). The other provisions amount to €657,000 (31/12/2017 €538,000) for personnel related matters and €1.510 million (31/12/2017 €1.490 million) for other matters, of which €479,000 are primarily allocated

to dismantling obligations, €703,000 to outstanding invoices and €304,000 to annual financial statement, tax consultation and archiving costs.

3.3 Financial situation

The balance sheet equity decreased by €8.007 million to €33.158 million (previous year €41.165 million), which corresponds to an equity capital rate of 22.2% (31/12/2017 29.4%). The equity capital, determined according to supervisory provisions and in accordance with §15 in conjunction with §7 of the ZAG in conjunction with the ordinance governing the capital adequacy and required liability coverage of institutes in accordance with the Payment Services Oversight Act (Zahlungsdiensteaufsichtsgesetz (ZIEV) amounts to €21.245 million on 31 December 2017 (31/12/2017 €10.292 million) after taking into account the relevant deductions and without taking the net profit into account.

The equity capital is comprised of the share capital amounting to €425,000 (31/12/2017 €425,000), the capital reserve amounting to €10.847 million (31/12/2017 €10.847 million), the retained earnings amounting to €13.905 million (31/12/2017 €3.905 million) and the net profit amounting to €7.981 million (31/12/2017 €25.988 million).

During the fiscal year, it was ensured at all times, that the company was able to fully meet its financial obligations using its own resources. All financial obligations were met. On the balance sheet date, VÖB-ZVD had available credit balances in the amount of €32.168 million (31/12/2017 €45.836 million) in its own current accounts. In addition, the company has a line of credit with DB PFK AG for a potential peak demand.

During the fiscal year, investments in the amount of €966,000 were executed. These investments include €279,000 for intangible assets and €687,000 for tangible assets, in particular, hardware components. The procurement costs for intangible assets largely consist of licenses and upgrades for the MATs-systems. The accruals in the tangible assets largely consist of new and replacement acquisitions from the IT segment (server architecture, storage systems and network and security systems).

The investments in the 2018 fiscal year were all financed from liquidity inflows from the current business activities and existing credit balances.

3.4. Overall statement on the 2018 business situation

The 2018 fiscal year closed with gross earnings in the amount of €11.876 million (previous year €33.024 million). On the financial statement date, VÖB-ZVD Processing's financial and economic situation are in order and it has solid capital resources. Overall, the senior management has come to the conclusion that the overall development progressed very positively in the 2018 fiscal year, due, in particular, to the one-off effect.

3.5 Financial and non-financial performance indicators

All of the company's major financial performance indicators were defined by the management, the development of the personnel segment (personnel expenses and FTE development), the commission revenues, the administrative expenses and the gross profit. This information is illustrated via an internal reporting system. All key performance indicators flow into the corporate control.

On the company level, the management defined the fulfilment of the concluded Service Level Agreements (SLA) as the non-financial performance indicators for VÖB-ZVD Processing. These

pertain to the high availability of the data centre and the technical availability of the client-capable authorisation systems, MATs Issuing and MATs Acquiring. What is not explicitly defined as a non-financial performance indicator on the company level is the fact that VÖB-ZVD Processing is integrated into the process for measuring employee satisfaction because it belongs to the Deutsche Bank Group. This process is conducted on an annual basis using an electronic survey. The motivation and loyalty of the company's staff was determined, in particular, by means of a variety of questions.

4. Opportunities report

After terminating the majority of transitional services to SIX Payment Services (Europe) S. A., which were also provided in 2018 in the framework of the sale of the Frankfurt POS third-party customer network operations, VÖB-ZVD Processing has strongly shifted its focus back to its services in the Deutsche Bank Group and in the German credit industry. Currently the European payment services landscape is undergoing comprehensive changes. In addition to the regulatory changes (PSD2), new product segments (instant payment), new market participants (Figo, Klarna), increased consolidation measures and corporate mergers can also be seen in Europe. In addition, the technical innovation and standardisation in the payment sector has also increased massively (contact-free, mobile payment, instant payment, payment processes using QR codes, etc.). The company sees huge opportunities to accompany the new developments for the Group from a technical perspective and in the role of a service provider, thus providing added value for both the Group companies as well as third-party customers in the future. To pro-actively accompany these changes, the company started designing a new Digital Payment Management System ("DPMS") which will support the management of digital payment tokens and required life cycle processes for mobile payment services in the future.

In addition, regulatory requirements have an increasing impact on the operative operation of the company. Thus, in 2018, on the basis of the new application for the ZAG licenses and their requirements, the necessary documentation was adapted or expanded accordingly. The MATs platform and the clearing system were certified for the first time in 2018 in accordance with the then current PCI-DSS standard to be able to meet the needs of the continuously increasing IT security requirements.

As a result of the merger of Deutsche Postbank AG and Deutsche Bank Privat & Geschäftskunden AG on 28 May 2018, a series of measures were announced to combine the IT/back office processes and the central functions in the private and corporate customer segments while retaining the "Postbank" and "Deutsche Bank" brands. The strategic repositioning and clear commitment to the domestic market aim to create a market leader in the private and corporate customer segment in Germany and utilise the mutual benefits of scale. The senior management sees this step as a positive one since it results in additional potential for the expansion of VÖB-ZVD Processing's business activities in conjunction with the classic business segments. Previously planned projects that were temporarily stopped in the framework of the demerger in 2015/2016, may be resumed in the next 12-24 months as a result of new strategy initiatives.

Based on the statements above, VÖB-ZVD Processing's senior management assumes that all of the business segments will continue to succeed, but is carefully monitoring developments, particularly in the payment branch. This forecast pertains not only to the coming 2019 fiscal year but also to the four subsequent years up to and including 2023 based on the assumption of a reduced gross profit from the operative business operations in comparison to 2018, despite, for instance, known individual contract-related inflation or tariff-related cost increases. The basis of the planning assumptions, in particular the revenue development, was selected conservatively. Potential additional earnings opportunities from the reintegration into Deutsche Bank are not reflected in detail.

Overall, the described opportunities in their totality, will be slightly greater, taking potential and existing risks into consideration, and will continue to make a positive contribution toward the positive development of the company. The senior management sees additional earning potential with respect to the medium-term development while simultaneously maintaining a high level of cost discipline.

5. Risk report

As a payment institute, VÖB-ZVD Processing is required to have adequate business organisation pursuant to § 27(1) of the ZAG. Proper business organisation includes, in particular, adequate corporate control measures, control mechanisms and procedures that ensure the institute meets its obligations. Moreover, the operation and maintenance of a loss database and complete documentation of the business activities which ensures seamless monitoring by BaFin for its area of responsibility, is required. An adequate emergency concept for the IT systems is also required.

The management defined a business strategy and risk strategy which was acknowledged by VÖB-ZVD Processing's advisory board. The objectives and specification for the major business activities set forth in the business strategy were taken into account in the development of the risk strategy. In addition, the risk strategy must adequately take the limitation of risk concentrations into account. A consistent IT strategy, based on the statements in the business and risk strategy was developed and adopted. The specifications of the individual strategies must be reviewed and, if needed, updated at least once a year.

Central principles are formulated in the risk strategy on which the detailed risk management processes are based. Thus, the risk management processes are based on regulatory requirements, but also take operational matters into account. In addition, Deutsche Bank Group risk management system regulations that apply throughout the entire group must be implemented and complied with. Each individual employee is responsible for target-oriented and effective risk management, though the management bears the overall responsibility and it cannot be delegated.

The management has derived three superordinate business segments for VÖB-ZVD Processing:

- Handling of what are commonly referred to as “sovereign tasks” on behalf of the Deutsche Kreditwirtschaft.
- Provision of services for the VÖB member institutes and the Deutsche Bank Group companies (in this case, in particular, DB PFK AG, Deutsche Bank AG norisbank AG)
- Provision of payment services in accordance with §1(1) Sentence 2 of the ZAG and a variety of additional payment service-related services for third-party customers

The principle risk avoidance or risk transfer as major components of VÖB-ZVD Processing's risk strategy differ in these three business segments. The first two business segments primarily include operational risks. A conscious risk avoidance (e.g. not concluding risky transactions) is only possible to a highly limited extent here due to the particularities and objectives (sovereign tasks and internal group services). In the third business segment (third-party-oriented), there are also marginal counterparty default risks. As a result of the identified market conditions and particularities, there is a conscious acceptance of these risks which are minimised by means of a variety of controls.

In principle, the following requirements with respect to the risk management system have been derived for VÖB-ZVD Processing:

- Recording, analysing and assessment of existing risks (e.g. in the form of a risk inventory)
- Implementation of a risk-bearing capability model, taking the risks at VÖB-ZVD Processing identified as major risks
- Implementation of an adequate risk control and monitoring process for all major risks.
- Integration into VÖB-ZVD Processing's organisational and process structure
- Regular transmission of risk-related information as regular (risk) reports to the decision makers or ad-hoc if defined threshold or risk values are reached
- Implementation of appropriate escalation procedures in the framework of risk monitoring and risk reporting in the event of identified risks
- In the event of existential risks, immediate transmission to the management and the advisory board and initiation of appropriate countermeasures
- Creation of a monitoring system to control compliance with implemented measures

In principle, VÖB-ZVD Processing includes all defined types of risks (counterparty default, market price, liquidity risks as well as operational risks) in its risk management processes. In light of the particularities of the business segments operated by VÖB-ZVD Processing, only the operational risks are classified as major risks by the management in the framework of a risk inventory. Due to the particularities of VÖB-ZVD Processing's business activities and the creditworthiness of the debtors (primarily subsidiary of the Deutsche Bank Group and domestic credit institutes) and the implemented monitoring and safeguards, the counterparty default risks in the short-term segment are considered to be of lesser significance. The probability of the occurrence of a relevant counterparty default is considered very low. No market price risks arise from VÖB-ZVD Processing's business, which is largely independent of interest. Moreover, the company is highly restrictive with respect to financial investments. The liquidity risks are also insignificant due to the capital resources and own cash and cash equivalents on hand. On this basis, the counterparty default, market price and liquidity risks are considered to be of lesser importance and are therefore not major risks.

On the balance sheet date, the equity capital requirements according to supervisory regulations, in accordance with ZAG in conjunction with ZIEV, amount to €2.191 million. In addition, VÖB-ZVD Processing reserves a lump sum of the equity capital for the (theoretical) counterparty default risk totalling €260,000 and €2.250 million for operational risks in the framework of the risk-bearing capability for potential claims for damages. After taking into account the aforementioned risk potential of the various risk types, VÖB-ZVD Processing is left with a free risk coverage amount for unexpected losses in the amount of €18.73 million. The risk-bearing capability as defined is therefore met.

In the framework of the risk-bearing capability model, conservative assumptions were made when determining risk potential with respect to the operational risk classified by the management as a major risk. An analysis of the actual defaults in the past, however, resulted in a significantly lower risk. The financial department can present a corresponding default history in this context. Moreover, past losses are recorded in a database of losses.

There were no major losses from counterparty defaults (value adjustments or write-offs) in the 2018 fiscal year as in 2017.

An operational risk, based on the management's understanding, is the risk of losses resulting from the inadequacy or failure of internal procedures and systems, people or as the result of external events. The objective of OpRisk controlling is to systematically and promptly identify operational risks with their causes and interdependencies. The need for ad-hoc management of crisis situations should not be limited to an influenceable residual risk. Ad-hoc management in particular is often associated with high costs and should therefore remain the exception.

In addition to the regular, generally monthly examination of the company's risk situation in the manager/department head jour fixes, an annual risk inventory is also conducted as an instrument to identify the major risk areas. This qualitative measure to identify and control the risks is used, in particular, to manage the operational risks. A review of all VÖB-ZVD Processing organisational units will be conducted based on standardised surveys to determine which risks they bear and the significance or loss potential they represent. The results of the risk inventory are then prepared, transmitted to the senior management and, if needed, measures are initiated.

To avoid losses in the area of operational risks, VÖB-ZVD Processing possess an emergency strategy in the framework of a company-wide emergency management system and dedicated business continuity plans (BCP's) and catalogues of measures which are defined in writing in the various department-specific emergency manuals and the emergency planning concept (framework). The normative environment, roles and responsibilities as well as the conduct and measure in the event of an emergency, among other things, are examined in these documents. In addition, the documentation requirements, preventive measures and the prevention of emergencies and the need and obligation to conduct emergency tests are also defined in writing here.

In total, there was only one loss during the 2018 fiscal year (2017: no losses) from the area of operational risks. It was recorded in the central database of losses in accordance with the written directive.

Concentrations/cluster risks in the area of counterparty default risks arise for VÖB-ZVD Processing due to its involvement in the Deutsche Bank Group. With respect to the market price, liquidity or operational risks, the senior management did not identify any relevant concentrations of risks that require corresponding steering or control. There were also no indications of risk concentrations from the expense-side perspective (procurement, suppliers, etc.).

Overall, the management believes the company risks will remain moderate to low in the future. No significant monetary risks have been determined for the future. On the level of the determined individual risks, currently no existential risks have been identified.

VÖB-ZVD Processing, as a subsidiary of the Deutsche Bank Group, is integrated into appropriate risk management processes on the group level. The manuals, frameworks and strategies adopted and communicated within the Group are also binding for VÖB-ZVD Processing. For this reason, a local OpRisk Manager (ORM) has been appointed who manages the corresponding, superordinate management processes for VÖB-ZVD Processing. This includes, in particular, the recording of losses of more than €1k in a central database of losses and monthly risk indicator reports. In addition, every six months, the risk control department - operational risk management (RIS ORM) at DB PFK AG initiates and conducts a self assessment process to evaluate the operational risks of the group companies.

The financial department drafts a risk report in the framework of the quarterly risk reporting process which is reported to the VÖB-ZVD Processing advisory board. The risk report includes the relevant information on the areas of general management information, key performance indicators and the

equity base, risk-bearing capability, money laundering, outsourcing management, losses during the reporting period and projects and other information.

The internal audit is a major component of VÖB-ZVD Processing's corporate and process-dependent monitoring systems. The internal audit assignment has been almost completely outsourced to DB PFK AG's corporate auditing department in the framework of an internal group outsourcing agreement. The communication and monitoring of the outsourced service between VÖB-ZVD Processing and the audit department is secured by an audit officer or is conducted directly via the senior management. As part of the corporate monitoring system, DB PFK AG's auditing department reviews all of VÖB-ZVD Processing's activities and processes. The audit is planned and the audit frequency is defined on the basis of a risk-oriented auditing method and is supplemented by the specifications and standards of the Deutsche Bank Group. To maintain the independence of the auditor in a multi-client business (e-payment segment, §24c of the KWG (Banking Act) central account database, paydirekt), an external financial auditing firm has been tasked with auditing these business segments since 2013. The processing of any potential complaints determined in the framework of internal or external audits is monitored centrally. Responsibilities and deadlines for their rectification must be clearly assigned. After the notification that the processing has been completed, the results are reviewed again by the auditing department.

6. Prognosis Report

An analysis of the deviations between the projections reported last year and the actual values on 31 December 2018 was performed in the chapter "Earnings, assets and financial situation". The senior management defined the company's major financial performance indicators as the development of the personnel segment (personnel expenses and FTE development), the commission revenues, the administrative expenses and the gross profit. The high availability of the data centre and, in particular, the availability of the client-capable authorisation systems, MATs Issuing und MATs Acquiring, were defined as non-financial performance indicators. They must be reported monthly as risk indicators and are contractually defined in Service Level Agreements. The availability of MATs Issuing must be 99.7% (actual 2018: 99.99%) and MATs Acquiring must be 99.5% (actual 2018: 99.99%).

The forecast for the commission revenues for the 2019 fiscal year is €20.849 million. Thus, the projections are nearly identical in comparison to the actual commission revenues in 2017 (€22.113 million). The senior management expects generally lower earnings in the core business segments, end device operation and electronic payment. They should, however, be partially compensated for by increases in earnings in the automatic teller machine/cash prognosis business segments due to the target growth. In principle, the executive board has determined additional opportunities with respect to earnings from, amongst other things, projects implementations and one-off effects for 2019 which have not been taken into account in the budget values yet.

The personnel expenses are budgeted at €8.013 million. The budget increase in comparison to the actual budget in 2018 is based on the assumption that the overall number of staff will increase slightly by the end of 2018 as a result of open positions being filled. If these positions are not filled quickly, the actual personnel expenses will be below the budget figure.

The administrative expenses are expected to amount to €7.965 million as per the original projections. Thus, the budget figure is above the actual figure for 2018 which is primarily due to the expansion and extension of the technical facilities (e.g. data lines and IT systems). The cost discipline will also have a significant impact on the expenditures in 2019 as well.

A total gross result of €3.031 million is expected for VÖB-ZVD Processing's business segments in 2019. This earnings expectation includes the normal business operations and does not reflect the additional earnings opportunities described in the opportunities report. The expected savings resulting from retroactive cost-related ambitions, to the extent they are realistic and can be implemented, are not yet reflected in the projected value. Thus this value is a very conservative assumption which should be seen as the lower end of the profit prognosis.

Though, as already explained in the opportunities report, the management sees opportunities in being able to accompany the new developments for the group from a technical perspective and in the role of a service provider, these opportunities have not yet been incorporated into the budget. In addition to the future handling of services for the Deutsche Bank Group, this also includes the option of participating in the implementation or establishment of technical innovations and standardisation processes.

In November 2018, the company's advisory board approved new, replacement and expansion investments totalling €2.290 million for 2019, of which €805,000 are allocated to intangible assets and €1.485 million to hardware components and other operational and business equipment. The investments are largely life cycle-related new and replacement acquisitions for the MATs-systems and the planned modernisation of the network architecture.

Statement from the senior management

We ensure, to the best of our knowledge and in accordance with the applicable accounting principles that the annual financial statement provides a true and fair view of VÖB-ZVD Processing GmbH's assets, financial situation and earnings and in the situation report, the course of business including the business performance as well as the position of the Group are described in such a way that they provide a true and fair view of the important opportunities and risks associated with the development of the Group.

Bonn 26 April 2019

Hermann Beckers

Ingo Faerber

Markus Schierack

Audit certificate from the independent financial auditor

To VÖB-ZVD Processing GmbH Bonn

Auditor's opinions

We have audited VÖB-ZVD Processing GmbH Bonn's annual financial statement, consisting of the balance sheet dated 31 December 2018 and the profit and loss statement for the fiscal year from 1 January to 31 December 2018 as well as the Appendix, including the presentation of the accounting and assessment methods. We also audited VÖB-ZVD Processing GmbH's situation report for the fiscal year from 1 January to 31 December 2018.

According to our assessment based on the findings of the audit,

- The attached annual financial statement complies in all major respects with the German regulations under commercial law applicable to institutes and, in compliance with the German principles of proper accounting, conveys a true and fair picture of the asset and financial situation of the company on 31 December 2018 and its earnings situation for the fiscal year from 1 January to 31 December 2018 , and
- The attached situation report conveys, overall, an accurate picture of the company's situation. In all major respects, this situation report is in line with the annual financial statement, is in compliance with the German statutory regulations and accurately portrays the opportunities and risks of the company's future development.

pursuant to §322(3) Sentence 1 of the HGB, we declare that our audit did not result in any objections against the regularity of the annual financial statement nor against the situation report.

Basis of the auditor's opinions

We performed our audit of the annual financial statement and the situation report in compliance with §317 of the HGB and in compliance with the German principles of proper financial auditing set forth by the Institut der Wirtschaftsprüfer (Institute of Financial Auditors (IDW)). Our responsibility under these rules and principles is described in more detail in the section "Responsibility of the financial auditor when auditing the annual financial statement and situation report" in our audit certificate. We are independent from the company in accordance with German regulations under commercial and professional law and have met our other German professional obligations in accordance with these requirements. We are of the opinion that the audit documents we received are adequate and suitable to act as a basis of our auditor's opinions on the annual financial statement and situation report.

Responsibility of the legal representatives and advisory board for the annual financial statement and situation report

The legal representatives are responsible for drafting the annual financial statement which complies in all respects with the German regulations under commercial law applicable to institutes and for ensuring that the annual financial statement, in compliance with the German principles of proper accounting, conveys a true and fair view of the asset, financial and earnings situation that reflects the company's actual situation. In addition, the legal representatives are responsible for the internal controls which they have deemed necessary in compliance with the German principles of proper accounting, to allow for an annual financial statement that is free of major misrepresentations, intentional or unintentional.

When drafting the annual financial statement, the legal representatives are responsible for assessing the company's ability to continue its business activities. In addition, they are responsible for submitting information related to the continuation of the company's activities, if relevant. In addition, they are responsible for accounting for the continuation of the company activities on the basis of the accounting principles unless actual or legal circumstances require otherwise.

The legal representatives are also responsible for drafting the situation report which, overall, conveys an accurate picture of the company's situation and which complies, in all major respects, with the annual financial statement, the German statutory regulations and accurately portrays the opportunities and risks of the future development. The legal representatives are also responsible for the precautions and measures (systems) which they have deemed necessary to allow the situation report to be drafted in compliance with the applicable German statutory regulations and to be able to provide adequately suitable evidence of all the statements in the situation report.

The advisory board is responsible for monitoring the company's accounting process used to draft the annual financial statements and the situation report.

Responsibility of the financial auditor when auditing the annual financial statements and the situation report

Our objective is to obtain adequate certainty regarding whether the annual financial statement as a whole is free of major misrepresentations, intentional or unintentional, and whether the situation report conveys a generally accurate picture of the company's situation and which is in compliance, in all major respects, with the annual financial statement and the findings of the audit, complies with the German statutory regulations and accurately portrays the opportunities and risks of the future development as well as to issue an audit certificate that includes our auditor's opinions regarding the annual financial statement and the situation report.

Adequate certainty is a high degree of certainty, but not a guarantee that an audit performed in compliance with 317 of the HGB in accordance with the German principles of proper financial auditing set forth by the Institut der Wirtschaftsprüfer (IDW) will always uncover major misrepresentations. Misrepresentations can be the result of violations or inaccuracies and are considered major if it can be reasonably expected that they have an individual or overall impact on financial decisions of addressees made on the basis of this annual financial statement and situation report. During the audit, we exercise due diligence and maintain a critical stance. In addition,

- We identify and assess the risks of major misrepresentations, intentional or unintentional, in the annual financial statement and in the situation report, plan and conduct audit actions as a response to these risks and obtain audit evidence that is adequate and suitable to act as a basis

of our auditor's opinions. The risk that major misrepresentations will not be uncovered is higher with respect to violations than by inaccuracies because violations may be associated with fraudulent conduct, intentional incomplete information, misleading representation or the disabling of internal controls.

- We gain an understanding of the internal control systems relevant to the audit of the annual financial statement and the precautions and measures relevant to the audit of the situation report in order to plan audit actions that are appropriate in light of the circumstances, but not with the objective of submitting an auditor's opinion regarding the efficacy of these company systems.
- We assess the adequacy of the accounting methods applied by the legal representatives and the justifiability of the estimated values and associated information presented by the legal representatives.
- We draw conclusions regarding the adequacy of the accounting principles applied by the legal representatives to the continuation of the company's activities and, on the basis of the received audit evidence, whether there is significant uncertainty regarding events or circumstances that might result in significant doubts in the company's ability to continue its business activities. If we come to the conclusion that there is significant uncertainty, we are obligated to indicate the corresponding information in the annual financial statement and the situation report in the audit certificate or, if this information is inadequate, to modify our respective auditor's opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit certificate. Future events or circumstances can, however, result in the company not being able to continue its business activities.
- We assess the overall presentation, the structure and content of the annual financial statement, including the information and whether the annual financial statement presents the underlying business incidents and events in such a manner that the annual financial statement, in compliance with the German principles of proper accounting, conveys a picture of the asset, financial and earnings situation that reflects the actual situation.
- We assess the compliance of the situation report with the annual financial statement, its compliance with the law and the picture it conveys of the company's situation.
- We conduct audit procedures on the forward-looking statements provided by the legal representatives in the situation report. On the basis of adequately suitable audit evidence, we assess, in particular, the significant assumptions on which the forward-looking statements provided by the legal representatives are based and assess the proper derivation of the forward-looking statements from these assumptions. We do not provide an independent auditor's opinion regarding the forward-looking statements and the underlying assumptions. There is a significant, unavoidable risk that future events will deviate significantly from the forward-looking statements.

We discuss with the person responsible for monitoring, amongst other things, the planned scope and schedule of the audit and significant audit determinations, including potential defects in the internal control system that we determined during our audit.

Frankfurt am Main, 30.April 2019
KPMG AG
Wirtschaftsprüfungsgesellschaft

Hahn, Financial Auditor

Curt, Financial Auditor